

A study on impact of training program on employee productivity

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Abstract

Business organizations today consider human resources as their most valuable asset. Machines, materials and even the money are of no use without the man power. The man power of any organization should be a qualitative one. The quality workforce of any organization improves the organizational status and image. In order to improve the quality of the workforce, sufficient efforts should be made by the business organization. As such organization should give due importance to training programs. They should plan well designed technology based training programs to its employees. Trained employees have a better knowledge of their work; as such they are able to work more productively. Change is the order of the day. Employees should be therefore trained as per the changing technology and requirements. The paper highlights the relationship between the employee training programs conducted in the organization and employee productivity. Research is based on primary data. The data for the study was conducted by distributing a well-designed questionnaire to 100 employees working in commercial banks, educational institutions, information technology companies, hospitals, hospitality sectors and manufacturing industries. Various aspects of training program are covered in the questionnaire. Various statistical tools were used to analyse the data. Correlation and Regression analysis used in the study helped to prove that there is an impact of training program on the employee productivity.

Keywords: training program, employee productivity and human resource

Introduction

In today's business climate, businesses are faced with stiff internal and external competition. There are various human resource functions that give an organization a competitive edge, but most scholars argue that human resource functions becomes only operational when training has run through them all. This places training and development as an essential function in the survival of any organization. Increasingly, high performance organizations today are recognizing the need to use best training and development practices to enhance their competitive advantage. Training and development is an essential element of every business if the value and potential of its people is to be harnessed and grown. Competitions over the years have led to some organizations reviewing their policies on training, introducing continuous investment in their employees. It is well discussed within literature that the training budget is first budget cut during hard time although most theorists do not believe in general that this is the best action for the Human Resources department and the long term benefits of training outweigh the short term monetary savings. According to Cole (2004), human resources are the most dynamic of all the organizations resources. They need considerable attention from the organizations management. Each employer who invests in the area of Training and Development will reap the benefits of an enriched working environment with higher levels of staff retention as well as increased productivity and performance.

The primary motive of every business organization is to earn profits. Every decision from planning to staffing, are taken for long term sustainability of organization. Human resource is the most important and vital factor of economic development. Better education, improved skills, and provision of healthy atmosphere will result in proper and most efficient use of

resources, resulting in economic growth. Nowadays, due to cut-throat competition in corporate world, an employee needs to be skilfully and professionally strong in order to survive. Only satisfied, committed and motivated employees are meeting the level of expectations, expanding their skill horizon, through training which holds the key to success.

Objectives of the study

1. To identify the meaning, scope and modes of training program adopted in the business organizations.
2. To find out if there is a positive relationship between training program and employee productivity.

Statement of the Problem

Employee Productivity is a crucial factor in today's modern business organizations. Training programs plays a very important role in changing the levels of productivity. The study will be conducted on why and how the training program is going to impact on employee productivity. The conceptual framework of this study is constructed around the following research questions.

- Is there any relationship between the training program and the productivity level of the employees?

The above research question calls for a logical investigation into actual facts and figures. The research study is conducted with a hope that the findings of the research study would definitely contribute to increase the employee productivity both in the manufacturing as well as the service sector. Thus, by keeping in mind all the above said background, it has been planned to undertake this study on impact of training program on employee productivity.

The dependent variable and independent variables of the study are as follows:

1. Dependent variable: Productivity of the employees.
2. Independent variable: Training Program.

Review of Literature

Human Resource Management

For any enterprise to function effectively, it must have money, materials, supplies, equipment, ideas about the services or products to offer those who might use its outputs and finally people, which is the human resource, to run the enterprise. The effective management of people at work is Human Resource Management, Armstrong (1996). Human Resource Management has emerged as a major function in most organizations and is the focus for a wide-ranging debate concerning the nature of the contemporary employment relationships. Managing human resources is one of the key elements in the coordination and management of work organizations.

Training

Edwin B. Flippo defines “Training is the act of increasing the knowledge and skill of an employee for doing a particular job”.

Training is the act of increasing the knowledge and skill of an employee for doing a specified job. Training becomes successful only if there is an active participation by the employees.

