ORGANIZATIONAL INVESTMENT IN HUMAN RESOURCE TRAINING AND DEVELOPMENT: AN INSIGHT

Shikha Ahlawat

ABSTRACT

The success of any organization depends on ability to utilize its human resources and other resources to achieve organizational objectives. In the field of human resource management, training and development is the field concerned with organizational activity aimed at enhancement of skills of individuals and groups in organizational settings. It has been known by several names, including employee development, human resource development, and learning and development.  Training: This activity is both focused upon, and evaluated against, the job that an individual currently holds.  Education: This activity focuses upon the jobs that an individual may potentially hold in the future, and is evaluated against those jobs.  Development: This activity focuses upon the activities that the organization employing the individual, or that the individual may partake in the future, and is almost hard to evaluate in the present. The objectives in brief are: 1. To study & evaluate the need for quality enhancement training of employees at all levels. 2. To analyze the impact of training & development for inclusive organizational growth. 3. To analyze the impact of investment on job & its relationship with the overall productivity of the employees. 4. To understand the need of roadmap of continuous training and retraining of employees in organization. 5. To suggest remedial measures for meeting the challenges in training & development. Research methodology:- The process of research involves the following steps: 1) Problem definition - Organizational investment in human resource training and development: an insight 2) Research design â€"Exploratory 3) Research method- Survey 4) Data collection- Through primary and secondary data 5) Sampling method- Stratified Random Sampling 6) Sample Size- 594 employees, working at different level for this research work entitled â€œOrganizational Investment in Human Resource Training and Development: An Insightâ€. 7) Data collection Tool-Questionnaire 8) Scale for using interpretation of Data- Likert 5 point Scale 9) Statistical Tool for Data Analysis -Reliability, Factor Analysis, T test for independent and pair sample test, Chi Square Test, Man Whitney U Test, Bivariate Correlation etc. 10) Software for Data Analysis- SPSS-WIN ver. 16.0.

INTRODUCTION: -

The success of any organization depends on ability to utilize its human resources and other resources to achieve organizational objectives.

In the field of human resource management, training and development is the field concerned with organizational activity aimed at enhancement of skills of individuals and groups in organizational settings. It has been known by several names, including employee development, human resource development, and learning and development.

- **Training:** This activity is both focused upon, and evaluated against, the job that an individual currently holds.

- **Education:** This activity focuses upon the jobs that an individual may potentially hold in the future, and is evaluated against those jobs.

- **Development:** This activity focuses upon the activities that the organization employing the individual, or that the individual may partake in the future, and is almost hard to evaluate in the present.

Objectives of Training and Development:

The principal objective of training and development division is to make sure the availability of a skilled and willing workforce to an organization. In addition to that, there are four other objectives: Individual, Organizational, Functional, and Societal.

Individual Objectives – help employees in achieving their personal goals, which in turn, enhances the individual contribution to an organization.

Organizational Objectives – assist the organization with its primary objective by bringing individual effectiveness.

Functional Objectives – maintain the department"s contribution at a level suitable to the

organization˝s needs.

Societal Objectives – ensure that an organization is ethically and socially responsible to the needs and challenges of the society.

The Concept of Human Resource Accounting:

Human Resource Accounting as a concept was originally defined as the process of identifying, measuring and communicating information about human resources in order to facilitate effective management of an organization (Hermansson 1964). It is an extension of the accounting principles of matching costs and revenues and of organizing data to communicate other information in financial terms (Phillips, 1996). It involves measuring the costs incurred by-business firms and other organizations, when they recruit, select, train and develop human assets. It also involves measuring economic value of people to organizations.

As a decision-making aid to ensure that decisions on human resources are more rational from the management point of view.

Benefits of Training & Development:

Training improves employee performance: In quality, quantity, speed, safety, problem solving, attitude, ethics, motivation, leadership, and communication. According to Ferdin and Fournies, performance problems occur because employees (1) don"t know what they"re supposed to do, (2) don"t know how to do it, and/or (3) don"t know why they should do it. Targeted training is one solution to all three factors.

