

# Impact of Training and Development Programmes on Performance and Profits of Organization

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**Abstract** – The study revealed that there is an impact or linkage between various HR practices and quality of service provided by the employees, employees continuing the service with same firms, quality of product provided by the employees. Training is a lot of exercises intended to expand a person's aptitudes, information and experience. It brings attitudinal change among the employees, builds the job involvement, organizational commitment and job satisfaction and thus improves employee performance. Factor analysis revealed that Performance Management System, Employee Benefits, Job Design, Staffing, Work-Life Balance and Job Complexity are important HR practices out of an array of practices available. Path Analysis of Structural Equation Modeling exposed that HR performance like Employee Absenteeism, Turnover and Job Satisfaction acts as a mediator between various HR practices & Firm performance like Service Quality, Product Quality, and Employee Productivity.

**Key Words** - Training, Development, Performance Management, Employee Performance, Organizing Training

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## 1. INTRODUCTION

The growing importance of the sector can be reflected by its increasing contribution towards India's GDP which was about 1.2% back in the year 1998 and got increased by 7.5% in the year 2012 and the graph is still on. Unlike other sectors, IT-ITES sector has human brains working for it and hence recruits intellectual capital which in itself is a challenging task. One can say it's a challenge as human being, as well as their brains, need to be taken care of and with this concept comes into the picture of how to take effective care of them. The only way out is to provide them with better facilities, compensations, taking care of their requirements at every stage of their career etc which one in all is termed as Human Resource Practices. And with this concept into considerations, firms now a day have realized the importance of human capital and hence make huge investments after them. And last but not the least to what extent firms need to stretch themselves being handling these important assets and how to leverage this investment and return on investment things. Theories on Human Resource Management practices and performance have been studied and conducted by researchers in order to study and explore more insight into this mysterious relationship. The present study is just one another study in the same direction to try to study HRM

practices provided by the firms and Employees or Organization performance but in the IT-ITES industry.

### 1.1 Training

"Accordingly, training refers to the methods utilized to give new or existing workers the skills required to perform their jobs. "In fact, training focuses on performance improvement, "aiming at maintaining and enhancing current job performance." Education is also the essential feature that leads directly to human capital growth. "Training is an essential part of the organization, because technology evolves at a faster rate continuously. Regardless of recent technical advances, processes and methods quickly became out-dated. These include elements of scientific, administrative, and behavior. Organizations, which do not build a program, use the growing technology that quickly becomes obsolete to catch up with needs. Developing individuals in the organisation, therefore, will add to the organization's effectiveness. The successful curriculum process can greatly help monitor the directions the workers develop in the company's best interests. "A strong

training program often means that workers grow in a manner that suits their career plans”.

## 1.2 Training Needs Assessment

The strategic goal of the requires evaluation to align training programs with the overarching objectives of the organization. The assessment of needs is critical because it helps to assess if either training is a feasible alternative for an organisation depends on its resources & strategy. This defines the level of instruction that will be given & outcomes or metrics for future assessment. Lepak (1992) 12 & Snell (2002) 13 concentrated on the implementation of the following job trends for occupational classes, that differ in strategic importance & uniqueness.

| S. No. | Employment Mode | Training Foci                                                                              |
|--------|-----------------|--------------------------------------------------------------------------------------------|
| 01.    | Commitment      | Providing employees with long-term development incentives.                                 |
| 02.    | Productivity    | Training preparation of staff in key skills provides minimal opportunities for development |
| 03.    | Collaboration   | Training employees in teamwork & relationships; offering incentives for teamwork;          |
| 04.    | Compliance      | Training staff on safety concerns; concentrating on policies, processes & programs.        |

## 1.3 Organizing Training Function

An significant logistical question is that an company will take responsibility for preparation or outsource the training to outside vendors. A study undertaken by the Society for HRM showed that 57% of HR & training practitioners outsourced all or half of their programming programmers (Johnson 2004).

Numerous methods has been developed for the management & usage of training & growth tools. Which include consultancy companies (a non-training company that focuses on teaching), internal benefit carter (internal community providing training programs & generating profits), internal cost center (internal company delivering cost-effective instruction), leveraged skills (small local community of trainers), production shop (external group developing contract-based courses) & course m. Neo (2008) indicates that perhaps the market embedded model (BE) has become increasingly common. The BE model offers an opportunity to benefit from structured preparation whilst ensuring the programs meet business needs. Even so, the BE training process sees trainees as

customers. However, the corporate university model centralizes teaching to insure that best management standards are disseminated throughout the organization. In fact, the corporate university model allows companies to manage expenditures while establishing standardized educational standards & policies.