T. Rajeswari; Dr. P. Palanichamy (2015) ^[1] aimed to study whether there is any effect of employee training and development on employee productivity. The study is based on both primary and secondary data. A well designed questionnaire was used to collect primary data. The questionnaires were distributed to 350 employees of BHEL-Ranipet, who were selected by using stratified sampling technique. The study used correlation and regression analysis tools for data analysis. The study came out with the finding that there is a positive relationship between training and development and employee productivity. Garg Parul; Jain Mini (2015) ^[4] aims to make a comparative study to find if training practises have an impact on employee efficiency and productivity. The research is based on the sample collected from various sectors like Automobile, Agriculture, Banking, FMCGs and Insurance. The sample was chosen with a minimum of 500 employees from these sectors. The data is collected through both primary and secondary source. Primary data was collected by distributing a standardized training questionnaire among the sample collected. The study came out with the findings that employee efficiency and productivity are directly impacted by the training practises followed by the firms. Vijayran Manisha (2014) ^[5] aims to ascertain the attitude of employees towards various aspects of training namely management’s attitude, selection process, quality of training, impact on individuals, impact on productivity and post-training assessment. The sample size for the study is 300. Respondents are the employees in the top, middle and lower level management of three performing banks namely ICICI, HDFC and Axis Bank. The data was collected by administering structured questionnaires and personal interviews of the respondents. The study has found that training program imparts a significant improvement in the personality development, confidence level and decision making skills and also

management of the organization ascertained that benefits of the training program are transferred in learning of employee at workplace. Singh Rohan and Mohanty Madhumita (2012) ^[6] studies the effects of training on employee productivity. The studies show that employees who develop through unstructured training are less productive during the developmental period than those who have formal training. The study was conducted by distributing questionnaires to 1000 employees selected randomly. Employee productivity was calculated from number of employees and total sales for the financial year for individual companies. Research paper concludes that productivity per employee has a direct relationship with training imparted to the employees across the sectors. Lovell Catherine (1979) ^[7] focuses on special set of techniques to improve productivity in organizations. Slow process of productivity improvement training program was initiated over 5500 employees. The paper highlights two dimensions of public sector productivity namely efficiency and effectiveness. A comprehensive method called Total Performance Measurement was opted to begin their productivity work. TPM process consisted three training strategies namely action’s training and research, skill building and training of trainers. The article concluded with the findings that productivity improvement methods should not be imposed by experts from the outside but should be institutionalized within the organizational activity.

Employee Productivity

Employee Productivity is the log of net sales over total employees - an economic measure of output per unit of input. Employee productivity measures may be examined collectively (across the whole economy) or viewed industry by industry. The dictionary defines ‘productivity’ as the state of producing rewards or results. ‘Productive’ means fruitful, lucrative and profitable. In this context, productivity is synonymous with output. In scientific literature, ‘productivity’ is defined as the relationship between output and input; between results or proceeds and sacrifices. If it involves the ratio between output and a specific part of the input, this is referred to as ‘partial productivity’: for example, labour productivity expressed as the amount of production for each labour unit, or the number of labour hours for each product unit. Companies today are forced to function in a world full of change and under various complications, and it is more important than ever to have the correct employees at the correct job with the right qualification and experience in order to survive the surrounding competition. The successful and prosperous future of an organization is dependent on its skilled, knowledgeable and well experienced workforce. That is why training is a fundamental and effectual instrument in successful accomplishment of the firm’s goals and objectives. Training not only improves them resourcefully, but also gives them a chance to learn their job virtually and perform it more competently hence increasing firm’s productivity. Training has been an important variable in increasing organizational as well as individual employee productivity.

