GNITED MINDS
Journals

AN ANALYSIS ON EMPLOYEE TRAINING AND DEVELOPMENT RELATIONSHIP AND TECHNIQUE IN INDIA: A STRATEGIC HRM FUNCTION

An Analysis on Employee Training and Development Relationship and Technique in India: A Strategic HRM Function

Dr. Mohammed Shafiuddin[1] Dr. Khamis Said Al-Muniri[2]

[1]Lecturer in Business Studies Department, NCT

[2]Lecturer & Asst. Dean in NCT

Abstract – In this context, human resources are the most important asset of statistical offices. Appropriate and skilled human resources are essential to ensure the production of high quality statistics and to implement more efficient and effective production processes based on new technologies. Proactive human resources management is essential to achieve the abovementioned change and to allow statistical offices to meet the challenges today and in future.

This paper highlighting good practices in human resources management Training and development in statistical offices. The papers cover a range of issues from recruitment and retaining of qualified staff and setting up training programmes, to competence mapping and management development. These papers have been presented at seminars and workshops on human resources management and training in India.

The purpose of the study was to investigate the relationship between Training and Development (T&D) as a Human Resource Practice and the organizational performance (OP) in India. The study hypothesized that; there was a positive relationship between T&D and OP and therefore the need to investigate how specific the two variables relate.

Today employees no longer are eager to join any new organization where their knowledge and skills do not get upgraded. Providing opportunities for learning is being used as a retention tool by large number of organizations. Attracting and retaining employees have become a challenging task in the competitive environment. Increase in training budget and providing proper training have become the strategies of the best companies to magnetize, retain and get highest quality output from the employees. This article explores the training and development practices used by the Indian organizations for effective utilization of its workforce.

- x -

INTRODUCTION

Training and development play an important role in the effectiveness of organisations and to the experiences of people in work. Training has implications for productivity, health and safety at work and personal development. All organisations employing people need to train and develop their staff. Most organisations are cognizant of this requirement and invest effort and other resources in training and development. Such investment can take the form of employing specialist training and development staff and paying salaries to staff undergoing training and development. Investment in training and development entails obtaining and maintaining space and equipment. It also means that operational personnel, employed in the organization's main business functions, such as production, maintenance, sales, marketing and management support, must also direct their attention and effort from time to time towards supporting training development and delivery. This means they are required to give less attention to activities that are obviously more productive in terms of the organization's main business. However, investment in training and development is generally regarded as good management practice to maintain appropriate expertise now and in the future.[1,2]

Organizations are increasingly spending more money annually on training with the belief that it will give them a competitive edge in the local and global market.

Training as an organizational intervention may be defined as a well thought of set of activities aimed to facilitate learning of knowledge, attitude, and skills among its people in the organization to improve their current job performance and contribute to the achievement of organizational goals. On the other hand, development pertains to long-term planned efforts to enhance the total growth of human resource that will lead to the fulfillment of personal and organizational goals.

Training is indispensable and becomes strategic if it takes into account long-term organizational goals and objectives. Having goals such as development of new and better products, expanding to a global market, and developing a workforce with core competencies are strategic (Lynton and Pareek 2000). [3]

The human resource management (HRM) function has increasingly been recognized as an important element of a company's strategy in India. Organizations attempting to succeed in today's global business environment must invest in the acquisition and development of employees.

There are, however, substantial limitations associated with existing empirical research on training and development across nations, impeding organizations' capabilities to design and implement effective HRM practices within and particularly across nations.

The nature of the study is exploratory and only a first step toward identifying cross-cultural training and development practices in an attempt to discover a set of common practices. As such, the study has two main objectives: (1) to report on current and desired training and development practices in India. (2) to establish whether there are common training and development practices. [4]

The constant pressure to maintain superiority in the marketplace prompts the need to constantly upgrade employee skills and knowledge and to improve positive work-related attitudes. The method most commonly used to attain these goals is training and development. According to Armstrong (2006) and Haunstein (1998) the objective of training and development, as asserted by is to develop the skills and competences of employees to improve their performance; to help people grow within the organization in order for the organization to meet its future HR needs. According to Drummond (2000) training involves the use of formal and informal processes to impart knowledge and help people acquire the skills necessary for them to perform their jobs satisfactorily, while development prepares employees for other positions in the organization and increases their ability to move into jobs that may not yet exist. Development therefore is about preparing for change in the form of new jobs, new responsibilities, or new requirements. Therefore, training and development is a necessary effort of a company to improve quality and to meet the challenges of global competition and social change. [5-7]

