

SIGNIFICANCE OF TRAINING PRACTICES & ITS EFFECTS ON EMPLOYEE PRODUCTIVITY: A COMPARATIVE STUDY

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ABSTRACT

The paper studies the effects of training on employee productivity. This paper provides suggestions for further investigation. Emphasis is on training practices and its effects on personnel productivity. In conclusion, we can say that taken as a whole, the research findings are varied. Some studies have found a positive association, some negative and some no association whatsoever. The paper concludes with directions for further studies and level of analysis on significance of training practices. Our comparison and analysis suggest that there definitely exist a relation between these two but the significance and after effects of training practices differs industry wise.

Keywords: Training; Employee Productivity, Investigation, Personnel Productivity, Research Findings.

Introduction

Present Scenario of business world is characterized by a growing competitiveness, market globalization and technological advances in organization. The survival of a company depends on prolonged, durable and vivid advantages. The Skills of an organization's employees have become increasingly of these resources. Organizations spend heavily on training to aid employee's learning of profile related qualities. Consequent to the financial investments organizations make in training, it is important to provide results that training efforts are being fully realized (Casio, 2000; Dowling & Welch, 2005). The revenue cycle is driven by knowledge and innovation as shown in Fig 1. Employers must actively manage the benefits attached with training as shown in Fig2.

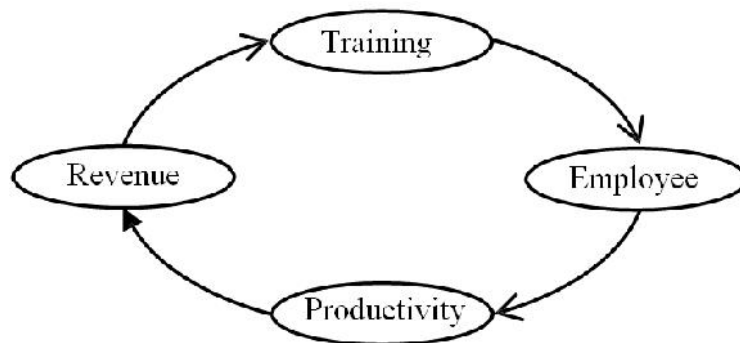


Figure 1: Relationship Cycle

Significant to its development and growth. Often the advantages of an organization are losing their shine in favour of vertical elements carrying less weightage.

Fresher's are trained through cut and try, self-analysis, and by asking questions. Experienced employees learn from on the job experiences. Studies revealed that employees trained through cut and try are less productive when compared to those who had formal course of training. Organization need to focus on training expenditures. This approach often results in employee productivity.

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Organizations maintain a blurred position regarding investment in training. They generally accept training as an important means to improve employee productivity which ultimately leads to organizational productivity and effectiveness, a present demand for all organizations. But, in practice, they usually face this challenge with cost control including training practices expenditure. This situation can be explained by the fact that organizations do not understand how investments in training can provide value. Either training evaluation is carried out in a very casual way, or it does not exist at all in many organizations. Some do well in classroom settings and others excel through e-learning. However, all training should have one thing in common: it should incorporate application. To read or hear about something isn't enough; successful training requires theory, demonstration, as well as application. The objective of this paper is, taking the above-mentioned situations into consideration, to compare and analyze the significance of training on employee productivity across various industries.

Literature Review

- **Training**

Organization can utilize training as a tool to improve the performance of employees by imparting training and development. Research indicates that investments in training employees in problem-solving, decision-making, teamwork, and interpersonal relations result in beneficial to the companies.

Training also has a significant effect on employee performance. Firms can develop and enhance the quality of the current employees by providing comprehensive training and development.

Assessments of organizational needs to be evaluated scientifically before making training programs. Training programs that are matching with employee and organizational goals and needs and fit with the business strategy will meet with greater success than those that are not (Wexley & Latham, 1991). Preferably, employees will undergo training relying on self analysis of their work.

- **Employee Productivity**

Employee Productivity is the profit over number of employees. It results can be viewed across whole economy. It means fruitful, lucrative and profitable. In this context, productivity is synonymous with output. In real sense it is the relationship between output and input for example production quantity versus 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 significant to have the correct employees at the correct job and experience in order to survive the surrounding competition. The successful organization is dependent on its skillful workforce. That is why training is referred as influential tool in achieving organizational goal and objective.

Training has been an invaluable variable in improving employee productivity.