Training practises and employee productivity

Productivity relates to output per unit of input, for instance, output per labour hour. It is measured in terms of effectiveness and efficiency of an effort. The sources of productivity gains include:

1. Higher skills – an increase in employee skills
2. More capital – an increase in the ratio of capital to employee
3. Improved management – better use of available resources in the production process
4. Technological advancement – the development and use of better capital equipment

It is difficult to isolate the various variables that contribute to productivity and measure their true effect and contribution to productivity. The focus of this study however, is the aspect of productivity which relates to employee training and development and the impact of such higher skills on the

performance and productivity of the individual employees. This focus is founded on the basis that employees will not perform well at work no matter how hard they try and regardless of how much they want to until they know what they are supposed to do and how they are supposed to do it. Thus, it is the knowledge and skills acquired for the job that makes employees effective and efficient. Training is the means by which such skills; knowledge and attitudes are impacted to employees to enhance efficiency and effectiveness. The following table shows a sense of difference in career and learning in olden days and current scenario:

Table 1

Old rules	New rules
Employees are told what to learn by their managers or the career model	Employees decide what to learn based on their team's needs and individual career goals
Careers go "up or out"	Careers go in every direction
Managers direct careers for people	People find their career direction with help from leaders and others
Corporate L&D owns development and training	Corporate L&D curates development and creates a useful learning experience
People learn in the classroom and, sometimes, online	People learn all the time, in micro-learning, courses, classrooms, and groups
The corporate university is a training center	The corporate university is a "corporate commons," bringing leaders and cross-functional groups together
Learning technology focuses on compliance and course catalog	Learning technology creates an always-on, collaborative, curated learning experience
Learning content is provided by L&D and experts	Learning content is provided by everyone in the organization, and curated by employees as well as HR
Credentials are provided by universities and accredited institutions; skills are only certified through credentials	Credentials come in the form of "unbundled credentials," where people obtain certificates in many ways

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The table clearly highlights that employees were learning for the sake of the business organization and were least bothered about their personal learning. But today's condition, employees undergo training for themselves, their personal as well as career growth. They want to be competitive in current job market.

Emerging Trends in Global Training

The increasing integration of economies around the world, particularly the movement of people (labor) and knowledge (technology), has created new challenges that extend beyond national borders. With today's global competition, companies are looking for new ways to better their position in the world market economy. Knowledge about production methods, management techniques, export markets and economic policies represents a highly valuable resource for any company in the

new world without borders. Education, training, and research and development are needed to promote productivity, address the talents of widely dispersed workers.

As companies become global in scope, the issues of training American workers to better function in an international environment and produce for an international market have taken new dimensions. For example, the global market for supply-chain training is expected to grow 42.2 percent each year.

Building a Wide-Ranging Corporate Culture

Companies must train their workers to expand their knowledge beyond domestic issues. This is done by cultivating an awareness of multicultural differences. In addition, there will be more pressure on organizations to include global training in their strategic plan.

Managing Training Efficiency

Human resource development professionals need to become strategic, proactive and business-oriented to succeed. For training to have a continuous impact on performance, supervisor, manager and executive must include learning in their daily management practices. This becomes very important as the flow of information becomes global and requires close monitoring and adjustments.

New Customer for the Global Market

The old business of dealing with a customer as a person and as an individual has shifted in the global economy to individual countries and regions. Reaching customers at any given country requires being able to penetrate that country as a national market. In many cases, red tape, geopolitical concerns, cultural barriers as well as laws and regulations are the first hurdle to overcome.