Training enhances company profits: Training ups revenue in increased sales, increased referrals, new product ideas, and improved customer satisfaction and retention. Investment in employee training enhances a company's financial performance.

Training saves labor: By reducing duplication of effort, time spent on problem solving, and time spent on correcting mistakes.

Training saves money: A better skilled workforce means fewer machine breakdowns, lower maintenance costs, lower staff turnover, lower recruitment costs, fewer bad debts, fewer

customer support calls, less need for supervision, reduced downtime, and increased worker productivity.

Training improves a company's competitive edge: According to Nobel Laureate Gary Becker, professor of economics and sociology at the University of Chicago, "Any company has to recognize that not only is the human capital of their employees a major asset, it is also a depreciating asset that needs continuing investment." Keeping worker skills up to date keeps a company in the running.

Training improves work quality:

 Improved skills result in better-quality performance.

Training saves supervisory and administrative time and costs: The less time and money a manager has to spend on monitoring and guiding employees, the more time is freed up for more profitable activities.

Training improves customer satisfaction. Better-quality work means better-quality products and services resulting in happier customers.

Training improves employee satisfaction and retention. Many people assume that once employees are trained, they are more likely to leave the company for greener pastures, but actually, the opposite is true: trained staff is happier and more likely to stay put. Their self-esteem improves, which in turn improves their morale in the workplace and their loyalty to their employer.

In this chapter, the various studies will be reviewed that have been done in the field of HRD related with training and Development & information thus obtained will be summarized.

REVIEW OF LITERATURE: -

The Effects of Training and Developing the Workforce on the Organization's Performance

Submitted by: ahmshoaib
Date Submitted: 01/12/2008 09:22 A.M.

Abstract

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 change for any organization in light of uncertain and rapidly changing environment. Many researches argue that training and development programs increase the organizations' performance and effectiveness. Towards a better understanding of the effects of training and development in the workplace, this research points out the importance of training and development of the workforce, determines the major types of training and development programs, discusses the relationship between training and the overall organizational performance, and offers some guidelines for HR managers to design effective training and development programs.

Many researches indicated significant relationship between HR activities and managers perform a significant set of activities that affect and influence employees' behavior. These activities include planning, job analysis, selection, recruitment, placement, career management, training and development, designing performance evaluation and compensation systems, and personnel relation.

The skills of employees and managers must be upgraded continually. Meeting this requirement involves training and development process and evaluating performance for the purposes of providing feedback and motivating employees to perform effectively.

Discuss the Importance of Training And Developing The Sales Force?

Submitted by: Shelyna
Date Submitted: 12/08/2007 11:36 P.M.

Introduction

According to Dr. Breeze, 2004 good training is the beginning, not the end. Many new employees come equipped with most of the knowledge and skills to start work. Others may require extensive training and development before getting ready to make much of a contribution to the organization. A majority, however, will at one time or another require some type of training or development activity in order to maintain an effective level of job performance (Nankervis, Compton and Baird, 2005).

Sales Creators has provided sales training nationwide for over three decades (Sales Creators, 1997).

Training and Development:

Training maybe defined as any procedure initiated by an organization to foster learning among organizational members (Nankervis, Compton and Baird, 2005).

Development is a more general term and goes beyond educating employees for a specific position, whether present or future. Development programs prepare employees with learning which will allow them to grow individually alongside the organization itself (Nankervis, Compton and Baird, 2005).

Development is a broad, ongoing multi-faceted set of activities (training activities among them) to bring someone or an organization up to another threshold of performance, often to perform some job or new role in the future (McNamara, 1999).

Steps of training

The sales training method is depicted as six interrelated steps: assess training needs, set training objectives, evaluate training alternatives, design the sales training program, perform sales training and conduct follow-up and evaluations (Ingram, LaForge, Avila, Schwepker Jr. and Williams, 2003). Training, like any other HR function, should be evaluated to determine its effectiveness (Nankervis, Compton and Baird, 2005).