Arago´N-Sa´Nchez et.al (2003) observes that there is no all-embracing concept that brings together the processes of education, learning, T&D. However, it must be clear that they are inextricably linked. They share many common principles, e.g., learning theories, assessment and evaluation, and design of programs, and so there is the need for synthesis. Lundy et al further reiterate that each individual matures over a lifetime and that development is the process, which can enable employees to reach a personal full potential. Development is therefore, for the most part, long term in focus. Education contributes to each individual's development by facilitating the attainment of mental powers, character and socialization, as well as specific knowledge and skills.

Providing formal and informal training experiences, such as basic skills training, on-the-job experience, coaching, mentoring and management development can further influence employees' development and hence, their performance. Training, when well done, will reflect in productivity, that is, productivity will increase, there will be reduction in accidents on the job and in the end profits of the organization would be maximized; the ultimate goal of every employer. Dessler (2003) and Mondy (2008) sums up how T&D influences corporate performance by arguing that developing human capital through continuing training may increase the productive output from each employee either through improvement in skill level or through improvement in morale and job satisfaction.

Past researchers have found evidence on the impact of training on productivity and where employees and employers were able to share the benefits from training. On the other hand, Lynch and Black (1995) whose research focused on the generality of training to OP revealed that only off-the job (general) training improves on the performance whereas on the job training does not. This is further concurred by Barrett and O'Connell (2001) that general training has positive impact on firm performance whereas firm-specific training does not. On the other hand, Nankervis, Compton and McCarthy (1999) were of the opinion that effective training would not only equip employee with most of the knowledge and skills needed to accomplish jobs, it would also help to achieve overall organization objectives by contributing to the satisfaction and productivity of employee in India. Therefore, one can conclude that training provide adequate criteria to an individual to perform better in a given task and subsequently contributes to the firm performance.[8-13]

OBJECTIVES

- Relate concepts and principles from the psychology of training and development to real occupational issues in order to make a constructive contribution to organizations.

Dr. Mohammed Shafiuddin[1] Dr. Khamis Said Al-Muniri[2]

• Recognize the psychological assumptions made in making training and development decisions and to manage these assumptions appropriately.

• Appreciate the contextual factors of real organizations and work situations that affect decisions concerning the application of training and development concepts.

• Provide a basis for making useful training interventions within Indian companies/ organizations and evaluating such interventions.

EVALUATION OF TRAINING AND IMPLEMENTATION

Implementation covers the logistical aspects like venue, food, budget, equipment, resource persons, transportation, and participants. These should be properly attended to during the actual conduct of the training. Therefore, training programs are done within the company or outside depending on the nature of the program and the financial capability of the organization. It cases where the organization has earmarked a sufficient budget for major training program especially for managers, these are done outside of the company with external consultants as trainers.

This last phase of the training process requires the assessment of the conduct of the training activity. The evaluation is concerned with the measurement of the training success or effectiveness to establish whether an investment in a particular training has paid off. The training effectiveness is usually determined based on the achievement of the previously set objectives and results, considering the needs, methods, and other areas of training administration. According to Kirkpatrick (1998). There are four levels of evaluating training programs. These are the (1) reaction: (2) learning: (3) behavioral change: and (4) impact to organization. The reaction level measures the participants' feedback right after the conduct of the training. Feedback is taken related to attainment of objectives, processes, methodologies, time, reading materials, resource persons/facilitators, and other logistics of the training. On the other hand, participants' learning level determines what specific skills, knowledge or even what they learned is commonly asked at the end of the training period. [14]

ROLE OF TRAINING IN AN INDIAN COMPANIES/ORGANIZATION

Training is a short-term process utilizing a systematic and planned procedure by which non-managerial personnel learn technical knowledge and skills for a definite purpose. It is the most significant technique of human resource development. It plays quite an important role in achieving the individual and organizational objectives. It aims at an organized assessment of the business environment including the external as well as the internal environment, and accordingly ensures the management of available resource to improve the individual's knowledge, skill and capabilities in order to cope up with the business challenges and attain the competitive advantage for organizational excellence.

