

OPPORTUNITIES AND BENEFITS OF EMPLOYEE TRAINING AND DEVELOPMENT

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Abstract

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. The global competition and swiftness of changes emphasize the importance of human capital within organizations, as well as the swiftness and ways of knowledge gaining of that capital. In the economy where uncertainty is the only certainty, knowledge is becoming a reliable source of sustained competitive advantage. Knowledge is becoming basic capital and the trigger of development. Previously built on foundations of possessing specific resources and low costs, present day competition is based on knowledge possessing and efficient knowledge management. Modern organizations, therefore use their resources (money, time, energy, information, etc.) for permanent training and advancement of their employees. Organizations which are constantly creating new knowledge, extending it through the entire organization and implementing it quickly inside the new technologies, develop good products and excellent services. These activities determine the company as a learning organization with constant innovation being its sole business.

These are organizations which realize that learning and new knowledge are becoming the key of success, and that education is crucial for abundance. Employees tends to become absolute, and therefore making the need to adapt to the continuous learning and updating of the skill and knowledge invaluable, due to the organizational, technological and social dynamics. Thus, in order for organizations to achieve optimum returns from their investment, there is imperative need to effectively manage training and development programmes. However, the most vital asset of every organization under stiff and dynamic competition is its human capital. Training and development is an instrument that aid human capital in exploring their dexterity. Therefore training and development is vital to the productivity of organization's workforce.

Key words: *Employee Training, Employee Development, employee Productivity.*

Introduction

As organizations try to survive in the turbulent dynamic market, strong emphasis must be laid on human capital in order to be competitive and financially solvent. However, there are other factors that affect organizations' success; organizations must possess productive (i.e. effective and efficient) employees. In addition, organizations differentiating on the basis of human capital due to its intangible characteristics such knowledge, skills and motivation of workforce increasingly sees it as invaluable in order to remain sustainable in the market. Thus organizations should have employees that have capability of adjusting to swift dynamic business environment. Therefore knowledge is turning to basic capital that triggers development. The success of organizations is however dependent on its knowledgeable, skilled as well as experienced workforce. Changes in technology, especially information technology, generate knowledge spreading up at tremendous speed, as well as its quick obsolescence. In the period between 1900 and 1950, the amount of human knowledge doubled, and since then it has doubled every 5 to 8 years. Knowledge is becoming obsolete so quickly that all of us need to double our knowledge every 2 to 3 years in order to keep up with the changes.

Employee Training

Understanding the phenomenon of employee training and development requires understanding of all the changes that take place as a result of learning. As the generator of new knowledge, employee training and development is placed within a broader strategic context of human resources management, i.e. global organizational management, as a planned staff education and development, both individual and group, with the goal to benefit both the organization and employees. To preserve its obtained positions and increase competitive advantage, the organization needs to be able to create new knowledge, and not only to rely solely on utilization of the existing. Thus, the continuous employee training and deployment has a significant role in the development of individual and organizational performance.

The strategic procedure of employee training and development needs to encourage creativity, ensure inventiveness and shape the entire organizational knowledge that provides the organization with uniqueness and differentiates it from the others. Education is no longer the duty and privilege of those in higher positions and skilled labor, but it is becoming the duty and need of everyone. The larger the organizations, the more funds they spend on education and provide their employees with greater and diverse possibilities of education and development. Understanding the tremendous significance of education for the modern organization and confident that it represents a good and remunerative investment, present day organizations set aside more and more resources

for this activity. Most of the organizations invest 3 to 5% of their revenue into adult education. It is estimated that the organizations that desire to keep the pace with changes need to provide their employees with 2% of total annual fund of working hours for training and education. Thus, it is necessary to accept the model of permanent, continuous learning. That truth has been known for more than two centuries. Denis Diderot, a French philosopher and literate of the Age of Enlightenment, wrote the following: "Education shouldn't be finished when an individual leaves school, it should encompass all the ages of life...to provide people in every moment of their life with a possibility to maintain their knowledge or to obtain new knowledge".