Role of Strategic Training and Development in Organizational Success

Dr. S. K. Prasad, Director, New Horizon Leadership Institute: directornhli@newhorizonindia.edu

By definition, training and development refers to the process to obtain or transfer knowledge, skills and abilities needed to carry out a specific activity or task. The benefits of training and development-for both the employer and employee are, in fact, much broader. To meet current and future business demands, training and development encompasses a wide range of learning actions, from training for tasks and knowledge sharing to improved customer service and career development, thus expanding individual, group and organizational effectiveness.

Strategic positioning of training and development directly promotes organizational business goals and objectives. Key business challenges require that companies thoughtfully evaluate their market position and determine the talent, skills and knowledge to be successful. While the overall responsibility for training and development usually falls under the human resources department, the reporting relationship between HR and the training function varies from company to company.

Organizations should focus on continuous Learning and job training as rapid changes in technology, the exportation of jobs (e.g., manufacturing), downsizing, shortcomings in formal education (e.g., high school level), global competition and the aging workforce are some of the major reasons making organizations to focus on continuous learning and job training . While many

organizations increasingly focus on training, development tends to be neglected. As a result of the shift from company to individual responsibility for career development, not all employers feel obligated to provide development opportunities.

HYPOTHESIS:–

First -Null Hypothesis - Ho. Training programs are not highly effective as a development tool.

First –Alternative Hypothesis – H1. Training programs are highly effective as a development tool.

Second -Null Hypothesis - Ho. The feedback of the efficacy of training sessions is not useful in redesigning and co-relation of training programs to make it more responsive to the training needs of employees.

Second –Alternative Hypothesis – H2. The feedback of the efficacy of training sessions is useful in redesigning and co-relation of training programs to make it more responsive to the training needs of employees.

Third -Null Hypothesis - Ho. The training program is not positively correlated with the enhancement in productivity of the organization.

Third –Alternative Hypothesis – H3. The training program is correlated with the enhancement in productivity of the organization.

Fourth -Null Hypothesis - Ho. Investment in training and development will not have a direct and positive association with the employees‟ loyalty towards work.

Fourth –Alternative Hypothesis – H4. Investment in training and development will have a direct and positive association with the employees‟ loyalty towards work.

The objectives in brief are:

1. To study & evaluate the need for quality enhancement training of employees at all

levels.

2. To analyze the impact of training & development for inclusive organizational growth.

3. To analyze the impact of investment on job & its relationship with the overall productivity of the employees.

4. To understand the need of roadmap of continuous training and retraining of employees in organization.

5. To suggest remedial measures for meeting the challenges in training & development.

Research methodology:-

The process of research involves the following steps:

1) Problem definition - Organizational investment in human resource training and development: an insight

2) Research design –Exploratory

3) Research method- Survey

4) Data collection- Through primary and secondary data

5) Sampling method-Stratified Random Sampling

6) Sample Size- 594 employees, working at different level for this research work entitled "Organizational Investment in Human Resource Training and Development: An Insight".

7) Data collection Tool-Questionnaire

8) Scale for using interpretation of Data- Likert 5 point Scale

9) Statistical Tool for Data Analysis -Reliability, Factor Analysis, T test for independent and pair sample test, Chi Square Test, Man Whitney U Test, Bivariate Correlation etc.

10) Software for Data Analysis- SPSS-WIN ver. 16.0.

Conclusion:

1. Training programs are highly effective as a development tool.

2. The feedback of the efficacy of training sessions is useful in redesigning and co-relation of training programs to make it more responsive to the training needs of employees.

3. The training program is correlated with the enhancement in productivity of the organization.

4. Investment in training and development will have a direct and positive association with the employees" loyalty towards work.

5. The research study reveals that significance differences exist in all three types of related to Employee development among organizations.

6. The research study reveals that significance difference exists related to Effectiveness of feedback among organizations.

7. The research study reveals that significance difference exists related to Employees loyalty towards work among organizations.