It is studied that transfer of training, and evaluation of programme benefits are key activities (Krishnaveni & Sripirabaa, 2008) in addition to studying general training variables such as types of training, selection of trainees, selection criteria, evaluation instruments etc.

Training accomplishments depends on the process steps: The questionnaire was responded by employees of various organization Capitaline Plus Database. This uses a powerful financial analytic tool on different company profile (directors, financials - P & L, Balance sheet, Cash flow, Consolidated financial data, Segment data, Forex data, R&D data, Ratios, etc,

Method

- **Sampling**

The sample includes firms from 5 various sectors. This study has taken a sample of minimum of 1000 employees

This study used different sectors like Automobile, Insurance, Luxury items, Agricultural and Financial Services (credit banks) were chosen.

- **Data Collection**

The data was collected from two different sources- primary and secondary. Primary data was collected by questionnaire as per Annexure-1.

- **Measures**

Scales were used for measuring training practices. Each scale was a 5-point scale with '1 = not at all true' to '5 = very much true'. Details of the each scale and constituent items are provided in Annexure 1.

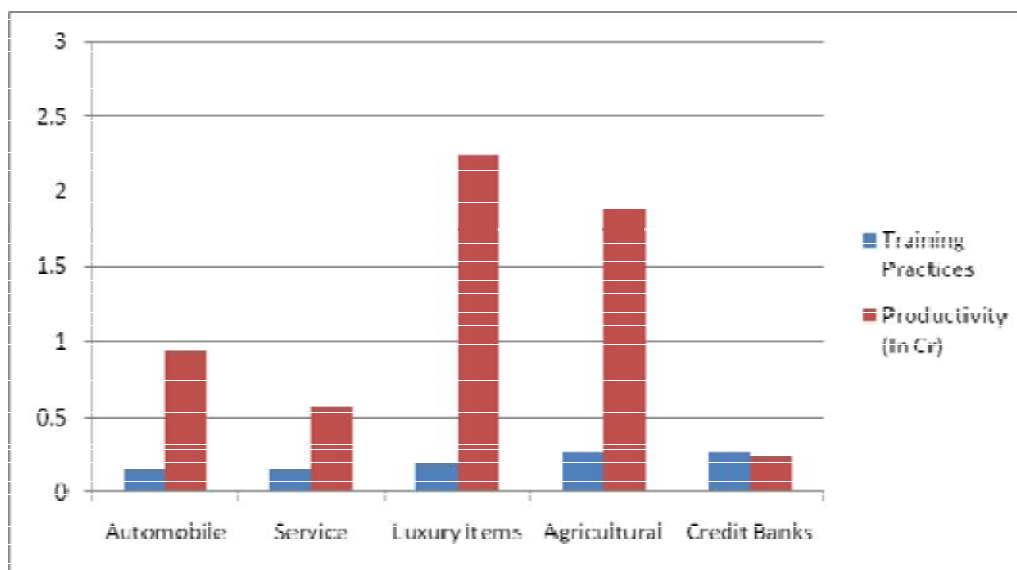
Employee productivity was evaluated from total sales and total number of employees for that financial year for various companies and displayed industry/sector wise. (see Table 1)

The questionnaire values of training practices were converted through correlating training with employee productivity.

Result

Table 1: Sector Wise Classification of Training practices and its effect on employee productivity

S. No.	Industry	Training Practices	Productivity (In Cr)
1.	Automobile	0.15	0.93
2.	Insurance	0.15	0.57
3.	Luxury/Items	0.19	2.25
4.	Agricultural	0.26	1.89
5.	Financial services	0.26	0.23



Graph 1: Relationship between Employee Productivity and Training Practices

Discussion

Employee Productivity has a straight forward relationship with training practices on personnel across different sectors. It is the extent or degree of relationship which is in question. (see Graph 1)

The overall findings of the study are:

- The basic industries like Automobile and Agricultural have high degree of relationship between training and productivity. Higher the training in these companies higher will be the productivity.
- The risky businesses like Credit banks which falls in the category of high profit high risk business, the training plays a small part in the productivity of the employees.
- For Luxury items like interiors of house, productivity depends on income levels of middle and upper class wages, their savings, consumption practices etc.,.
- Insurance companies deals with agents like indirect employees. The nature of work in these sectors hugely reliant on agents, with dependable training practices their effects on productivity were minimal.

Conclusion

Training has a significant role to play on productivity. But there are other dominant market forces which reduces its significance. This study emphasized the relationship between significance of training practices and its effects on employee productivity.

Due to acute shortage of time and sample size used for this study, other variables were not focused.

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