The only way for present day organizations to survive is the imperative to innovate or perish. Since this depends on the knowledge the organization possesses, this imperative could be read as: learn faster than competition. The logical sequence is: knowledge creation – innovation – competitive advantage. If knowledge is good, is it not true that the more knowledge we have, the better we are? Many organizations which consider knowledge as a good thing are trapped into the pitfall of gathering as much knowledge as possible. Knowledge that is not necessary is exactly what it is: unnecessary. And the efforts to obtain it are wasted efforts. The only important knowledge is the knowledge with strategic importance to the company, knowledge that helps to increase the value of the company, knowledge with significance to the strategy of the company.

Training is the organized way in which organizations provide development and enhance quality of new and existing employees. Training is viewed as a systematic approach of learning and development that improve individual, group and organization (Goldstein & Ford, 2002) in Khawaja & Nadeem (2013). Thus it is the series of activities embarked upon by organization that leads to knowledge or skills acquisition for growing purposes. According to Manju & Suresh (2011), training serves as an acts of intervention to improve organization's goods and services quality in stiff the competition by improvements in technical skills of employees.

Opportunities of employment in training and development

Governments have traditionally played a significant role in the promotion and development of occupational psychology with regard to training, because of their responsibilities for employment, military, health and other services. People with an occupational psychology background have been employed directly by governments in areas such as job training, military training and health and safety. Government agencies have also been a major sponsor of training research and development; such investment has often provided the major underpinning of developments in this area.

Governments can also affect the impetus for change in organisations through legislation, taxation, and the general health of the economy, which in turn can create more disposable income to create new demands for products and services, affect the supply of raw materials and services, or put such pressure on consumers that markets are adversely affected. Also, government initiatives can affect health and safety requirements, fiscal issues, competition laws, and ecological concerns, working with new technology and employment practices. Such changes prompt new ways of organizing and delivering these products and services, creating new training needs.

The other major source of employment and funding in training and development, where occupational psychology plays a specialist role, is private companies. Specialists might be employed directly within an organisation's training and development functions or in consultancy offering services to clients. Organisations often employ their own specialist training and development staff who have been recruited from the organisation's own ranks. Organisations often prefer this approach because they feel it is more appropriate for their training staff to have operational and business experience than for them to be experts in training or occupational psychology. It is often assumed that training is simply a matter of following well-established procedures and principles. This is an ill-informed view because often training cannot always proceed simply by application of standard methods. It is often necessary to understand variations that have not been responsive to the standard procedures. This entails understanding how people learn and how training can support this learning.

Training and development staff are generally responsible for maintaining company training and development systems, to judge training needs and to organise the delivery of training and development. Practitioners with an occupational psychology background may be encountered in departments concerned with organisational development where they are engaged with the processes of organisational change of which training and development is a part. It is impossible to be more specific than this. Opportunities for occupational psychology specialists to become engaged in training arise in different contexts and circumstances. It is important to remain alert to where these opportunities might occur and be adaptive and constructive in responding to opportunities.

Benefits Of Training For Individual and Team

There is documented evidence that training activities have a positive impact on the performance of individuals and teams. Training activities can also be beneficial regarding other outcomes at both the individual and team level (e.g., attitudes, motivation, and empowerment). We first review performance-related benefits.

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. So from an accounting point of view, dollar for dollar, it is better to invest in the equipment that employees use than it is to invest in the employees using that equipment. 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;
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%. 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.

Benefits Related to Job Performance

Training-related changes should result in improved job performance and other positive changes (e.g., acquisition of new skills; Hill & Lent 2006, Satterfield & Hughes 2007) that serve as antecedents of job performance (Kraiger 2002). Reassuringly, Arthur et al. (2003) conducted a meta-analysis of 1152 effect sizes from 165 sources and ascertained

