

# A STUDY ON EVALUATING TRAINING AND DEVELOPMENT PROGRAMME ON ORGANIZATIONAL PERFORMANCE

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## Abstract

*Human capital is an important asset for organizations under intense competition. Training and Development function enables human capital to unleash their dexterity. A profound training program acts as a vehicle to enhance employee skills and enable them to perform better in their job. Training and development is very crucial to the employees, the organization and their effectiveness. Human capital is the differentiator between a good company and a great company. The organizations have long understood that their most valuable asset is their human capital and many are convinced for large investments in employee training and development. An effective training program is one that addresses training needs and delivers training according to training objectives. Research in Training and Development function has produced many results. In the last decade, training evaluation has been the main focus for many studies. This literature review based article presents different viewpoints of various authors regarding the significance of training & development, perceptions of employees towards training effectiveness, training evaluation and training effectiveness. It finally endeavors to measure training effectiveness by proposing a new model.*

**Keywords:** Human capital, training effectiveness, training evaluation

## INTRODUCTION

Training has the distinct role in the achievement of an organizational goal by incorporating the interests of organization and the workforce. Now a day's training is the most important factor in the business world because training increases the efficiency and the effectiveness of both employees and the organization. The employee performance depends on various factors. But the most important factor of employee performance is training. Training is important to enhance the capabilities of employees. The employees who have more on the job experience have better performance because there is an increase in the both skills & competencies because of more on the job experience. Training also has impact on the return on investment. The organizational performance depends on the employee performance because human resource capital of organization plays an important role in the

growth and the organizational performance. So to improve the organizational performance and the employee performance, training is given to the employee of the organization. Thus the purpose of this study is to show the impact of training and the design of training on the employee performance. Training & development increase the employee performance like the researcher said in his research that training & development is an important activity to increase the performance of health sector. Employee performance depends on many factors like job satisfaction, knowledge and management but there is relationship between training and performance. This shows that employee performance is important for the performance of the organization and the training and development is beneficial for the employee to improve. The main objective of our study is how the training increases the employee performance. So the significance of our study is that the training improves its performance.<sup>[1]</sup>

## Conceptual Framework

## Training

Training is the process of imparting knowledge, skills and abilities to employees. Training is considered as a technical skill enhancement program of employees. Training is defined as a planned learning experience designed to bring about permanent change in an individual's knowledge, attitudes, or skills

### **Development**

As a study conveys development enhances behaviors and improves performance and training is more present-day oriented; its focus is on individuals' current jobs, enhancing those specific skills and abilities to immediately perform their jobs. Employee development, on the other hand, generally focuses on future jobs in the organization.

### **Effectiveness**

Effectiveness is defined as the capability of producing a desired effect. Effectiveness of training and development can be measured by average time taken to diagnose a problem, success rate of a customer engineer, overall productivity of employees, ROI (Return on Investment), and customer satisfaction.<sup>[2]</sup>

### **Literature Review**

Literature review of this paper has been segregated into five sections as enlisted under:

1. Significance of training and development function
2. Training and development practices
3. Perceptions of employees towards training effectiveness
4. Training evaluation
5. Effectiveness of training function

### **Significance of training and development function**

Training and development is considered as significant human resource function, as it gains competitive advantage for an organization over its competitors. During 1980s, Japanese management practices clearly indicated that business success based on high standards of performance was dependent on a highly trained and developed workforce. Recent research also indicates a causal link between high commitment practices and improvements in an establishment's performance and competitive advantage. Training and development is most effective motivating and retaining high quality human resources within organization. The training process is one of the most pervasive methods for enhancing the productivity of individuals and communicating organizational goals to personnel. Organizational training activities are recognized as being able to become sources of competitive advantage through their impact on employee's productivity. As the need for current and future effective managers increases in all types of organizations, training programmes and design tools for the evaluation process become more important. Along with other human resource functions, training is increasingly being called on to help companies achieve their strategic objectives. Training programs are intended to improve employee workplace performance. It is expected that a well-designed and well conducted training program will lead to positive reactions from trainees, learning of the important material, behavior change on the job, and performance improvements. Training can be conceived as a change intervention designed to influence learning and behavior change.

