



A STUDY ON IMPACT OF TRAINING AND DEVELOPMENT ON ORGANIZATIONAL PRODUCTIVITY: AN INDIAN PERSPECTIVE

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Abstract

The paper noted that the main objective of employee training and development is to develop employee skills, knowledge and competencies which are vital in the enhancement and promotion of organizational effectiveness, productivity and profitability, as well as in the development of some competitive edge over competitors. Training and development are based on the premise that the attitudes, skills, behaviours, capabilities and competencies of employees need to be improved in order to achieve organizational set goals and objectives. The purpose, importance and some methods of employee training and development, as well as factors affecting training were discussed.

1. Introduction

Organizational innovative performance considered as an essential weapon for organizations to compete in current hyperactive competitive business environment. One of the ways to achieve innovative performance is through effective human resources management practices (HRMP). This study aimed to examine the impact of human resources management practices on organizational performance, and testing the effective role of individual employee as a mediator between HRM practices and organizational performance. Human resource management (HRM) is considered as, a distinctive approach to employment management which seeks to obtain competitive advantage, through the employment of highly committed and skilled workforce using an array of techniques (Storey, 1995). According to Damampour and Gopalakrishnan, 1998; Tan and Nasurdin, 2010, effective human resources management (HRM) practices has been widely acknowledged as significant in extracting positive work behavior among employees. Improved organizational productivity, efficiency and effectiveness, are major organizational objectives any organization must pursue for survive in today's highly competitive corporate environment. This, however, depends mostly on the quality of employees who must transform available inputs into needed outputs in order to achieve stated objectives of the organization. To do this, operational employees must possess the necessary skills, Knowledge, abilities and competencies. The need to have well qualified, flexible and proactive employees who will help organizations to meet their ever growing challenges of competitiveness, technological advancement, market globalization and improved productivity has made manpower training and development a very vital human resources practice which no manager can ignore in the present scenario of our business world. Today, manpower training and development are at the heart of employee utilization, commitment, improved productivity, motivation and growth, and very essential for improved organizational productivity. The importance of effective training and development of employees makes organizations to spend an enormous amount of money and time on training in order to help employee's learning of job-related competencies (Casio, 2000); Dowling and Welch, 2005), and employees competencies usually lead to organizational productivity. According to Adeniyi (1995), staff training and development is a work activity that can make very significant contribution to the overall effectiveness and profitability of an organization. Thus, training is a prerequisite for any organization which must achieve maximum productivity through the effective and efficient performance of employees (Taiwo 2007). Mondy, Noe and Premeaux (2002:215) posit that "training frequently improves workers' skills and boosts their motivation". Singh and Mohanty (2012) argued that for training to be effective, it should incorporate application. Successful training therefore requires theory, demonstration, as well as application. In addition, training and development aim at developing competencies such as technical, human, conceptual and managerial for the furtherance of an organization's growth (Oribabor, 200) and improved productivity.

2. Literature Review

Human resources are the source of achieving competitive advantage because of its capability to convert the other resources (money, machine, methods and material) in to output (product/service). The competitor can imitate other resources like technology and capital but the human resource are unique. Wright and McMahan (1992) drawing on Barney's (1991) resource-based theory of firm contended that human resource could provide a source of sustained competitive advantage. HRM practices is also conceptualized as a set of internally consistent policies and practices designed and implemented to ensure that a firm's human capital contribute to the achievement of its business objectives (Delery & Doty, 1996). Likewise, Minbaeva (2005) viewed HRM practices a set of practices used by organization to manage human resources through facilitating the development of competencies that are firm specific, produce complex

social relation and generate organization knowledge to sustain competitive advantage. Against this backdrop, we concluded that HRM practices relate to specific practices, formal policies, and philosophies that designed to attract, develop, motivate, and retain employees who ensure the effective functioning and survival of the organization. Currently the world is becoming more competitive and unstable than ever before, all organizations are seeking to gain competitive advantage at all cost and are turning to more innovative sources through HRM practices (Sparrow, Schuler, & Jackson, 1994). Many definitions have been given to training as well as to development by different people. According to Mondy, Noe and Premeaux (2002:215) training includes all activities designed to provide learners with the knowledge and skills needed for the execution of their present jobs. When there is a gap between actual performance and what is needed, training can reduce it, if it does not completely eliminate the gap. This is done through changes and modification in behavior of individuals by giving individuals the necessary item of knowledge, skill or attitude they needed to perform up to standard (Richard, 2005; Craig, 1997; Joerg, 1995; and Zymelmen, 1990). Abiodun (1999) defined training as a systematic development of the knowledge, skills and attitudes required by employees to perform adequately on a given task or job. Commenting on the impact of training, Adeniyi (1995) pointed out that staff training and development is a work activity that can make a very significant contribution to the overall effectiveness and profitability of an organization. Training therefore is an essential component of high performance in work systems. Every organization needed skilled, motivated, knowledgeable and capable workforce, and this is much possible to be within the grasp of any organization which makes employees training and development an important aspect of its human resources practice.

Productivity is the measure of how the individual, organization and industry convert input resources into goods and services. It is the measure of how much output is produced per unit or resources employed (Lipsey, 1989). It is the effectiveness of the use of the factors of production to produce goods and services. In other words, productivity is the achievement of the highest level of performance output with least amount or expenditure of resources. When an organization expends little input and achieves high amount of output, the organization can be said to be productive, and their knowledge of what to do to get high output from least amount of input gives the organization a competitive edge over others in the market economy.