## 1.4 Training Need

The need is assessed by the computation of the required performance minus those of the actual performance. “The first decade of the twenty first century will see the value of products and services determined more by the knowledge of the workforce and less by physical labour besides the demographic shifts that are also to be seen. They are, aging of the population, lower birth rates, significant fluctuations in general educational achievement, increased diversity of ethnic and cultural makeup, and differing values of newer generations of employees”.

High quality products & services are just required to remain in operation in today's dynamic business environment. Training workers to fulfill the expectations of the company would make it easier for the business to face the challenges. Nonetheless, the teaching requirements may be defined utilizing the following methods.

1. Performance appraisal
2. Analysis of job requirements
3. Organizational analysis
4. Employee survey
5. Individual himself requesting for training
6. Management services surveys

## 1.5 Purpose of Training

The success of an organization relies, to a considerable degree, on the efficacy of a training programme, which will have two goals. (Gordon P. Rabey).

1. Production of work to the appropriate specification, quantity, cost & time requirements, since that is the reason why the organization is in operation.
2. The creation of workers, by expertise & experience, in order to satisfy the discernible requirements of the company & therefore to try to understand the capacity of each person in these fields.

Purposes justify the key issue, such as improved profitability, enhanced organizational performance & healthy & harmonious working climate. Such

aspects will only be accomplished by introducing specific abilities or relevant experience to chosen individuals, reducing the time taken to acquire a new career, and lowering costs. Standardization of existing practices is intended to allow new employees to reach average earnings as quickly as probable. During this situation, quality requirements should be accomplished, preserved and enhanced. To order to improve perceptions towards particular conditions and to ensure proper functioning or repair of equipment, spoilage & waste should be minimized to a significant extent, to addition to enhancing safety on the job. Supervisory & managerial skills can also be expanded.

## **2.1 Forms of Training**

Training is a development phase that includes the acquisition of expertise, the improvement of abilities, principles, laws or improvements in attitudes and behaviors to improve the efficiency of employees. In on-job preparation, the person conducts instruction when conducting his or her assigned duty, while in off-job training, the employees of the company are called upon to undergo a training session in order to acquire a skill. Many approaches include structured instruction, curriculum preparation, internal training courses, external training courses, life-time counseling, mentoring, teaching assignments and activities, professional testing, product training, technological training, behavioral intervention teaching, role-playing and role-playing, attitudinal growth and progress, certified training and learning, distance learning. Certain sections of the instruction checklist, accessible for use and relevant to human and corporate training needs.

Evans (1999) claimed that workforce training plays a major role in the growth of organisations. It increases the efficiency of workers and eventually places businesses in the strongest shape to succeed and remain at the top. There is a clear partnership between organizations that educate its workers and organizations because not every company that is dedicated to generating money for its owners (shareholders) and delivering better service to its clients and beneficiaries will invest in the training of its employees.

Smith (2002) discussed a range of problems that tend to be of interest to young people through their apprenticeships and apprenticeships, their motivation and their success through education and learning. Although many young people appear to take advantage of off-the-job training before they initiate their training contracts, the dynamic changed slightly during their first year of jobs, with a better awareness of how off-the-job preparation might extend their learning to compensate for shortcomings in their workplaces.

Grobler, Warnich, and so on. (2006) indicated that administrators benefit the most from job tasks that are

very complicated and demanding. The management preparation curriculum will provide tasks and work allocation schedules to hold supervisors under their boundaries. Garavan (2008) has found that the disparity in what staff and managers view as successful preparation involves workplace scores for work teaching, counseling, mentoring, one-on-one guidance, task sharing and shadowing as the most important methodologies. Employees, on the other hand, find college services and classroom-based instruction to be the most successful.

Alipour, Salehi, Shahnava (2009) examined that if an company requires highly engaged, up-to - date, innovative and successful employees, it needs to start developing a plan for the future. This approach would understand that organizational success is entirely based on the output of the people in the company, which requires engaging in these people by preparation. The findings of this research have demonstrated that technical training has a beneficial impact on the productivity of executives, the accomplishment of corporate goals and economic benefits. With these advantages when preparation is allocated to organisations, any organisation with strong expectations must carry out these preparation in order to obtain such benefits.

## **2.2 Effectiveness of Training**

In this complex and ever-changing world, both public and private organisations are investing in the learning and growth of workers. Training aims to concentrate on urgent operational requirements and a relatively quick increase in the efficiency of employees. This has a significant impact on existing standards of results. In order to be effective, a training plan must have specific and practical goals. Such priorities should direct the design of the curriculum and define the standards on which its success will be measured.

Goldstein and Ford (2002) hypothesized that training quality induces behavioural improvement (i.e. transition of expertise to work results) resulting in organizational success. Pelham (2009) indicated that the quality of recruitment is a strong indicator of workplace performance. This correlation indicates that when a person is engaged in a training program, the success of the preparation is likely to be reflected by the actions of the work.