Modern Training Practices in Various Organization: There are several kinds of training methods used by trainers in organizations.

The designer of a training program needs to recognize each of these to determine the best method for meeting the training objectives. Some of the methods are lecture method, case study method, conference, in-basket method, T-group training, role play exercise, induction training, cross functional training, creativity training, diversity training, refresher training, and safety training. Besides, there are various innovative and modern training techniques used by renowned Indian companies tabulated in Exhibit.

Corporate Training Initiatives in India: In the last 10 years, business organizations in India have made outstanding progress in terms of their training initiatives. This is mainly due to the boost in competition and because of the entry of multinational companies in India, which has required them to look for various alternatives to develop organizational effectiveness.

Indian organizations have realized the significance of corporate training. Training is considered as more of a retention tool than as a cost to the organization. Not only have organizations increased their investment in training and development practices, but they have also systematized training policies and practices right from the training need analysis to training evaluation and feedback. Today, human resource is a foundation of competitive advantage for all organizations. Therefore, the training system in the Indian industry has been distorted to create a smarter workforce and yield the best results. The optimum utilization of human resource is the target of any company and training is a tool to increase business outcomes.

It is required in each area of company like sales, marketing, human resource, relationship building, logistics, production, etc.

Since 2003, for using training function as a strategic business tool, American Society for Training and development (ASTD) gives honor to those organizations that show organization-wide achievement. It is proud for the nation that Indian

Dr. Mohammed Shafiuddin[1] Dr. Khamis Said Al-Muniri[2]

organizations are participating and are awarded every year by ASTD for representing excellence in training function. In the year 2008, four organizations from India were able to get entry in the winner list of 40 best organizations. These organizations were: Reliance Industries Limited, Nagothane manufacturing division having strength of 2,157 employees, Infosys Technologies Limited having 79,016 employees, Wipro Limited having 60,000 employee strength, and ICICI Bank Limited with employee strength of 40,880. This is an optimistic sign which clearly shows that organizations operating in India are also very serious about their training and development function.

Aditya Birla Group - In all multinational companies of India, Aditya Birla Group is the most renowned. It is truly a value-based company and its vision and mission are rooted in Indian values. The group is driven by performance ethic pegged on value creation for its multiple stakeholders. Its core values are integrity, leading change, excellence, respect for individual learning and sharing. This is one of the companies that believe in the trusteeship concept of management.

To increase the knowledge and skills of employees, this group has established a center in Navi Mumbai known by the name Gyanodaya. Gyanodaya has been envisioned as a hub, the backbone of a process that sharpens the group's competitive edge. Closely linked to the vision of the group is the Gyanodaya vision: To be at the core of an effective learning network that, as a strategic business partner, harnesses knowledge and intellectual capital, to contribute to Aditya Birla Group's vision of being a premium conglomerate.

Infosys - Infosys Technologies Ltd. headquartered in Bangalore, provides Information Technology (IT) consulting and software services to clients globally— as partners to conceptualize and realize technology-driven business transformation initiatives. It is very essential for the company to upgrade its workforce regularly to compete in the global market. Retention of employees is the biggest challenge for every company. To overcome this challenge, Infosys provides training and development opportunities to its employee's right from the start. The company has bagged many awards from ASTD as the world's best company for providing best training and development opportunities to the employees. The company is known best for its Global Business Foundation School which runs the program for all fresh engineering graduates who join Infosys and prepare them for the technical and environmental opportunities present in the market. The Global Business Foundation School has various centers all over the world.

Infosys has achieved awards for its Global Education Center which was set up in 2005. This center provides training not only in technical skills but also in soft skills. It also provides leadership program to new entrants to develop leadership qualities. New engineering recruits undergo a 14.5 weeks 'Initial Learning Program'

operated by the company. This aims to transform engineers from diverse disciplines into software professionals and initiates them into the Infosys way of life.