Global E-Learning

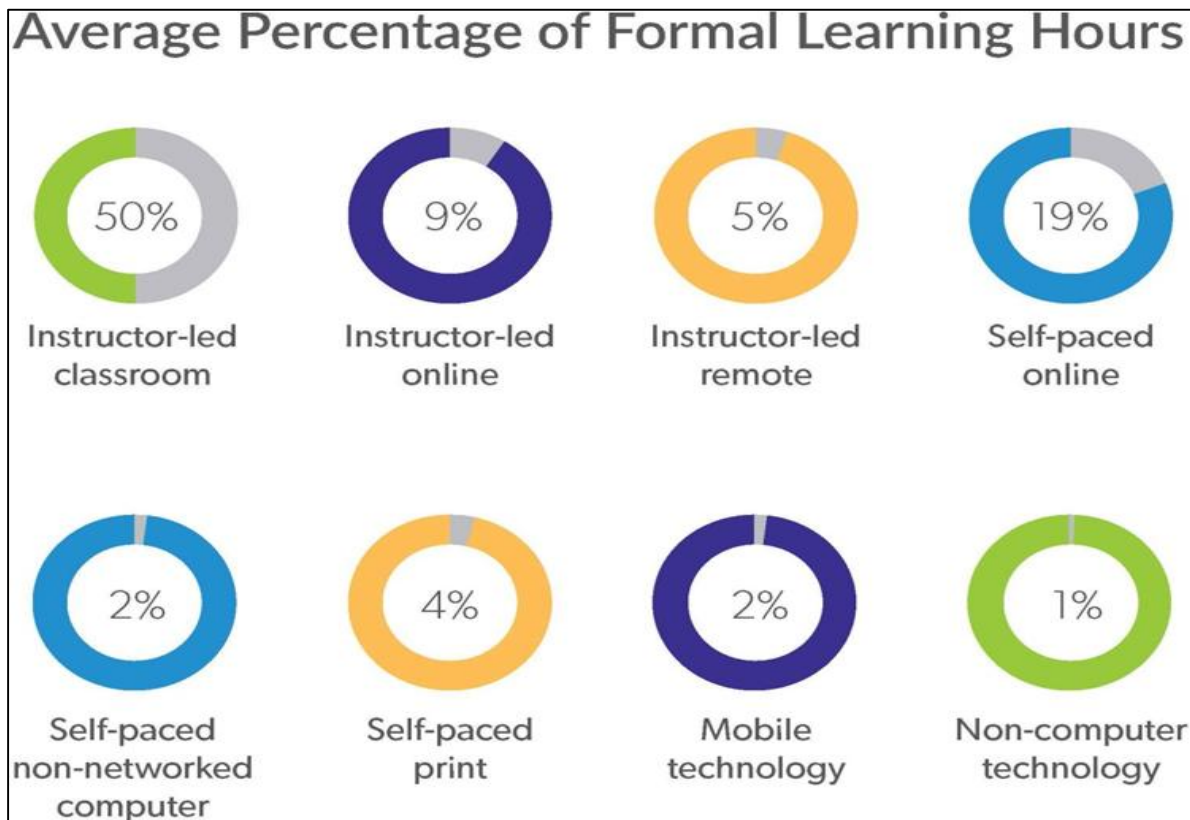
As electronic learning becomes more feasible, companies are using computer-based delivery systems to deliver training

around the globe. Courses delivered in the United States are used by learners with varied cultural and technological backgrounds. However, it is important that local training professionals deliver training programs by adapting the style of the material and by making a course developed in another country both culturally and pedagogically relevant.

War for Talent with Language Skills

According to USA Today, less than 1 percent of high school students are studying a foreign language today. Although it is true that English is the second language in most systems of education around the globe, this cannot be taken for granted in the future as other countries such as China, India and Middle East might introduce their own languages. The example of Euro in the financial global market can be a precedent to take into account.

The below figure clearly indicates the employee training and development trends in the year 2016. It is noted that people prefer online computer, mobile and technology based training programs.



Source: Rising Trends in Employee Training and Development in 2016

Fig 1

Research Methodology

The data for study was collected by distributing well designed questionnaire to among 100 employees working in various sectors namely Banking, Education, and Information Technology, hospital, hospitality and also manufacturing sector. The questionnaire was drafted by taking into account various aspects of participative methods in decision making of a business organization. The questionnaire was divided into

three parts: First part contains all the demographic information of the respondents, Second part contains the items about employee participation and the last part contains the items on employee productivity. Likert's Five scale was used to measure the respondents response. Cronbach Alpha was used to check the reliability and validity of the research instrument.