### **Training and development practices**

Study considered dimensions of training and development such as key responsibility function, corporate commitment to training and

development, major drivers and key result areas of T&D; purposes, levels, instruments, timing, and designs of evaluation; major perceived deficiencies and challenges of T&D function. comparisons revealed that while some of the findings related to corporate T&D policies and practices exhibited differences, others also reflected similarity. In more than 71% of Indian organizations, the responsibility of training function lies with HR or training specialist, 55% of staff receive training and an amount of Rs. 253.3 was spent on an employee as training investment; 78.6% of Indian companies provide training with an objective to improve productivity, quality and innovation among employees; 89.3% of organizations conduct training evaluation to determine effectiveness of T&D.<sup>[3]</sup>

### **Perceptions of employees towards training effectiveness**

Training should be designed and delivered to meet the needs of all employees, and employees should perceive that they are being treated fairly and equitably with regard to the training they receive perceptions of effectiveness of training and development revealed that employee perceived value of training has differed by age and position. 52.3% of respondents reported that training practices had not provided them with an increase in salary. 36.2% of respondents reported that training had not provided them with an opportunity for promotion. 25.2% of respondents reported that training provided substantial training when they first joined work. However, respondents reported that training and development practices had a positive impact on preparing them to be more effective in their work, increasing their technical abilities, interpersonal abilities, team work, job confidence and work motivation. Perceived effectiveness of training and development varied by age, gender & position and findings suggests that,

Older employees are more likely to feel than younger that

1. Training had provided them with increase in salary
2. Greater opportunity for promotion
3. Prepared for better job assignments
4. Developed skills to do number of jobs
5. Improved their understanding of business
6. Increased their confidence to undertake task

Compared with managers/supervisors, workers are less likely to report that,

1. Training had provided greater opportunities for promotions and increase in salary.
2. Training had increased their technical abilities
3. Improved understanding of business
4. Prepared them better for future assignments
5. Developed skills to do a number of jobs
6. Increased confidence to undertake work tasks
7. Taught them about organization values
8. Training program is better implemented than, in other organizations in which they had been employed.

Research was performed on a 301 customer and technical service executives with an aim to study job training satisfaction. Results of research work concluded that no significant relationship between job training satisfaction and formal education level achieved, age, gender, race/ethnicity while there is a significant relationship between job training satisfaction and job tenure.

### **Training evaluation**

Training evaluation is often defined as the systematic process of collecting data to determine if training is effective.<sup>[6]</sup> According to Brown, evaluation should include procedures that ensure alignment of a training activity with the organization's strategy.<sup>[6]</sup> Organizations spend an immense amount of time and money on training in order to facilitate employee's learning of job-related competencies.<sup>[7]</sup> As a result of the financial investments organizations make in training, it is important to provide evidence that training efforts are being fully

realized. According to Leach P. Mark & Liu H. Annie, to evaluate training investments critically, organizations need to know how reactions, knowledge acquisition, and behavior change impact outcomes.<sup>[8]</sup> Similarly, organizations need to know the value of measuring training at multiple stages. Over the years, researchers have developed systematic procedures for training evaluation. Some of them are presented here.

1. Kirkpatrick's four level model
2. Hamblin's five level model
3. Warr's framework of evaluation
4. Virmani and Premila's model of evaluation
5. Peter Bramely's model of evaluation
6. David Reay's approach to evaluation

**Kirkpatrick's framework** classifies training evaluations into four categories.

1. Participants' reactions to the training program
2. Changes in attitude, knowledge or skill levels
- 3 changes in work behaviours
- 4 changes in organizationally desired outcomes.<sup>[8]</sup>

According to **Hamblin training** can be evaluated in four levels: Reaction, Learning, Job Behavior and Functioning.

**Peter Warr** had, for evaluating organization training, recommended the C.I.P.O (Context evaluation, Input evaluation, Process evaluation, Outcome evaluation) framework of evaluation.

**Virmani and Premila's** model of evaluation embraces three stages: Pre-training evaluation, Context and Input evaluation, Post-Training evaluation.

**Peter Bramely's model** of Evaluation includes three stages: evaluation before designing learning event, evaluation during the event, evaluation after the event.

