

## **ROLE OF TRAINING AND DEVELOPMENT TOWARDS COMPETITIVE ADVANTAGE: A VITAL TOOL FOR ORGANISATIONAL EFFECTIVENESS**

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### **Abstract**

Training becomes inevitable the moment an organization realizes the need for improvement and expansion in the job. But often times, organizations embark on job enlargement and enrichment to promote employees' morale, motivation and satisfaction when in the fact the real problem with work performance lies in capacity development. Training and development are required for staff to enable them work towards taking the organization to its expected destination. It is against the backdrop of the relative importance of staff training and development in relation to organization effectiveness that this article addressed.

**Key Words:** - *Training and Development, Competitive Advantage, Organizational Effectiveness.*

### **INTRODUCTION**

The survival of any organization in the competitive society lies in its ability to train its human resource to be creative, innovative, inventive who will invariably enhance performance and increase competitive advantage. (*Bassanini, A. 2004*). Training and development is an aspect of human resource practices that help in enhancing employees' skills, knowledge, and competence capable of improving employee's ability to perform more efficiently. Training and development play a vital role in the effectiveness of an organization.

Employees are the indispensable asset and key element of gaining competitive advantage of any organization and training is essential tool for its actualization. The level of competency, skills and ability of the workforces of an organization influences its ability to preserve its obtained positions gain competitive advantage. Meanwhile, employees competence, skills and pro-activeness is directly proportional to the level at which organization can compete with others. Organizations are confronting with increased competition resulting from changes in technology, economic environments, globalization etc. As it could be inferred from above that not much research has been conducted on

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the relationship between all of these constructs. In this regard, this study aimed to contribute to the existing knowledge particularly in the sphere of capacity development. It is to this end that this paper seeks to critically examine the effectiveness of training and development on employee's performance and organisation competitiveness.

## REVIEW OF LITERATURE

A detailed Literature has been reviewed to make the study relevant. Few among them are:

**Sims (2002)** emphasizes that, "training focuses on present jobs while development prepares employees for possible future jobs. Basically, the objective of training and development is to contribute to the organization's overall goal."

**Korte (2006)** said that, "Training and development in Human Resource Development (HRD) has gone through huge changes and expansion in vision in this twenty first century. Training is no longer restricted to instruct individuals to perform their duties and responsibilities at work efficiently and effectively. Training and development now extend to organizations incorporating non-training solutions that is aimed at achieving individual performance as well as organizational performance."

**MacDuffie(1995), Dyer and Reeves (1995)** concluded that "Staff training and development has been identified by various scholars and anchors to be very crucial to an organization and its effectiveness.

**Mel Kleiman (2000) described that,** "the essential parts of a worthy employee training program are constructed on orientation, management skills, and operational skills of employees. These theories are the groundwork of any employee development program. "

**According to Pitfield (1982),** "the objectives of training are to: provide the skills, knowledge and aptitudes necessary to undertake required job efficiently, develop the workers so that if he has the potentials, he may progress, increases efficiency by reducing spoilt work, misuse of machines and lessening physical risks."

## OBJECTIVES

The primary objective of the current research study is to study, analyze **and enlighten importance and role of Training towards Competitive Advantage: A Vital Tool for Organizational Effectiveness.**

Paper also emphasizes to study the secondary objectives as stated below:

- Examine how on the job training and development affect employees performance.
- Review the training evaluation and effectiveness models.
- Evaluate the impact of training techniques on employee's productivity
- Analyze the training effectiveness on organizational performance.

## RESEARCH METHODOLOGY

**Research Methodology** is a way to systematically solve the research problem. It may be understood as the science of studying how the research is done scientifically. The aim of the proposed research is to explore and describe the facts and developments related to the topic of the research article. Present research is **explorative and descriptive** in nature. The present study is based on secondary data collection, i.e data is gathered for research study from information which has previously been collected by some organization to satisfy its own need, but it is being used for the current research under references for an entirely different reason such as Company's literature, Annual reports, Sales reports, Published sources like books and journals, Research papers, masters

and PhD Thesis, Newsletters, Media and authentic Websites.

## RESEARCH OUTCOMES

One important dimension that helps in determining the effectiveness of training & development programs is training evaluation.