Yildirim (2010) reported that the commitment of human resource managers to reviews on training is outstanding. In view of this response, policy adjustments are made after the training participants have a constructive mindset towards the program. Hung (2010) has identified four types of considerations that may explain the success of the preparation and improvement plan being introduced. These types are: behavioural shifts, awareness enhancements, abilities and qualities,

concrete and tangible consequences. Reaction of trainees (employees) with regard to expected training advantages and increased results.

Kumar and Yanan (2011) have noticed that the training atmosphere is the greatest engine of training performance. If it doesn't work, curriculum experts may be called in to develop or update the courses. New initiatives are being pursued, published and bought with the expectation that they would increase the standard of instruction for workers. The consequence of taking such exams suggests that workers have a certain degree of analytical maturity and will be able to carry out what they have been learned back at work.

Chahal (2013) noticed that preparation and productivity raise the morale of workers, develop abilities, increase their results and give them the ability to get a better career and succeed in their work. The purpose of the program is to provide the trainee with the ability to improve their behavior, add to their success and develop their abilities. Sharma and Mittal (2015) also determined that successful preparation will enhance the efficiency of employees. The present research aims to describe the effect of NTPC preparation on the success of employees. The research concluded that there is a strong correlation between training and employee efficiency, which implies that if training is successful at NTPC, the output of workers would eventually improve.

### 2.3 Impact of Training on Employee Performance

Ghafoor and Ahmed (2011) noticed that training and growth has a significant effect on the success of workers and that companies will offer instruction to their workers. Training and growth is a benefit not just for the employee, but also for the company itself.

Farooq and Aslam (2011) noticed that preparation and input improved the degree and momentum of employee results. Training as a stimulus drives the abilities of the practitioners to a greater degree than where they actually stand. Farooq and Khan (2011) also found that the efficiency of workers would have an influence on organizational effectiveness. In a globalized world, further competencies are required to do the job and are possible by preparation and are therefore important to achieving the goals of the company.

Chandrasekhar (2011) indicated that work has two forms of effects on the motivation, efficiency and commitment of workers, both positive and negative, if you have a healthy work atmosphere, the effect would be positive. Singh and Mohanty (2012) argued that schooling has a major role to play in terms of efficiency because it has a clear connection with schooling given to workers across industries. Firms will improve and maximize the productivity of existing staff by delivering robust preparation and growth programmes. Training offers workers a chance to practice their work online

and do it more knowledgeably, thereby growing the profitability of the business.

Saeed and Asghar (2012) argued that inspiration is an unconscious feeling that comes from inside. When workers are inspired to work, they are driven to do more work, and empowered employees play a vital part in the performance of companies.

Bhatt (2013) claimed that the organizational efficiency is greatly influenced by the training given to the employee and the success of the company relies on the engagement of the employee, which in effect depends on the training and development HR policy.

Subbulakshmi and TAMILASARAN (2013) hypothesized that training has a beneficial impact on workplace efficiency and allows workers to develop their identities in a more demanding market setting. Ishrat (2013) indicated that training and development programs are required for the success and organizational growth of employees. Data suggests that workers are engaged in training and growth programs; they believe that these types of practices are important to enhance their efficiency and build communication to them. Nassazi (2013) indicated that workplace preparation plays a significant role in improving success and producing high-level productivity, contributing to improved business power in the dynamic marketplace.

Elnaga and Imran (2013) have interpreted the progress or loss of any company depends primarily on the results of its workers and acknowledge the companies are able to invest in training initiatives for the growth of their workers. It facilitates the filling of the distance between the output expected and the real performance of employees. Amin, Saeed and Lodhi (2013) argued that teaching would have the biggest effect if it is coupled with other human resource management activities, and that such methods are often applied on the basis of solid concepts and scientific study.

Ameeq and Hanif (2013) observed that preparation has a significant effect on the output of employees and appeared to improve the average real performance of employees. Training increases the working productivity of workers in order to improve their standard of success.

Ahmad, Iqbal, Mir, Haider and Hameed (2014) argued that training and growth had a significant effect on employee results. Imran, Maqbool and Shafique (2014) observed that, with the advent of technology, workers in the banking sector continue to be inspired to do their job and that there is a greater need for training to develop employee skills and awareness of new technologies.

Raza (2014) conducted research on the oil and gas sector in Pakistan and noticed that the workplace policy plays a vital role in the development of the company. Firms adopt systematic T&D strategies to

improve the performance of employees and to meet the organizational objective of qualified employees. Their hygiene is deemed to be an advantage for the business. Kum, Cowden and Karodia (2014) regarded training as an incentive to improve long-term efficiency and to invest in training and learning is essential for any company that would definitely enjoy a return on its expenditure in training and the growth of its workers. Jobs are basically assets within an enterprise and can also be viewed as intellectual resources. The more they are interested in, the better they can demand from them in terms of success actions that will offer the company a competitive advantage.