that in comparison with no-training or pretraining states, training had an overall positive effect on job-related behaviors or performance (mean effect size or $d = 0.62$). However, although differences in terms of effect sizes were not large, the effectiveness of training varied depending on the training delivery method and the skill or task being trained. For example, the most effective training programs were those including both cognitive and interpersonal skills, followed by those including psychomotor skills or tasks. Next, we describe studies to exemplify, as well as go beyond, the general findings reported by Arthur et al. (2003). We emphasize that results from meta-analytic reviews should generally be given more weight than individual (i.e., primary-level) studies because they are more reliable (Aguinis et al. 2008). Training effects on performance may be subtle (though measurable). In a qualitative study involving mechanics in Northern India, Barber (2004) found that on-the-job training led to greater innovation and tacit skills. Tacit skills are behaviors acquired through informal learning that are useful for effective performance. Regarding innovation, trained mechanics learned to build two Jeep bodies using only a homemade hammer, chisel, and oxyacetylene welder. Regarding tacit skills, Barber noted that the job of a mechanic requires “feel” to be successful. Specifically, trained mechanics developed an intuitive feel when removing dents—a complex process particularly when the fender is badly crumpled. As a result of informal training, one of the mechanics had a “good feeling of how to hit the metal at the exact spot so the work progresses in a systematic fashion” (Barber 2004, p. 134). This type of tacit skill was particularly useful in the Indian context because, although most shops in developed nations would not even attempt to repair a fender that was damaged so badly, this type of repair is common practice in the developing world (Barber 2004). Benefits of training are also documented for technical skills. For example, Davis & Yi (2004) conducted two experiments with nearly 300 participants using behavior-modeling training and were able to improve computer skills substantially. Although behavior-modeling training has a rich history of success (e.g., Decker & Nathan 1985, Robertson 1990), a unique aspect of this research was that training was found to affect changes in worker skills through a change in trainees’ knowledge structures or mental models (see also Marks et al. 2002 for an examination of mental models at the team level). Specifically, mentally rehearsing tasks allowed trainees to increase declarative knowledge and task performance, each measured 10 days after the training was completed.

Other Benefits

Other research demonstrates the impact of training on outcomes other than job performance or on variables that serve as antecedents to job performance. However, we emphasize that these additional benefits of training are not necessarily unrelated to job performance. In fact, in many cases they are indirectly related to performance and, in others, they may be related to individual and team well-being, variables arguably also indirectly related to job performance. For example, there is a renewed interest in

leadership training (Collins & Holton 2004, Day 2000). Dvir et al. (2002) implemented a longitudinal randomized field experiment, using cadets in the Israel Defense Forces, in which experimental group leaders received transformational leadership training. Transformational leaders exhibit charismatic behaviors, are able to motivate and provide intellectual stimulation among followers, and treat followers with individual consideration. Results showed that transformational leadership training enhanced followers' motivation (i.e., self-actualization needs and willingness to exert extra effort), morality (i.e., internationalization of their organization's moral values), and empowerment (i.e., critical-independent approach, active engagement in the task, and specific self-efficacy). Towler (2003) provided 41 business students with (a) no training, (b) presentation skills training, or (c) charismatic influence training. Charismatic influence training included articulating a vision, appealing to followers' values, and using autobiography, metaphors, analogies, stories, and self-efficacy language. A sample of 102 undergraduates from a different university watched videotaped presentations by the 41 business students. Similar to results of Dvir et al. (2002), Towler (2003) found some evidence in support of the effectiveness of charismatic influence training on the performance and attitudes of the participants who watched the videotapes. Another area that has received consistent attention is aviation human factors training. This is an important area of research because human error has been consistently identified as one of the main causes of air crashes since the late 1970s (Edkins 2002). Edkins (2002) conducted a qualitative review of the aviation human factor training literature and concluded that outcomes of safety and team-based training programs include (a) safety-related benefits, including a reduction in lost time related to injuries, and (b) teamwork-related benefits including improved team performance. Because safety-related errors in fields such as aviation and medical care are often the result of team coordination issues (e.g., Morey et al. 2002, Salas et al. 2001), team training emerges as an important intervention. Ellis et al. (2005) conducted an experiment including 65 four-person teams. Individuals participated in a dynamic command and control simulation in which participants monitor activity in a specific geographic region and defend it against invasion by ground or air. Training improved declarative knowledge within the team and, in comparison with untrained teams, trained teams demonstrated better planning and task coordination, collaborative problem solving, and communication in novel team and task environments.