### TRAINING EVALUATION: PURPOSE AND NEED

An evaluation of a training programme can help an organisation meet different goals during the life of training programme. Evaluation of training programme has two basic rules aims – assessing training effectiveness, and using it as a training aid. The primary aim of evaluation is to improve training by discovering which training processes are successful in achieving their stated objectives. Since evaluation affects learning, it can also be put to use as a training aid (knowledge of results facilitates good learning). The other purposes of training evaluation include the following:

- To determine whether the training and development objectives are being met.
- To determine the effectiveness of the different components of training and development programme (e.g. contents, training aids, facilities and environment, programme schedule, presentation style, the instructor etc.)
- To determine whether the training and development programme justifies the cost.
- To decide who (number and type of potential participants) should participate in future programme.
- To assess which participants gained the most or the least from specific programmes.
- To gain practical insight in order to design, develop and deliver more effective future programmes.
- To conform to policy guidelines and documentation of training and development efforts.
- To check the extent of transfer of learning i.e. the extent to which a trainees applies to his/her job.
- To determine if the training programme maps to the needs the trainees.

Training should be evaluated during the process. The effectiveness of any training program is determined not only by the successful acquisition of critical knowledge but also the ability to effectively transfer that knowledge to the performance environment (Alkesander P.J. Ellis, Bradford S. Bell, Robert E. Ployhart, John R. Hollenbeck, Daniel R. Ilgen, 2005). Employees should be evaluated by comparing their newly acquired skills with the skills defined by the goals of the training program. Any discrepancies should be noted and adjustments have to be made to the training program to enable it to meet specified goals. Many training programs fall short of their expectations simply because the administrator fails to evaluate its progress until it was too late. Timely evaluation will prevent the training from straying from its goals.

**Bramley and Newby (1984)** identify four main purposes of evaluation.

- **Feedback:** Linking learning outcomes to objectives and providing a form of quality control;
- **Control:** Making links from training to organisational activities and to consider cost effectiveness;
- **Research:** Determining the relationship among learning, training and transfer of training to the job;
- **Intervention:** The results of the evaluation influence the context in which it occurs

**Kirkpatrick’s Four – Level Training Evaluation Model**

This is the best method for evaluating the training effectiveness and widely accepted and followed by many organizations. Kirkpatrick’s Training Evaluation Model consists of Four-Levels. According to this model evaluation should always start from the basic level and further evaluation of other levels would be done basing on the need for the situation.

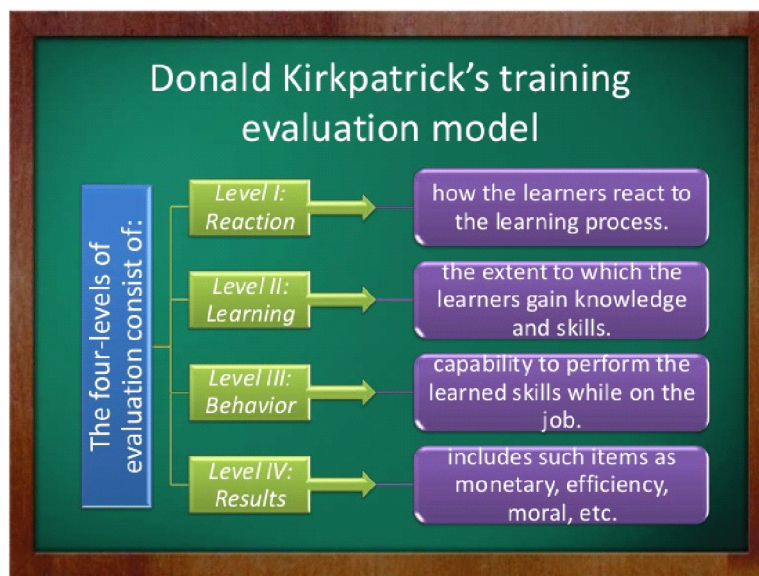
**he four levels include:**

**Reaction** - This determines how the reaction of the trainees during the training process.

**Learning** - the extent to which the learners gain knowledge and skills

**Behavior** - capability to perform the learned skills while on the job

**Results** - includes such items as monetary, efficiency, moral, etc.



**Figure 2. Kirkpatrick Training Evaluation Model\***

\* Source-www. indiana management training models

There are three problematic assumptions of the Kirkpatrick model:

- (1) The levels are not arranged in ascending order,
- (2) The levels are not causally linked, and
- (3) The levels are positively inter-correlated.