8. The research study reveals that significance difference exists related to Training effectiveness among organizations.

9. The research study reveals that significance difference exists related to Enhancement in productivity among organizations.

10. The research study reveals that a significance difference does not exist related to Employee development among Working Experience.

11. The research study reveals that significance difference does not exist related to Effectiveness of feedback among Working Experience.

12. The research study reveals that there is no significance differences exist related to Employees loyalty towards work among Working Experience.

13. The research study reveals that significance difference does not exist related to Training effectiveness among Working Experience.

14. The research study reveals that significance difference does not exist related Enhancement in productivity among Working Experience.

15. The research study reveals that and significance differences does not exist related to Employee development among over last 1 year how many employees are given training.

16. The research study reveals that significance differences does not exist related to Effectiveness of feedback among over last 1 year how many employees are given training.

17. The research study reveals that and significance differences does not exist related to Employees loyalty towards work among over last 1 year how many employees are given training.

18. The research study reveals that significance difference does not exist related to Training effectiveness among over last 1 year how many employees are given training.

19. The research study reveals that significance difference does not exist related to Enhancement in productivity among over last 1 year how many employees are given training.

20. The research study reveals that there is no significance differences exist related to Employee development among Training Identification.

21. The research study reveals that there is no significance differences exist related to Effectiveness of feedback among Training Identification.

22. The research study reveals that there is no significance differences exist related to Employees loyalty towards work among Training Identification.

23. The research study reveals that there is no significance differences exist related to Training effectiveness among Training Identification.

24. The research study reveals that there is no significance differences exist related to Enhancement in productivity among Training Identification.

25. The research study reveals that there is significance differences exist related to Employee development among Training Department.

26. The research study reveals that there is significance differences exist related to Effectiveness of feedback among Training Department.

27. The research study reveals that there is significance differences exist related to Employees loyalty towards work among Training Department

28. The research study reveals that there is significance differences exist related to Training effectiveness among Training Department

29. The research study reveals that there is significance differences exist related to Enhancement in productivity among Training Department.

30. The research study reveals that there is no significance differences exist related to Employee development among Trainers.

31. The research study reveals that there is no significance differences exist related to Effectiveness of feedback among Trainers.

32. The research study reveals that there is no significance differences exist related to Employees loyalty towards work among Trainers.

33. The research study reveals that there is no significance differences exist related to Training effectiveness among Trainers.

34. The research study reveals that there is no significance differences exist related to Enhancement in productivity among Trainers.

35. The research study reveals there is no significance differences exist related to Employee development among seminars, workshops.

36. The research study reveals that there is no significance differences exist related to Effectiveness of feedback among seminars, workshops.

37. The research study reveals that there is no significance differences exist related to Employees loyalty towards work among seminars, workshops.

38. The research study reveals that there is no significance differences exist related to Training effectiveness among seminars, workshops.

39. The research study reveals that there is no significance differences exist related to Enhancement in productivity among seminars, workshops.

40. The research study reveals that there is significance differences exist related to Employee development among training budget.

41. The research study reveals that there is significance differences exist related to Effectiveness of feedback among training budget.

42. The research study reveals that there is significance differences exist related to Employees

loyalty towards work among training budget.

43. The research study reveals that there is significance differences exist related to Training effectiveness among training budget.

44. The research study reveals that there is significance differences exist related to Enhancement in productivity among training budget.

45. The research study reveals that there is significance differences exist related to Employee development among Investment in training and development is beneficial.

46. The research study reveals that there is significance differences exist related to Effectiveness of feedback among Investment in training and development is beneficial.

47. The research study reveals that there is significance differences exist related to Employees loyalty towards work among Investment in training and development is beneficial.

48. The research study reveals that there is significance differences exist related to Training effectiveness among Investment in training and development is beneficial.

49. The research study reveals that there is significance differences exist related to Enhancement in productivity among Investment in training and development is beneficial.

50. The research study reveals that significance differences exist related to Employee development among organizations.

51. The research study reveals that significance differences exist related to Employees loyalty towards work among organizations.

