



What Training Offers Beyond Employee Performance: Insights For Modern Managers

Dr. Neelam Kalla

Assistant Professor

Department of Management Studies

Jai Narain Vyas University, Jodhpur (RAJ), INDIA

Dr. Hemlata Joshi

Assistant Professor

Department of Psychology

Jai Narain Vyas University, Jodhpur (RAJ), INDIA

Abstract

Training is imperative for organizational success, especially in the face of changing economies, markets, and customer preferences. Industries are realizing the need for continuous training and development of employees to adapt to these changes. The conventional approach of training envisages training as a process for performance deficiency management, however, contemporary researches prove that training is not only a determinant of performance efficiency; rather, it affects all crucial aspects of the organization such as organizational development, change management, employee morale, organizational effectiveness, customer satisfaction as well as employee retention and commitment. The paper tries to identify the impact of training on organizational dimensions with the help of research studies, emphasizing the role of training in preparing organizations for these changes.

Keywords

Corporate Training, Management, Organizational Effectiveness

Introduction

In a conventional sense, training was understood as a process for eradicating the gap between the desired level of skills and the actual set of skills to perform a job. However, it is a well-understood fact that to perform any job efficiently, a certain level of knowledge, skills, and abilities- popularly known as KSAs is required. So, in simple words, we can understand that training is provided to bring an employee's KSA to a certain level, which is necessary to perform a current job with desired efficiency. Noe & Kodwani (2018) define training as "Training refers to a planned effort by a company to facilitate employee's learning of job-related competencies" emphasizing the belief that the ultimate objective of the training program is to enhance employee performance.

Training and Development are commonly used together but they are not interchangeable as they both carry a different meaning. Where training focuses more on enhancing the current job performance of employees and eradicating the performance gaps, development comes with a broader objective of enhancing the overall set of KSA for current as well as the prospective future job responsibilities of the employee. This broader objective of development is crucial for preparing employees for the changing job landscape. However, nowadays, the corporation focuses on training as well as the development of employees.

Evolution of Training

If we go back as far as two centuries when the industries were mostly cottage industries and family-run, we find that the ancient form of training was where new members of the family were trained by the experienced members of the family and from a very young age, the required KSA were transferred. Especially in India, where the social system was already divided into “Varnashrama,” where the works and professions for all the people were divided into four categories according to their family and caste; the major source of training was family. Along with the culture, values, and education, the required skills to run the family business were transferred by family members and their family “Gurus”.

At the global level also, the initial forms of training include guild schools. In the 13th and 14th centuries, elementary schools were created in Europe by merchant associations, known as guilds. In the 18th century, in America, the skilled artisans referred to as Yeomen ran the shops. The groups of yeomen or yeomaries can be understood as the earliest forms of training schools. They are also referred to as the earliest form of labor union movement. Later, with the advent of the 20th century during World War I and II, the need for skilled and semi-skilled labor increased exponentially, and the training method “show, tell, do, and check” popularized. In the early 1900s, the U.S. labor movement also came up as a major trigger for training (Glass, 2013).

Contemporarily, F. W. Taylor also highlighted the significance of scientific selection and training of employees (Taylor, 2004). Later, the theory of hierarchy of needs laid out by Abraham A Maslow and Hawthorne Experiments conducted by Elton Mayo and his team also paved the way for the human relations movement, which later on paved the way for the discipline of Human Resource Management (AH Maslow, 1943) (E. Mayo, 2004).



Figure 1: Concept of KSAs

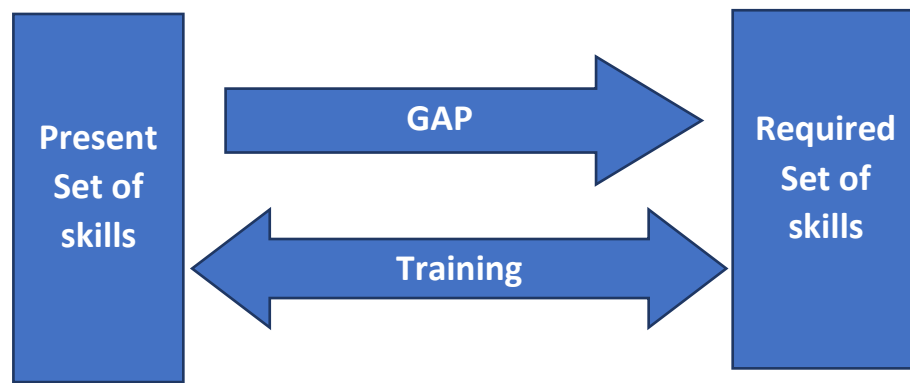


Figure 2: Training as a concept to fill the “Skill GAP”

Impact of Training on Organizational Variables

There is sufficient research evidence that proves the impact of training on employee performance, which is also the primary objective of designing training programs in organizations. However, along with employee performance, several other organizational dimensions are impacted by training, such as employee motivation, job satisfaction, employee retention, etc. Also, various factors like fast-changing technology and mergers necessitate frequent training programs in modern organizations. Some concerns about conducting regular and effective training programs are discussed here.

Performance efficiency is a time-tested outcome of employee training

Any business, in order to be successful, relies on employees. After all, human resources are the key drivers of change and effectiveness in organizations. The efficiency and inefficiency of organizations are heavily dependent on employee performance. Therefore, modern corporations invest significant cost and effort in training employees. A study by Hutasoit et al. (2021) highlighted the effect of training on employee performance and suggested how effective training programs can lead to higher efficiency. The study suggests that effective training can be utilized to enhance employee performance.

The study conducted by Prasetyo et al. (2021) to evaluate the effects of training on employee performance indicated that training has a clear effect on the performance of employees.

