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A Comparative Study of the Effect of Training Practices on Employee Productivity

Dr. Sushma Rani¹

Resource Person,
Baba Sahab Bhimrao Ambedkar University,
Lucknow, India.

Dr. Sanjeev Kumar²

Assistant Professor (Contract),
Department of Management,
Dr. Shakuntala Misra National Rehabilitation University,
Lucknow, India.

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Abstract: Numerous businesses of all kinds are currently dealing with issues linked to employee and labour productivity. An important aspect that increases an employee's productivity is training. The impacts of training on employee productivity are investigated in this research. This article reviews the existing data supporting such a connection and makes recommendations for additional research. A thorough analysis of the research results from studies that attempted to identify and comprehend the influence that particular HR practises, including training, had on worker productivity across various industries. Our evaluation is centred on employee productivity, training practices, and how these factors are related. We may state in conclusion that the research findings are diverse when considered as a whole. Studies have discovered associations in many directions, including positive, negative, and completely absent. The report ends with recommendations for further research by using various levels of analysis to examine how training practices affect employee productivity.

Keywords: Training, Training practices employee productivity.

I. INTRODUCTION

Many businesses of all kinds are currently dealing with issues linked to employee and labour productivity. An important aspect that increases an employee's productivity is training. The current business environment is characterized by an increase in competition, globalization of markets, and organizational technical advancements. A company must pursue lasting competitive advantages if it wants to survive. The success, competitiveness, and progress of a business are increasingly dependent on the knowledge and skills of its workforce. The validity of theories attributing these advantages to external factors is currently eroding in favour of those focusing on internal factors, particularly the idea of resources and capacities.

One internal resource that can be seen as a source of competitive advantage is the human factor, mostly due to its intangible attributes: knowledge, skills, and attitudes. (KSA) (1996; Mueller, 1996; Barney and Wright, 1998, Wright et al., 1994; Kamoche,) and organizational knowledge (Lee and Yang, 2000; Alavi and Leidner, 2001; Bassi et al., 1998; Bollinger and Smith, 2001) are becoming more and more important.

Training is a crucial activity to ensure that the workforce is competent, adaptable, and proactive, even though all human resource activities are implicit in the development of these resources. (Raghuram, 1994; Bartel, 1994; MacDuffie and Kochan, 1995) plus to ensure that each stage of the knowledge management process is carried out correctly. (Alavi and Leidner, 2001; Bollinger and Smith, 2001). In order to help employees develop the skills necessary for their jobs, businesses invest a lot of

time and money in training (Noe, 2006; Cascio, 2000). Given the financial commitments businesses make to training, it's critical to show that these efforts are completely realised (Dowling & Welch, 2005). Employee-generated skills, creativity, and innovation drive the revenue cycle. as shown in Fig 1 Organizations must invest in training to actively manage these resources, as Fig. 2 illustrates in further detail.

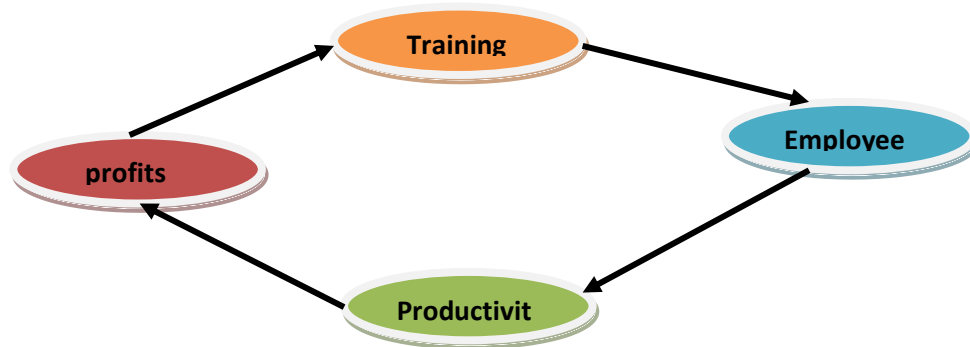


Figure 1: Relationship Cycle between Training Practices and Employee Productivity

Organizations continue to have a hazy perspective on investing in training. They typically acknowledge that training is a crucial tool for increasing worker productivity, which in turn boosts organizational productivity and effectiveness, current demands for all firms. But in, They typically deal with this problem by controlling costs, which includes spending on training techniques. This scenario might be explained by the fact that businesses do not recognize the benefits of investing in training.