Table 2: Training Descriptive statistics

Items	N	Min	Max	Mean	Std. Dev
Employees will normally go through training programs every year	100	1	5	4.04	0.97
Extensive technology based training programs are provided for employees	100	1	5	3.93	0.94
There are formal training programs to teach new hires the skills they need to perform their jobs.	100	1	5	4.14	0.83
Employees are encouraged to transfer the learned skills from the training situation to job situation	100	1	5	4.19	0.71
Organization has an evaluation plan that includes before and after measurement of the trained employees' productivity	100	1	5	3.92	0.87
Training	100	1.80	5.00	4.04	0.65

On the analysis of the above table, Training Program achieved the overall mean score of 4.04. Employees are encouraged to transfer the learned skills from the training situation to job situation achieved the highest mean score of 4.19, Employees will normally go through training programs every year achieved the mean score of 4.04, Extensive technology based training programs are provided for employees achieved the

mean score of 3.93, There are formal training programs to teach new hires the skills they need to perform their jobs achieved the mean score of 4.14 while Organization has an evaluation plan that includes before and after measurement of the trained employees' productivity achieved the lowest mean score of 3.92. For all the above constructs STD deviation varied from 0.65 to 0.97.

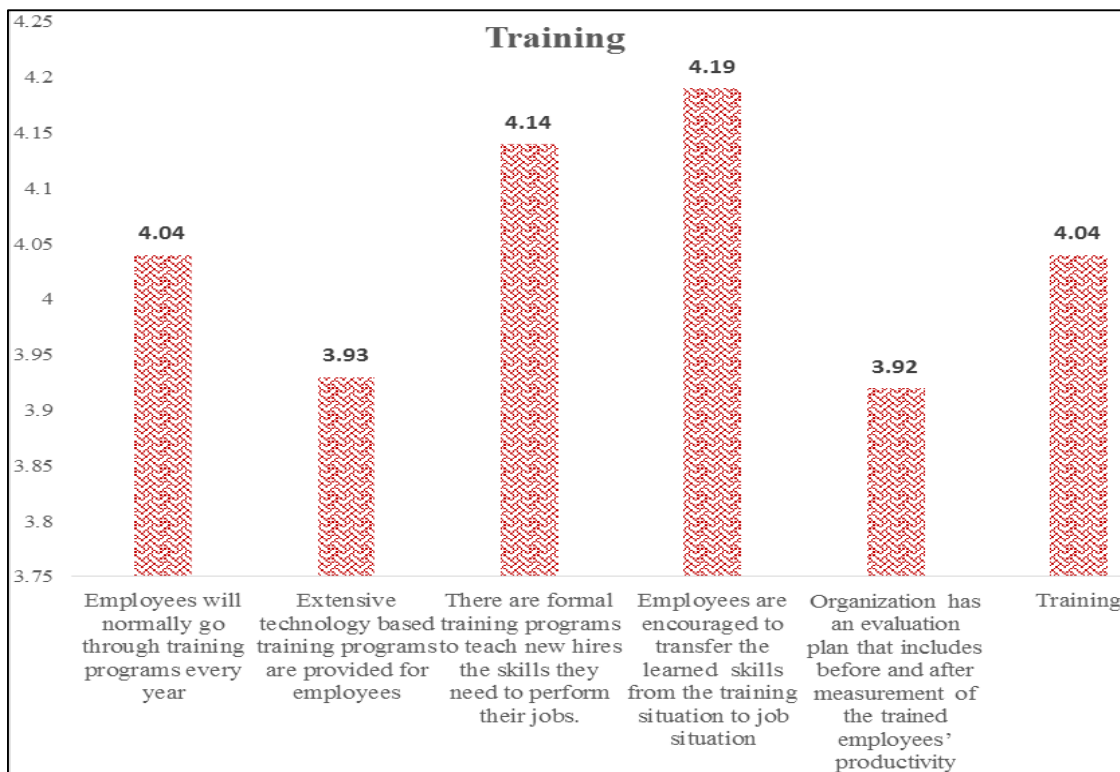


Fig 2: Training Descriptive statistics

The above fig shows that the item Employees are encouraged to transfer the learned skills from the training situation to job situation has attained the highest mean score of 4.19. The overall mean score of training program is 4.04 which clearly

show that respondents are satisfied with their organizational training program which is one of the dimensions of Workplace Environment.