Training serves as a key to job satisfaction

Job Satisfaction makes employees secure and comfortable in organizations. Training and development play a significant role in decisions related to employee career choices. However, most scales for measuring job satisfaction do not deal with training as an element of aggregate job satisfaction. Most job satisfaction measurement surveys do not include a “satisfaction with workplace training” as a dimension.

Schmidt, S. W. (2007) investigated the association between contentment with office training and general job satisfaction of customer care representatives. A noteworthy association was established between job training contentment and overall job contentment. Dimensions of job training, such as total time spent in training, training techniques, and content, were important in their connection to job training satisfaction, and trainees were appreciably more content with the training they received when the methodology in use was their preferred one.

Training is imperative after mergers, acquisitions, and corporate restructuring.

Training for cultural sensitization and skill updating for new positions is important for making employees comfortable due to changes in structure and culture in case of mergers and acquisitions. The significance of training increases, especially during the post-merger integration phase. Weber, Y. (2015) established that the role of the individual in corporate culture clash situations during post-merger integration becomes very important. To mitigate the effects of culture clash in mergers and acquisitions (M&A) on acquired management attitudes and behavior, training is very significant. Generally, these effects influence post-

merger turnover and integration success. Therefore, development and training are crucial for success, especially after mergers and acquisitions.

Training enhances employee retention.

Today, talent retention is a major challenge that human resource managers are facing. It is well-known that recruiting a new employee wastes time, effort, and cost in recruitment, selection, induction, and training. Job training is one of the most significant dimensions in retaining human resources in corporations. When employees observe that the organization is investing in their learning and growth, they feel satisfied and valued and intend to stay with the organization more. Hassan et al. (2013) observed that key variables, training, types of training, and duration of training with rewards and supervisory support to the employees being intervening variables, significantly affect employee retention. The conclusion of the research suggests that employees have an interest in participating in training; along with this, rewards and supervisory support are found to be the demand of employees.

Training enhances customer satisfaction and leads to customer delight.

Efficient training leads to enhanced job satisfaction. Undoubtedly, only happy employees can make customers happy. A study by Shen et al. (2018) shows that training indirectly influences customer service quality, where the transfer of training and job satisfaction mediate this relationship. In today's cutthroat competition, customer-centric practices and customer orientation emerge as saviors. So, for modern managers, as they are more customer-centric and concerned with customer delights, training and development must be focal points.

Training enhances productivity and organizational efficiency.

Productivity has become a focal point for all modern organizations and its significance is universally accepted. Efficient and practical training is a mandatory measure to improve productivity. Investment in training is the key for organizational effectiveness and efficacy. According to Olaniyan et al. (2008), training systematically develops knowledge, skills, and attitudes employees require to perform adequately on a given task or job. Although recruited employees have specific knowledge and skills, managers need to understand the desired level of knowledge and skills for organizational efficiency. Training and development become crucial in order to enable employees to work towards achieving desired results and leading the organization to its expected destination.

Training leads to employee commitment.

Committed employees are vital to bringing in creativity and problem-solving approaches in organizations. Enhancing employee commitment has always been a prime concern for human resource managers. Training is a crucial determinant for employee commitment. Bulut et al. (2010) also found that the training significantly impacts organizational training on employee commitment, especially if the focus is on employees' emotional and affective responses toward their organization. Various dimensions of organizational training were considered within a multidimensional framework comprising motivation for training, access to training, benefits from training, and support for training. The study showed that all dimensions of training positively affected employee commitment. As the study suggests, modern managers need to focus on all the dimensions of training and development to reap the benefits of high employee commitment.

Training plays a crucial role in organizational development and change management.

Development is essential for all organizations. Change is inevitable for any organization. The changing business environment forces the business organization to change and plan development to face the challenges of changing economics and emerging new markets. Change also comes to mind the resistance to change from employees. The lower the resistance, the higher the chances for the success of change in the organization. Resistance stems from fear of the unknown, lack of skills to perform new jobs, and inability to

understand new roles, which easily can be mitigated with the help of proper training for new roles.

Reed et al. (2006) also support the claim that the process of developing a training needs analysis is an essential determinant of organizational change. An organization's training and development activity ensures that employees learn and develop new knowledge and skills to cope with change. This calls for effective training that reduces the fear of the unknown. When employees have the skills required in new circumstances, they do not fear changes; rather, they themselves become drivers of change.

Training enhances morale among employees.

This is a universally accepted truth that highly motivated employees are drivers of organizational success. Successful organizations thrive on the shoulders of high-morale employees. Employee morale provides a wide range of benefits for organizations, such as creativity, innovation, and organizational commitment. A high morale level ensures that employees are happy, content, and fulfilling their desires and needs at work. The modern dynamic business environment is rapidly changing, making the competition stronger and necessitating innovations and adaptation to technological changes. Business organizations are now required to work on team motivation as well, as most organizations nowadays have team-based projects, recruitment, performance appraisal, and other HRM processes. To enhance the effectiveness of the organizational structure, teams have to possess a high level of motivation and morale. Ozkeser, B. (2019) concluded that training is a critical player in improving the motivation and morale of employees.

Conclusion

Research provides sufficient evidence that training, besides being a core HR function, is a key variable affecting a wide array of organizational variables. Conventionally, managers consider training only as a mechanism for employee performance, but contemporary research emphasizes that training is also an input for overall organizational effectiveness and efficiency. Especially in the present era, which is full of social, economic, and technological challenges, employees are the key drivers of organizational success in the long run. Today, talent acquisition and retention are major determinants of organizational success. As the above text discusses, employee morale, retention, motivation, readiness to change, and customer satisfaction are directly or indirectly affected by organizational training and development.

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