II. LITERATURE REVIEW AND BACKGROUND

The Concept of Training: - Companies can raise the calibre of their current employees by providing appropriate training and development. According to research (Bartel, 1994; Russell, Terberg, and Powers, 1985; Ettington 1997; Barak, Maymon, and Harel, 1999; Cianni and Wnuck, 1997), The business benefits from training personnel in conflict, decision-making, coordination, and interpersonal interactions. Employee performance is significantly impacted by training as well. Businesses can improve the quality of their present staff by offering thorough training and development. According to research (Barak, Maymon, and Harel 1999; Bartel 1994; Cianni and Wnuck 1997; Ettington 1997; Russell, Terberg, and Powers 1985), investing in staff training in problem-solving, teamwork, and interpersonal connections pays off at the business level. Training initiatives that are in line with corporate objectives, employee requirements, and business strategy will be more successful than those that are not (Wexley & Latham, 1991). Employee training should ideally be based on the findings of work-related assessments.

Developing people's knowledge and abilities in relation to specific practical competences is the process of training. Training is a helpful activity that aims to increase people's capacity, capacity for learning, performance, and productivity (Trevisani, 2016). The fundamentals of training serve as the hub of preparation and the foundation for growth in contemporary companies (Afshan et al., 2012). The majority of firms today require ongoing development through ongoing training and maintenance of employees' skills and knowledge through ongoing updating and upgrading throughout their working lives (Sinikka, 2013). Training, according to Elham (2016), is "an effort to equip the employee with the knowledge and information that he/she needs to acquire the skills essential to perform the work, improve them, boost work knowledge and experience to increase his/her present job performance." Every organization's personnel are its main source of strength. Strengthening their development lays a solid foundation for the future success of the business, thus managers must continue to grow professionally while also being committed to helping their staff reach their full potential. In order for an organisation to succeed, employees depend on managers, and vice versa (Richard, 2012).

Training and development essentially update the corporation in addition to increasing employee productivity. In other words, staff development is the primary factor in the long-term sustainability of a firm. Employers benefit more from having workers that can quickly adapt to a constantly shifting global market. In order to retain employees and succeed, businesses must

invest in and establish excellent employee training and development. Organizations that can learn new things rapidly and adapt to changes better than their rivals will thrive in the twenty-first century. Training increases employees' initiative and the calibre of their work, which in turn motivates them to work harder to accomplish the organization's objectives and goals and, as a result, increases their effectiveness in the workplace (Maimuna and Rashad, 2013).

Employee Productivity: - Employee Productivity, which is computed as the log of net sales over total employees, is a metric of economic output per unit of input. Measures of employee productivity can be compared throughout the economy as a whole or by industry. In light of the fact that a low workforce effectively serves as a barometer for other inputs like technology and capital, which in turn results in a reduction in total factor productivity, Uğur (2003) contends that the productivity of employees is a topic that should receive special attention from business management. This shows that all other productivity outcomes are dependent on workforce productivity, which serves as their core and driving force. In contrast to being a typical employee, today's organisation members prefer to be involved in the management of the organisation. Participation in management is crucial and critical for inspiring people to work hard (McConnell, 2005).

According to Oxford Dictionary's definition from 2007, Productivity is the efficiency with which something is produced. Employee productivity continues to be the primary economic indicator of output relative to input. Employee productivity is still used to quantify economic output relative to input. It represents the net sales log over all employees (Rohan and Madhumita, 2012). As a result, it is possible to calculate the staff productivity of an economy or an industry. Encouraging and motivating employees to achieve company goals and objectives is a key factor in determining employee productivity across the world. The productivity of the workforce is also recognised to be influenced by other factors, including work environment characteristics and discipline procedures. Despite the challenges brought on by the complexity of office work, attempts have been made to develop general and accepted metrics that may be used to compare the productivity of various positions. Economic indicators, such as the ratio of revenue to spending, are one option. But for a number of reasons, such actions are improper in this situation.

