Is It Better to Give? Testing the Impact of Perceived Training Investment on Employee Outcomes

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Abstract

The main objective of this study is to extend the perceived training investment (PTI) research that has relied primarily on the mechanism of a social exchange in the PTI-outcome link by proposing an alternative mediator, namely ‘value congruence’. Value congruence refers to a compatibility between a person’s value and his/her organization’s culture, which we expect to explain the unique pathways from PTI to work outcomes. The present study, therefore, builds and tests a new model wherein the mediating mechanisms of social exchange and value congruence that should ‘co-exist’ in the relationship between PTI and employee work outcomes, including affective organizational commitment and job satisfaction. To test the hypothesized co-mediator model, this study has conducted a three-phase, time-lagged questionnaire survey and collected the data from 545 full-time employees working for privately-owned manufacturing firms in Japan. The model was tested based on a structural equation modeling with a bootstrap indirect test. The findings showed that, consistent with the study’s hypotheses, PTI at Time 1 had significant indirect effects on employee work outcomes at Time 3, simultaneously through value congruence and social exchange both measured at Time 2. The findings help HRM researchers understand the nature of organizational training investment that may lead to enhanced work outcomes via the value congruence and social exchange between an employee and an employing organization. Also, our findings suggest that organizations may wish to invest in employee training particularly when they need a dynamic fit of employees with organizational values and missions that are changing over time.

Key Words: Perceived training investment, value congruence, social exchange, affective organizational commitment, job satisfaction