After joining Infosys, induction is given to the employees, addressed by NR Narayana Murthy by an audio visual presentation. During the program, the new hires are groomed to shed their 'campus frivolousness' and assume their new roles as professionals and corporate citizens. In the induction program, the core values of company are presented before the employees. In the company, technical as well as soft skills have its own significance. The main focus of the company is always on developing technical skills but they also give emphasis on various skills like leadership qualities, global business etiquette, interpersonal skills, communication skills, management skills, analytical skills, decision making, etc.

EMPLOYEE DEVELOPMENT AND TURNOVER

Investing in human resources through training and management development improves individual employee capabilities and organizational capabilities. But investing in people is not the same as investing in equipment or machinery. When an organization invests in new computers, for example, the cost can be depreciated over multiple years; but when an organization invests in management development, it is a cost for that year and cannot be depreciated.

If an organization invests in new equipment, it is expected that the equipment will pay for itself in faster production, less waste, lower maintenance costs, and so forth. But if an organization invests in improving the knowledge and skills of its employees, there should be some benefit to the organization. How should the organization measure the effect? As measures of training program success, Kirkpatrick (1959) suggested using four criteria:

1. Reaction: what the trainees thought of the particular program;

2. Learning: what principles, facts, and techniques trainees learned;

3. Behavior: an assessment of changes in trainee job performance; and

4. Results: the impact of the training program on organizational objectives, such as turnover, absence, and costs.

Measuring the return on investment for a training program adds a fifth level to the criteria. Phillips's (1996) summary of the American Society for Training and Development's return on investment for training case studies in a variety of industries notes that the returns on investment ranged from 150% to 2000%.

Dr. Mohammed Shafiuddin[1] Dr. Khamis Said Al-Muniri[2]

There is a second reason that organizations have a bias toward investments in equipment rather than employee development. Developing your employees makes them more attractive to other employers, potentially making them more likely to turnover. After they have been developed, employees are free to leave the organization to work for another organization, taking the organization's investment in their improved level of knowledge or skills with them to their new employer. According to this counterproductive logic, it is better not to develop your own employees, to prevent competitors from potentially benefitting from the training. [15]

TRAINING AND DEVELOPMENT

The study sought to find out whether T&D had an effect on organizational performance in India. T&D as an independent variable was investigated. Preliminary questions were if the T&D department existed in an organization and the indicators of need for training. Majority of the organization, 87.9% indicated it was in place while 12.1% indicated it did not exist. The indicators of need for training are 61.7% Performance Appraisal reports as outlined on table 1. This contradicts the earlier findings that Performance Appraisal was not used to indicate training needs. Employees' grievances indicate training need by 23.3%, absenteeism, tardiness and turnover indicted 6.7%, accidents and others 4.2% each.

Indicator of Need for Training	Percentage
PA reports	61.7
Employees grievances	23.3
Absenteeism, tardiness and turnover	6.7
Accidents	4.2
Others	4.2
Total	100

Table 1 Indicator of Training Needs.

Other issues under T&D were investigated in relation to the organizational performance as shown in table 2. On the issue of existence of T&D policy, 65.6% of the respondents either agreed or strongly agreed that it was in place. Another 51.2% of the respondents either agreed or strongly agreed that training needs identified were realistic and were based on organizational training needs. This is good for respective corporations since 80.3% of the respondents said training and had a strong influence on organizational performance. However, quite a number of respondents ranging from 59.4% to 71.8% either strongly disagreed, disagreed or were neutral on adherence to T&D policy, sharing of knowledge gained during T&D process, attendance to regular training programs, whether training programs aim to train employees new skills and if T&D enhances teamwork. This findings are in line with Chang and Chen (2002)'s findings who in his study in Taiwanese

high technology firms, established that T&D significantly affected productivity. Other Researchers Chiu et al. (2002); Tepstra and Rozell, (1993) established that T&D has positive association with firms' performance. [16, 17]

T&D issues	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
There is T&D policy in place	8.0	12.0	14.4	46.4	19.2
T&D policy is strictly adhered to	17.9	22.0	29.3	21.1	9.8
Employees are given opportunities to share knowledge gained during T&D process	8.0	26.4	25.6	33.6	6.4
Employees undergo regular training programs	12.2	28.5	18.7	26.0	14.6
Training needs are identified through a formal process	12.7	27.8	21.4	28.6	9.5
Training programs aim to train employees new skills	8.8	21.6	24.0	31.2	14.4
T&D enhances teamwork	10.5	32.3	29.0	18.5	9.7
Training needs identified are realistic based on organizational needs	7.3	22.0	19.5	36.6	14.6
T&D has strong influence on organizational performance	0.8	7.4	11.5	25.4	54.9

Table 2 Training and Development.