- One could argue that the true measure is one of profitability as opposed to productivity.
- The market, among other external factors, has a significant impact on such metrics. These characteristics, which operate as confounding variables, may make it extremely difficult to pinpoint how the shaped environment affects people's efficiency.
- A large portion of what the government performs is performed as a public service and is not profitable.

III. OBJECTIVE OF THE STUDY

This study makes the assumption that many organizations in the India have little interest in utilizing new training theories and prefer to stick with outdated practices that might not produce the desired results. Additionally, most institutions in the India world in general and the India in particular do not evaluate contemporary training methods and means before beginning the programmes that are the subject of the current study. The objectives of this essay is to evaluate and assess the effects of training on employee productivity across various industries while taking the aforementioned circumstances into account.

IV. SCOPE AND NEED OF THE STUDY

The results of the current study will be helpful to a variety of organizations and industries in determining a number of variables that will raise employee motivation levels, enhance product quality, firm performance, and profitability, and ultimately reduce attrition rates and waste in the organisation and industry. Training has unique qualities and is utilized to boost productivity in terms of both quantity and quality.

V. RESEARCH METHODOLOGY

Research Design - A descriptive study approach, which includes surveys and various fact-finding inquiries, was utilized to determine the relationship between employee productivity and training level. The primary goal of descriptive research is to describe the current state of circumstances as they stand right now. His or her only ability is to report what is happening.

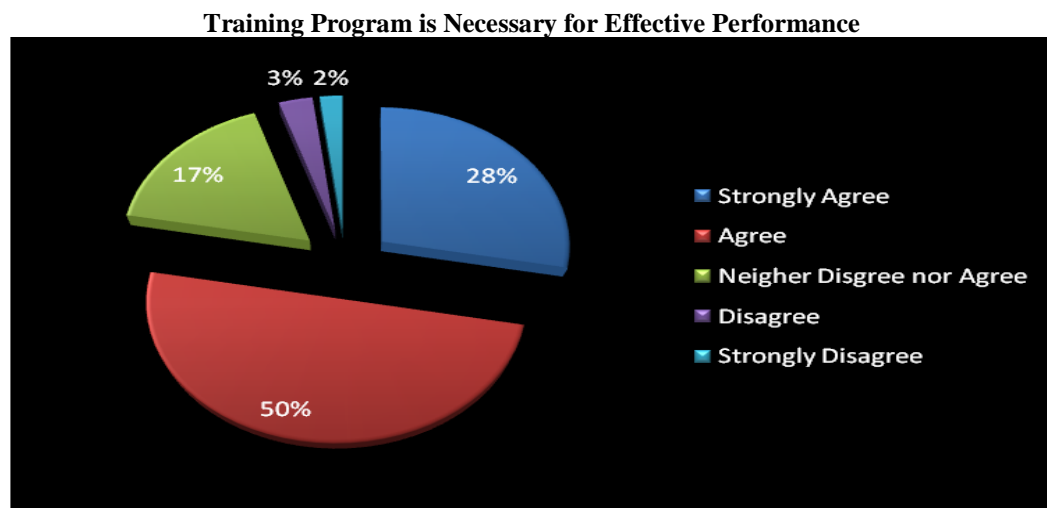
Sampling - The sample includes companies from a variety of industries with at least 400 employees from the prior fiscal year. Several industries from various sectors were chosen for this study, including the IT industry, agriculture, banks and financial, luxury goods, automobiles, services, and electronics.