3. Merits of Effective Training and Development

Training and development can be of great benefit to both the worker and the employing organization. It is not limited to only increased productivity, but in many other ways. Nwachukwu (2000:104) identified four major advantages of training as improvement of employee's morale, reduction of turnover rate, employee feeling of being part of the establishment, and a correct attitude and the knowledge required for success in the organization. According to Cole (2011) the benefits associated with training and development includes: High morale, lower cost of production, lower turnover, change management, improvement of availability and quality of staff, provision of recognition, enhanced responsibility and the possibility of increased pay and promotion for employees. Oguntimehin (2001) noted that "training increases productivity, improves the quality of work, improves skills, knowledge, understanding and attitude of the trainee, as well as enhance an individual's use of tools and machines"; it also reduces wastes, accidents, and turnover, among others. (Kum, Cowden and Karodia, 2014). Nel, Van Dyk, Hassbroek, Schultz, Sono and Werner (2004:142) outlined the effects of training and development on organizational productivity as: increased success of quality products, reduction of project failures and defects, reduction of staff turnover and minimal supervision needs. Also included are the ability to progress, greater capabilities to carry out more projects, and changes in employee behavior.

4. Artefact of Training and Development

Different kinds of training and development methods are used by organizations in Nigeria to train and develop their employees. A few methods are more applicable to managers and professionals and others to operative employees. The method used is often a matter of convenience, intensity of the training required and the operating policy of the organization. Literature shows that there are broadly two different methods that organizations may choose from for training and development of its employees in Nigeria. These are on-the-job training and off-the job training.

On-the-job method: This relates to formal training on the job. It is used to acquire specific skills while the employee is on the job. The employee learns as he works. Under this method the learning by doing approach is employed, and an employee becomes more experienced on the job over time due to job behavior modification at the point of training. One of the advantages of this method is that it minimizes the problem of transfer of learning associated with other methods of training. It could also be ongoing process that does not disrupt normal company operations. Examples of on-the-job training include but not limited to job rotation, transfers, coaching and/or mentoring, induction and orientation, in-service training, among others.



Off-the-job- method: This is the type of professional training given to employees. According to Nwachukwu (2000:110), this is also known as vestibule training, and in this training, the trainee is not in the regular job environment, but is taught how to do his job in an identical situation using the same kind of equipment that he/she will use at the job site. One of the advantages is that costly mistakes are avoided and the problem of transfer of training is enhanced as the trainees practice with identical equipment and tools. Off-the-job training examples include but not limited to conferences, role playing, lectures, sensitivity training, workshop, seminars, computer-based training, business games, etc.

Generally, all the training and development methods are meant to either improve performance of the individual in his current job, develop new skills for current or present job or anticipated job/position in the future, and development of the individual for gains associated with such new skills, knowledge competencies and capabilities, and in turn help to meet organization's current and future objectives.

5. Individual Productivity Effectiveness

Labor refers to all categories of employees in an organization. It includes working directors, proprietors, partners, unpaid family workers and part-time workers. Individual, labor, and employee are exchangeable words within same meaning. Labor productivity usually is measured in three ways; the first one is the number of hours worked, which reflects the actual of input used excluding hours paid but not worked (e.g. holidays, paid leave). The second way is the labor costs, which include salaries, bonuses, allowances and benefits paid to employees. The third way is the number of workers engaged, which is commonly used, as data on hours worked may not be readily available. Part-timers converted into their full-time equivalent. An average figure for a period used, as the number of workers may fluctuate overtime. Labor productivity defined as value added per worker, it reflects the effectiveness and efficiency of labor in production and sale of output. Value added is a better measure of output, because it measures the real output of organization. Besides, it is practical, easy to calculate and applicable to both manufacturing and service industries. Value added is an effective communication and motivation tool, as it provides a common bond between employers and employees to achieve the goal of increasing the economic pie shared by both parties. The higher the value created by the collective effort, the greater is the wealth distributed to those who have contributed to it.

6. Training And Development And Organizational Productivity

The successful and prosperous future of any firm is a function of the skills, knowledge, abilities and competencies of the employees. And this is possible depending on the extent of training and development received by employees. Training and development not only improve employees resourcefully, but also it gives them a chance to learn their job virtually and perform it more competently, hence increasing organization's productivity. Oguntimehin (2010) noted that training increases the productivity of organizations. According to Akineju (1999), training helps organizations to achieve their objective of higher productivity. Neo et al (2004:145) confirm that the human capital obtained from training and development by employees determines the long-term productivity of an employee on the job. In relation to organizational productivity the individual employee productivity translates to group productivity and operational profitability. Employee training has been found to contribute to their performance effectiveness and productivity of organizations (Ameeq and Hanif, 2003; Olaniyan and Ojo, 2008; Singh and Mohanty, 2012; Kum et al, 2014; Colombo and Stanca, 2008). Wright and Geroy (2001) noted that employee competencies change through effective training programmes. Accordingly, it not only enhances the knowledge, skills and attitude of the individual to perform effectively on their current and future jobs, it also contributes to superior organizational performances which give organizations competitive edge over others and thus, enhances their productivity and level of profitability.

7. Conclusion

For organizations to succeed in the achievement of its predetermined or emergent goals and objective, training, retraining and development of workers should be vigorously pursued and made compulsory by organizations in Nigeria. When employees are effectively trained, it brings about reduction in the cost of recruiting and training new employees. In addition, provision of feedback after every training and development programmes should be put in place for employees to become aware of areas of deficiencies and how they can improve their performances on the job.

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