CONCLUSION

Successful organizations are investing increasingly more in employee training and development, the potential if not the very form of instructional delivery is changing as training and development is even becoming an integral mechanism for restructuring organizations. The advancements in research should provide the foundation for principles that will ensure more effective and more efficient trainee learning maintained overtime.

The study sought to find the kind of relationship that existed between training and development and organizational performance. Majority of the organization, 87.9% indicated training and development department was in place. The indicators of need for training are 61.7% performance appraisal reports.

The findings on Training and development revealed its strategic positioning since it directly promoted organizational business goals and objectives, and thereby enhancing organizational performance. The environment in which most organizations operate today is continuously changing, and the rate of change is increasing. Almost most organizations are now involving in tremendous increase in international business and foreign assignments. Training and developing the workforce offer an interesting case of

Dr. Mohammed Shafiuddin[1] Dr. Khamis Said Al-Muniri[2]

change for any organization in light of uncertain and rapidly changing environment.

REFERENCES

[1] Patrick, J. (1999). Training Research and Practice. London: Academic Press.

[2] Warr, P. B. (2002). Learning and training. In P.B. Warr, (ed) Psychology at Work. London: Penguin Books.

[3] Lynton, R.P. and Pareek, U. (2000). The Human Resource Development Handbook. London, UK: Kogan Page Ltd.

[4] Jennings, P.D., Cyr, D., & Moore, L.F. (1995). Human resource management on the Pacific Rim: integration. In L.F. Moore & P.D. Jennings (Eds.), Human resource management on the Pacific Rim: Institutions, practices, and attitudes (pp. 351–379). Berlin: de Gruyter.

[5] Armstrong, M. (2006) Strategic Human Resource Management: A Guide to Action. Kogan Page, London

[6] Haunstein, N.M.H. (1998) Training Raters to Increase the Accuracy of Appraisals and the Usefulness of Feedback. in Smither, J.W. (Eds.), Performance Appraisal: State of the Art in Practice, Jossey-Bass. San Francisco

[7] Drummond, H. (2000). Effective Management: A hand book for manager. Kogan Page.

[8] Arago´N-Sa´Nchez, A., Barba-Arago´N, I. and Sanz-Valle, R. (2003) "Effects of Training on Business Results", International Journal of Human Resource Management, 14, pp. 956–80

[9] Dessler, G. (2003) Human Resource Management 9th e.d Upper Saddle River, N.J.: Prentice Hall,

[10] Mondy, R. W. (2008) Human Resource Management (10th Edn) Pearson Prentice Hall, New Jersey

[11] Lynch, L. M., and Black, S. E. (1995). Beyond the incidence of training: Evidence from a national employers' survey. NBER working paper 5231

[12] Barrett, A., and O'Connell, P. J. (2001), Does training generally work? The returns to in-company training. Industrial and Labor Relations Review, 54, 647-662.

[13] Nankervis, A. R., Compton, R. L., and McCarthy, T. E.(1999). Strategic Human Resource Management,(3rd Ed.), Nelson ITP, Melbourne.

[14] Kirkpatrick. DL (1998). Evaluating Training Programs: The Four Levels. San Francisco: Barrette-Koehler.

[15] Phillips, J. J. (1996). ROI: The search for best practices. Training & Development, 50(2), 42-47.

[16] Chang, P.L., & Chen, W.L. (2002). The effect of human resource practices on firm performance: empirical evidence from high-tech firms in Taiwan. International Journal of Management, 19(4), 622.

[17] Chiu, R.K., Luk, V.W.M. and Tang, T.L. 2002. "Retaining and Motivating Employees: Compensation Preferences in Hong Kong and China", Personnel Review, 31, pp. 402–31.

Dr. Mohammed Shafiuddin[1] Dr. Khamis Said Al-Muniri[2]