52. The research study reveals that significance difference exists related to Training effectiveness among organizations.

53. The research study reveals that significance difference does not exist related to Employee development among Working Experience.

54. The research study reveals that there is no significance differences exist related to Employees loyalty towards work among Working Experience.

55. The research study reveals that significance differences exist related to Training effectiveness among Working Experience.

56. The research study reveals that significance difference does not exist related to Employee development among Training every year**.**

57. The research study reveals that significance difference does not exist related to Employees

loyalty towards work among Training every year.

58. The research study reveals that significance difference does not exist related to Training effectiveness among Training every year.

59. The research study reveals that there is significance differences exist related to Employee development among Training attended last year.

60. The research study reveals that there is significance differences exist related to Employees loyalty towards work among Training attended last year.

61. The research study reveals that there is significance differences exist related to Training effectiveness among Training attended last year.

62. The research study reveals that there is significance differences exist related to Employee development among Career development.

63. The research study reveals that there is significance differences exist related to Employees loyalty towards work among Career development.

64. The research study reveals that there is significance differences exist related to Training effectiveness among Career development.

LIMITATIONS AND DIRECTIONS FOR FUTURE RESEARCH

As with most survey research, a common method bias may be present since all the data were self-reported. Since the constructs of this study asked for perception of the organization development, Employee development, enhancement in productivity of the organization, effectiveness of feedback, employees" loyalty towards work and training effectiveness self-report data are appropriate for this study. Another limitation of this study relates to the cross-sectional nature of the data collection, which might not fully capture the dynamic nature of training efficiency and other factor. The reliability for continuance commitment in the Delhi NCR; which may indicate that this scale needs further development.

Furthermore, since the respondents were all professionals, generalizing these results to other types of industry might be inappropriate. Although there are limitations to this or any study that uses self-report data or close end type questionnaire from only three sectors, we believe that the research on this topic has yielded results that are both interesting and useful.

The current study opens new doors for further research:

First, for purposes of causality, it would be interesting to replicate this study in a longitudinal

design so that it could be determined if perception of investment in employee development activities, positive work attitudes and behaviours are condition and relationships that are likely to be sustained.

Second, studying a different industries/ companies other than IT sector, banking sector and public sector may also assist with the generalize ability of the results. Third, to expand this research, in-depth interviews with employees would be helpful, especially because organizations" investment in employee development may vary according to vocation, industry and country.

Finally, future research should continue to utilize all types of organizations to examine the framework used in this study with other important organizational outcomes.

RECOMMENDATIONS:

Training presents a prime opportunity to expand the knowledge base of all employees, but many employers find the development opportunities expensive. Employees also miss out on work time while attending training sessions, which may delay the completion of projects. Despite the potential drawbacks, training and development provides both the company as a whole and the individual employees with benefits that make the cost and time a worthwhile investment.

Employee development programs include traditional classroom training, new hire orientation, leadership training and professional development workshops for aspiring leaders. Improving employee access to development programs is essential; however, improving the substance and usability of training and development programs is just as critical. Organizations that offer training and development to employees discover it's a benefit that pays for itself in terms of employee performance, productivity and engagement. Improving the quality and access to training and development requires interaction with training staff, supervisors, managers and employees.

Follow the simple rules that successful training and development professionals use and dramatically increase the effectiveness in training and development efforts.

1. Review every type of employee development opportunity in the workplace.

2. Examine training materials to ensure they're up-to-date and that they contain accurate workplace information. Replace outdated materials and upgrade training tools using the newest technology

available.

3. Meet with training and development staff about their curriculum and learning objectives.

4. Construct an employee opinion survey for the sole purpose of obtaining employee feedback and suggestions on training and development opportunities.

5. Inquire about training employees would like to see the organization provide on a regular basis.

6. Analyze employee opinion survey responses. Determine where the company needs to increase the availability of employee development options.

7. Segment responses to survey questions according to evaluations of training already provided separately for employees and leadership, and responses to questions about development programs employees would like to see in place.