Table 3: Correlation

Correlations	
Pearson Correlation	
Work Place Environment	
Training Program	.768**
Work Place Environment	1
** Correlation is significant at the 0.01 level (2-tailed).	

Correlation analysis shows that training program is 0.768 positively correlated with employee productivity. This construct is statistically significant at 1% level. Since the

significance value is less than 0.01 for the dimension, the two variables training program and employee productivity are statistically significant at 1% level.

Findings of the Study

- Analysis showed that 51.7% were in the age group of 22-30 years, 25.2% were in the age group of 31-40 years, 15% were in the age group of 41-50 years and 8.1% in the age group of 51-58 years.
- In the data analysis, 56.8% were male and 43.2% were female.
- 62.8% of the respondents were having work experience of 1-10 years, 23.4% were in experience group of 11-20 years, 10.2% were in the experience group of 21-30 years and 3.6% were having experience of above 31 years
- Data Analysis highlighted that 28.8% were from manufacturing industrial sector and 71.2% respondents from service industry.
- Analysis showed that 8.4% were in the entry level, 50.5% were executives, 24.9% were managers, 6% were senior managers, and 10.2% of the respondents were team heads.
- Correlation analysis revealed that two variables training program and employee productivity are significantly related to each other at 1% level of significance.

Case Study on Training program in Godrej Industries Ltd

In January 2002, Godrej Industries Ltd. (GIL) bought a 26% stake in "Personalitree Academy Ltd." Personalitree provided interactive soft skills training programmes online to corporates. Personalitree's training modules have since been a part of Godrej's training and development initiatives.

It all started in 1996 with the break-up of the joint venture between Godrej Soaps Ltd (GSL) and Proctor and Gamble (P&G). Post break-up, GSL was bereft of a distribution system and had to start from scratch. As part of the rebuilding exercise, GSL recruited about 250 new employees who had to be aligned with its corporate culture. In 1997, GSL conducted a Total Quality Management (TQM) workshop for all its 5000 employees to help them connect to their job.

Parivartan was launched in September 2000 in GSL to train new as well as existing employees on various aspects of the business and to motivate them. In 2001, new initiatives like Young Entrepreneurs Board (YEB), Red and Blue Teams, Mentoring and Reverse Mentoring were introduced in the Godrej Group, (Godrej) to encourage the involvement of youth in strategic decision-making.

In early 2002, a need was felt among the top brass of Godrej to instil a performance- driven culture in the company. In addition to upgrading the talents of existing employees, Godrej had to train new recruits.

In January 2003, a special HR programme on honing the interpersonal and negotiation skills of officer- level employees was launched in GIL. Further, in October 2003, an English language training programme was held for floor workers of Godrej and Boyce Manufacturing Company Ltd (GBML), so that they could follow all instructions issued in that language independently.

Recommendations to the business organizations

It is an undeniable fact that in recent times many organizations have come to the realization of the importance of the role of training and development programs as it increases the organization's staff efficiency, skills and productivity. In order to reap the full benefits of a training initiative, the business

organizations should ensure that the following are instituted at the work place.

- Systematic Training
- Objective of training should be smart and unambiguous
- Provide specific information to employees
- Create more opportunities for training
- Career planning and development
- Develop employees through formal education
- Motivation and morale
- Enrich job experience
- Improve interpersonal relationship
- Provide psychological test
- Evaluate training for effectiveness

Conclusion

To conclude with, Training plays a crucial role to help an employee in developing and moulding him in accordance with the needs of the organization, which would ultimately lead to the achievement of the organisation objectives. Training is a short-term process utilising a systematic and organized procedure by which non-managerial personnel learn technical knowledge and skills for a definite purpose. The importance of HRM to a large extent depends on HRD. Training is the most important method of developing employees at work. No organisation can get a candidate who is exactly suiting the job requirement. Hence training is important to develop the employees and make them suitable for the job and future.

Training and development practises play a very important role in any business organization. It affects the individual employees as well as organizational productivity. Definitely there is a positive effect of training practises on employee productivity. But the business organizations should see that the program of training is conducted in an efficient and effective way so that it can give its actual impact on employee productivity.

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