**David Reay** has divided evaluation into three stages: the trial phase, the ongoing phase, the final phase.

### **Effectiveness of training function**

A training program is said to be effective when training outcome matches with its objectives. The degree with which outcome is closer to objective determines training effectiveness. Evaluation is the most important means to determine the effectiveness of training, however, other factors — including transfer of learning, ability of the trainer to deliver and trainees to absorb, ability of the institute and the trainers to recognize the needs and properly address them, and adequate matching of training package to trainees requirements — also have an influence on the effectiveness of training. Training effectiveness may be assessed by considering the results or evaluation, performance of the trainees and their ability to transfer techniques to their jobs. Training effectiveness can also be a function of trainee characteristics, training design and contextual factors. Evaluating the effectiveness of training program is an important step as it is carried out to see how well the training objectives have been met and whether it is the best method for achieving those objectives. The failure to consistently find results for the effectiveness of training through the use of behavioral and performance rating criteria can be attributed to several sources, including training design issues, trainee characteristics, work environment characteristics, and criterion issues.<sup>[4]</sup> To examine training effectiveness using results criteria, the inherent difficulties involved in collecting objective performance measures of trainees.

### **Model for measuring training effectiveness**

The importance assigned to Training and Development function in an organization can be understood by knowing commitment from top managers, investment and time spent on training, major responsibility associated with HR

or specialist trainer and involvement of line manager. The purpose of training will be served when employees who undergo training learn skills and knowledge from the training program and apply them in their job. It is difficult to measure training effectiveness; because, training results may not be immediately reflected

#### **Four stage cyclic model for measuring training effectiveness**

In this paper an attempt is made to develop a comprehensive model for training effectiveness which envisages concepts starting from training needs assessment to trainee performance. The new model is called, Four stage cyclic model to measure Training Effectiveness. This model considers evaluation of four stages of a training program to measure training effectiveness.

Stage1. Training needs

Stage2. Training design

Stage3. Trainer performance

Stage4. Trainee performance. It is proposed that if each of these stages is evaluated for its perfection, training effectiveness can be measured effectively. Inputs from each stage are taken from the previous stage.

#### **Stage1. Trainee needs assessment**

Training needs are determined based on gaps in trainees knowledge, skill, ability, etc. Effectiveness of training depends on relevance of the training package to trainee's genuine needs. By the end of training needs analysis, objectives of training program should be formulated. Hence, training objectives formulated based on training needs analysis is a crucial factor in determining effectiveness of a training program.

In this stage of a training program, evaluation should be made for training objectives. To evaluate effectiveness of training program, training objectives should fulfill following criteria.

1. Training objectives should be measurable.
2. Training objectives should set benchmark

in trainee performance and contribution of training knowledge in improved performance levels can't be judged objectively. What it makes more difficult in measuring training effectiveness is its complexity in measuring results in terms of monetary value.

3. Training needs should evolve objectively from trainee requirements.

#### **Stage 2: Training design**

Design is the outline dictating fundamental characteristics of the training. Training design refers to the degree to which the training has been designed and delivered in such a way that provides trainees the ability to transfer learning back to the job. Training design includes training schedule, material, source of trainer decisions, training methods will be used, training aids required, gaps/breaks during training program argues that greater the proportion of sales training devoted to product knowledge, the more effective training program. This indicates the importance to training content and the base work required in making a training program effective.

#### **Stage 3: Trainer performance**

Trainer performance has a great impact not only in attracting trainees towards goals of program, but also to the entire effectiveness of training. No matter, whether training goals are formulated to benefit, training aids, methods are good, but if trainer performance is not good, entire training program will eventually turn ineffective.

#### **Stage 4: Trainee performance**

Employees, who have gone through training, have to be evaluated to understand change in their learning levels. Training goals acts as benchmark against which employee's performance is evaluated and relativity is analyzed. Observable, well laid down training

goals make it easy to measure degree of transfer of learning to employees.

### Conclusion

Training and Development contributes in such a way that employees can enhance their dexterity. There is a causal relation between training and employee performance. Training helps organizations in achieving their strategic objectives and gives organizations a competitive edge. In this context, organizations train and develop their employees to the fullest advantage in order to enhance their effectiveness. Organizations should evaluate whether training & development programs are effective and producing desired results. Proper evaluation is the base to effective training. Training evaluation should be a regular system by the fact that trainees are transient groups. They attend training program to acquire specific skills and return to work to apply them. Over time, new knowledge and skill becomes necessary; again they return to training program.

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