8. Confer with training and development staff to review employee responses and discuss the feasibility of offering development programs that employee"s request.

9. Explore in-house resources as well as outsource providers and training experts for input on the types of training and development opportunities.

 10. Reconfigure training budget.

11. Lobby for the training budget to become a line item, using employee performance and employee satisfaction measures as leverage.

12. Make sure the need is a training and development opportunity.

13. If the employee is failing in some aspect of her job, determine whether provided the employee with the time and tools needed to perform the job.

13. Create a context for the employee training and development.

14. Enhance the impact of the training even further if the employee sees the link between the

training and his ability to contribute to the accomplishment of the organization's business plan and goals.

15. It is also important to provide rewards and recognition as a result of successful completion and application of the training.

16. This contextual information will help create an attitude of motivation as the employee attends the training.

17. Provide training and development that is really relevant to the skill want the employee to attain or the information he needs to expand his work horizons.

18. It is ineffective to ask an employee to attend a training session on general communication when his immediate need is to learn how to provide feedback in a way that minimizes defensive behavior.

19. Whenever possible, connect the employee training to the employee's job and work objectives.

20. Favor employee training and development that has measurable objectives and specified outcomes that will transfer back to the job.

21. Provide information for the employee about exactly what the training session will involve, prior to the training.

22. Make clear to the employee that the training is responsibility and needs to take the employee training seriously.

23. Make sure that internal or external training providers supply pre-training assignments.

24. Train supervisors and managers either first or simultaneously so they know and understand the skills.

25. Train managers and supervisors in their role in the training process.

27. Coach supervisors about their role.

28. Ask supervisors to meet with employees prior to the training session.

Bibliography:-

1. **Adams, J.S. (1965)** „Injustice in Social Exchange". In Berkowitz, L. (ed.) Advances in Experimental Social Psychology. New York: Academic Press, pp. 267–99.

2. **Anthony Landale (1999).** *Gower Handbook of Training and Development*. Gower Publishing, Ltd. ISBN 0566081229.

3. **Burnard, Philip (1995).** *Counseling Skills Training*. New Delhi: Viva Books.
   Discusses various steps in training of counselors.

4. **Colarelli, S.M. and Montei, M.S. (1996)** „Some Contextual Influences on Training Utilization", Journal of Applied Behavioral Science, 32: 306–23.

5. **Ferris, G.R., Hochwarter, W.A., Buckley, M.R., Harrell-Cook, G. and Frink, D.D. (1999)** „Human Resources Management: Some New Directions", Journal of Management, 25: 385–415.

6. **Huselid M A. 1995** The impact of human resources management practices on turnover, productivity and corporate financial performance. Academy of Management Journal; 38: 2, 635-72.

7. **Kirkpatrick D I. (1998)** Evaluating Training Programs: The Four Level, San Francisco: Berrett- Kochler

8. **Kalleberg, A.L. and Rognes, J. (2000)** „Employment Relations in Norway: Some Dimensions and Correlates", Journal of Organizational Behavior, 21: 315–35.

9. **Shawn A. Smith and Rebecca A. Mazin (2004).** "Training and Development". *The HR*

Answer Book. AMACOM Div American Mgmt Assn. <u>ISBN</u> <u>0814472230</u>.

10. **Thomas N. Garavan, Pat Costine, and Noreen Heraty (1995).** "Training and Development: Concepts, Attitudes, and Issues". *Training and Development in Ireland*. Cengage Learning EMEA. pp. 1.ISBN 1872853927.

11. **Warr P. (1969)** Evaluating Management Training, Journal of the Institute of Personnel Management.

12. **Wexley K N, Baldwin (1986)** T T. Management Development, Journal of Management; 12, 277-94.

13. **Youndt, M., Snell, S., Dean, J. and Lepak, D. (1996)** „Human Resource Management, Manufacturing Strategy, and Firm Performance‟, Academy of Management Journal, 39: 836–66.

14. **Yadapadithaya P S. (2001);** Evaluating Corporate Training and Development: An Indian Experience, International Journal of Training and Development.