Sethi and Aggarwal (2014) concluded that connecting employee responses to day-to-day learning and work success leads to organizational rewards and results. With regard to the efficacy of training in changing the actions and attitude of workers, all staff, regardless of age ranges, accepts that the training system has improved their behavior and attitude, suggesting that, in order to produce the greatest outcomes in this field, training must be carried out on a regular basis.

Rajeshwari and Palanichamy (2015) sought to research the influence of training programs on employee performance and to offer feedback as to how the firm might enhance the efficiency of its workers by successful training programs and to observe that there is a clear connection between employee growth and employee results.

Mozael (2015) argued that as long as training is a central tool or means of enhancing organizational efficiency, training practices can lead to enhancing the expertise, skills, awareness and mindset of workers, as qualified personnel conduct their duties effectively rather than through untrained staff.

Imran and Tanveer (2015) concluded that there is a clear yet optimistic correlation between training and growth and employee success in Pakistani banks. Shakeel and Lodhi (2015) looked at the effects of training and development. It leads to better cooperation, increased mental outlook and successful administrative work force. In organizations where adequate preparation is not received, workers do not work well or there is a great deal of disparity between qualified or unskilled employees.

## **2.4 Recent Trends in Training and Development**

Training and Development takes many forms, However, when consciously integrated with the overall business agenda, it may have a significant effect on the degree of efficiency, success and engagement of employees. Everyone will believe that productive companies today view workforce preparation and growth as an imperative expenditure. Training days are long gone as teaching has to be carried out in a manner that provides people the knowledge, expertise

and inspiration they need to do their job well and reach their goals. Organizations are continually focused on delivering the best preparation and the best employees at the right moment. This ensures that the effort is beneficial both for those concerned and for the organization. In a dynamic global economy, the scale of their respective employees is the main distinction between firms offering the same good or service. Building people's ability, built and implemented to address the actual needs of industry and its employees, gives companies a clear competitive edge.

Heraty and Collings (2006) have shown that innovation in human resource production is the third major factor to sustainable economic growth in Ireland. In their definition of human resources, they included the degree of employment, job experience of the employees, managerial skills and preparation and growth and information acquisition.

Bhatia and Kaur (2014) proposed that emerging global developments in the business environment would put further focus on implementing a systemic strategy to training and growth in order to reach a higher degree of operational performance. Organizations are now attempting to relate market planning to preparation. Present and projected developments indicate that organisations looking to maintain qualified workers ought to include continuing incentives for growth and advancement. Many companies calculate the return on expenditure in training programs.

Suhasini and Suganthalakshmi (2015) argued that organizational training strategies are evolving quickly owing to the advent of web-based learning on the Internet and business intranets. Computers are becoming bigger, smarter, smaller and invisible. Instructional site architecture is moving from basic paper page conversion to increasingly advanced artificial intelligence systems leveraging modeling and computerized tutoring. Since smart programming and the use of vast libraries allow it much simpler to configure, online learning is moving from web-based classes to time-based performance support systems. At the same period, networking has allowed greater cooperation in the workplace and better use of human resources within the enterprise. The current global developments in the business world will put further focus on adopting a systemic approach to training and growth in order to reach a higher degree of operational performance. Organizations are now attempting to relate market planning to preparation. Present and potential developments indicate that companies that wish to attract professional workers ought to have on-going growth and training opportunities.

Findlay, Reynolds, David and Belcher (2015) explored the reality that technical advances have made teaching methodologies as inexpensive and more efficient than conventional training

approaches. Owing to cost benefits, companies continue to integrate modern, state-of-the-art learning methods such as You Tube, social networking, twitter and other latest developments into their training systems. Otherwise, like other businesses who have not modified their operating practices in the face of emerging technologies, corporations will suffer and fall. Khosla (2015) argued that the most successful combination of training strategies is the usage of YouTube videos in typical seminars or as part of an online learning program. The younger generations accept them and are inspired to learn by these methods, in particular those including social contact.

## CONCLUSION

"Training is an integral aspect of the organization, because technology advances at a higher pace continuously. Regardless of recent technical advances, processes and methods quickly became out-dated. Those involve elements of scientific, administrative, and behavior. The need is assessed by calculating the performance required, minus that of the actual performance. Those involve elements of scientific, administrative, and behavior. Organizations, who do not build a program, utilize those technologies that quickly becomes obsolete to keep up with needs. Developing individuals in the organisation, therefore, will add to the organization's effectiveness. The successful curriculum process can greatly help monitor the directions the workers develop in the company's best interests. "A good system of training always ensures that employees evolve along the lines of their career plans."

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