**ANALYSIS OF TRAINING EFFECTIVENESS**

There are a number of performance indicators that can indicate effectiveness of how the training was in each of the training settings. An elemental indicator for written exams is the number of people who passed. However, this indication by itself is not sufficient to indicate effective training. Test item analysis provides a more substantial indication of effective training and indicates that training delivery was weak, test items were inadequate to measure knowledge, or individuals taking the examination do not take tests well. Test item analysis should not be the only method used to evaluate training effectiveness.

Analyzing indicators associated with testing activities include assessing whether the first level of Kirkpatrick's model (customer satisfaction) indicates training effectiveness. These indicators are constructed during the process of using written, oral, and performance examinations and are important factors in determining training effectiveness.

### **Effectiveness and Efficiency of Training and Development in Organizations**

Most of the companies in the world have found that by continuously developing and training their employees they can acquire the core competencies needed for competitive advantage and flexibility. Training is essential for an employee who has just been promoted to a higher level job. Similarly the training increases the skill and knowledge of employees. This helps employee to perform his job much better and improve their personality and attitude and also increases their level of self-confidence and commitment to work. Training also helps in the development of employees.

### **Effective Training for Quality Job Performance**

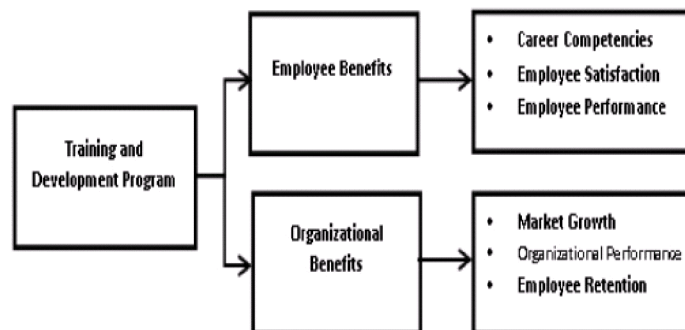
Implementation of formal training and development programmes offers several potential advantages to quality job performance in business organizations. For example, training helps companies create pools of qualified replacements for employees who may leave or be promoted to positions of greater responsibility. It also helps ensure that companies will have the human resources needed to support business growth and expansion.

Effective training and development begins with the overall strategy and objectives of the small business. The entire training process should be planned in advance with specific company goals in mind. In developing a training strategy, it may be helpful to assess the company's customers and competitors, strengths and weaknesses, and any relevant industry or societal trends. The next step is to use this information to identify where training is needed by the organization as a whole or by individual employees.

### **Importance of Training and Development on Job Performance**

Training is one element many corporations consider when looking to advance people and offer promotions. Although many employees recognize the high value those in management place on training and development, some employees are still reluctant to be trained. Training and development offers more than just increased knowledge. It offers the added advantage of networking and drawing from others' experiences therefore it is not uncommon to hear excuses regarding why someone has not received training. (Choo 2007)

According to the Organization for Economic Co-operation and Development (OECD) Employment Outlook 2004, policies aimed at enhancing workers' skills contribute to an improvement in employment performance. Lifelong learning is shown to be a vital element in employment strategies. ([www.oecd.org](http://www.oecd.org))



**Figure 3. Benefits of Effective Training**

### SUGGESTIONS

- To improve high performance growth, needed increased training effectiveness to a greater extent.
- Training should provide highly to make better improvement in interpersonal relationship.
- Employees should try to take active part in the training programmes.
- Training by interacting with individual level is the right way to increase the performance

### CONCLUSION

The Paper clearly demonstrates the **role of Training and Development towards Competitive Advantage: A Vital Tool for Organizational Effectiveness**. Training and development is the field which concerned with organizational activity aimed at bettering the performance of Individuals and groups in organizational setting. It is a combined role often called human resources development (HRD) meaning the development of "Human" resources to remain competitive in the marketplace.

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.

It is not just sufficient to conduct a training program. Organizations should evaluate whether training & development programs are effective and producing desired results. Proper evaluation is the base to effective training. Based on the present study, it can be concluded that effectiveness of training & development significantly depends on training needs determination, training design, trainer performance and trainee performance. In this context, appropriate attention has to be devoted for all the influencing dimensions that have a telling impact on training & development effectiveness.

**The research affirmed the proposition that training has a positive impact on organizational performance and it has a competitive assertion.**

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