Employee Productivity

Productivity as defined in Oxford dictionary (2007) is the efficiency with which things are being produced. Employee productivity however is the measure of output per unit of input economically. It is the log of net sales over total employees (Rohan & Madhumita 2012). Thus employee productivity of an economy as whole or industry could be determined.

Employee Training And Employee Productivity

Training has been invaluable in increasing productivity of organizations. It does not only enhance employees resourcefully, but also provides them with an opportunity to virtually learn their jobs and perform more competently. Hence, increasing not only employees productivity but also organizations' productivity. Various researches indicate the positive impact of training on employees' productivity. Training as a process is one of the most pervasive methods to enhance the productivity of individuals and communicating organizational goals to personnel (Ekaterini & Constantinos- Vasilios, 2009). Rohan & Madhumita (2012) also supported that investing in training employees on decision making, teamwork, problem-solving and interpersonal relations has beneficial impact on the organizations' level of growth, as well as impacting on employees' performance. Training affects employees' behavior and their working skills which results into employees enhanced performance as well as constructive changes (Satterfield & Hughes, 2007). Training is most effective way of motivating and retaining high quality in human resources within an organization (Kate Hutchings, Cherrie J.Zhu, Brain K, Cooper, Yiming Zhang & Sijun Shao, 2009). Also added by Lowry, Simon & Kimberley (2002), training is a way of enhancing employee commitment and maximizing employee potential. According to Konings & Vanormelingen (2009), Colombo & Stanca (2008) and Sepulveda (2005) training is an instrument that fundamentally affects the successful accomplishment of organizations' goals and objectives. However, the optimum goal of every organization is to generate high revenue and maximize profit and a vital tool to realize this is an efficient and effective workforce. Thus, a workforce is only efficient and effective if the appropriate training and development is provided for such and therefore leading to productivity.

Employee Development and Employee Productivity

Development programs worth investing so much into, as most successful organizations consider the progress of workforce and therefore invest in their training. This results to increase in skill and competence that improve morale and productivity (Sheeba, 2011). Development seems to reduce the turnover rate of employees (Deckop et al. 2006). Thus advancement opportunities do not only reduce absenteeism, but it increases employee's commitment and satisfaction that helps reduce turnover (Atif et al. 2010).

Discussion

Training and development must be designed and delivered to meet the needs of all employees in such a way that the employees will not be only productive but also be satisfied. Training and development has a positive impact on the employees to carry out their work more effectively, increasing their interpersonal and technical abilities, team

work, job confidence and work motivation (Kate Hutchings, Cherrie J. Zhu, Brian K. Cooper, Yiming Zhang and Sijun Shao 2009).

Training in organizations holds the key to unlock the potential growth and development opportunities to achieve a competitive edge (Rama V. & Nagurvali Shaik, 2012). Organizations train and develop their workforce to the fullest in order to enhance their productivity. Thus, knowledge, skill and abilities are determinants of employees' performance which organizations need to continuously invest in wisely in order to improve their employees' productivity. As supported by (Noe, 2006), organizations spend an enormous amount of money and time on training in order to aid employee's learning of job-related competencies. Thus it is important to fully provide the results from training efforts (Dowling & Welch, 2005).

Conclusion

Training and development ultimately upgrade not only the productivity of employees but also of the organization. It has rightly been said, employee development is the key to organizational sustainable development. Organizations must have employees who are able to quickly adapt to an ever-changing world market. Companies need to invest in on-going employee training and development in order to both keep employees and be successful. The 21st century will be favorable to those organizations, which are able to learn faster and adapt to changes than their competitors. Training enhances employees' initiative and quality of work, thereby assisting them to be more committed to achieving the organizational goals and objectives and in turn enhancing employees' effectiveness within the organization.

Summarily, training and development impacting on employee productivity has not only improve the wellbeing of organizations, but also aid the prosperity of most countries that has put into consideration the design and delivery of training and development of workforce at national level. As the national policies aim to improve nation's human capital, this optimally in turn results to the economic growth of the nation. However, it is recommended for management of organizations to give training and development of employees a priority in order to get the best out workforce as well as improving the organization's productivity. Further research studies are also recommended on the training and development of employees in order to have a broader understanding of its valuable impacts.

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