Data Collection - To collect the data, both primary and secondary sources were used. By distributing the training questionnaire, primary data were acquired. The survey is a standardized one that has been used in the context of India before. The person in charge of the HR division answered. Secondary data regarding the employee count and net sales of many different businesses/corporations were acquired from the take advantage in addition Database. More than 500 Indian listed and unlisted firms are covered by the fundamental and market data offered by Capitalize Plus, which is broken down into more than 200 categories.

Measurement Tools - The instruments that are used to analyse the relationship between employee productivity and training levels are Simple percentages, Bar- diagrams, Pie- diagrams. The practices of the training were measured using the scales. Every scale had a 5-point range, with 1 denoting "not at all satisfied" and 5 denoting "very satisfied." Specifics about each scale and its component elements are listed. The total number of employees and total transactions/income for each organization's financial year were used to calculate employee productivity, which was then aggregated by industry and sector. In Table 1, The values of training practices from the questionnaire were translated in accordance with the correlation between training practices and employee productivity.

VI. RESULTS

Analysis: According to the following table, 28% of respondents fully strongly agree that training is required for them to perform at their best. A majority of respondents 50% believe that training is essential for good performance. While 3% of respondents disagree and 2 % of respondents strongly disagree. 17% of respondents are Neither agree nor disagree.



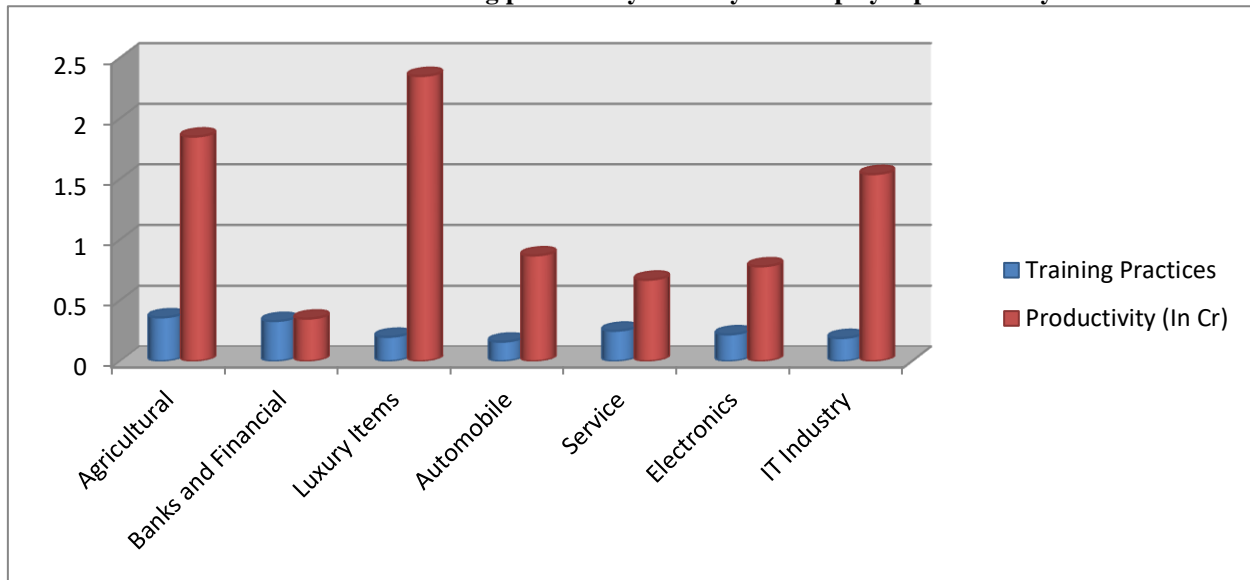
Interpretation: As a result, the majority of respondents strongly supported training programmes in the industrialized sectors. These programmes will assist in determining the proper sort of training for each individual, saving the organization time, resources, and money while enabling it to implement training sections in the best manner possible.

For analysis purposes, Microsoft Excel's "WHAT IF" tool was employed.

Sl No.	Industry	Training Practices	Productivity (In Cr)
1	Agricultural	0.36	1.85
2	Banks and Financial	0.33	0.35
3	Luxury Items	0.20	2.35

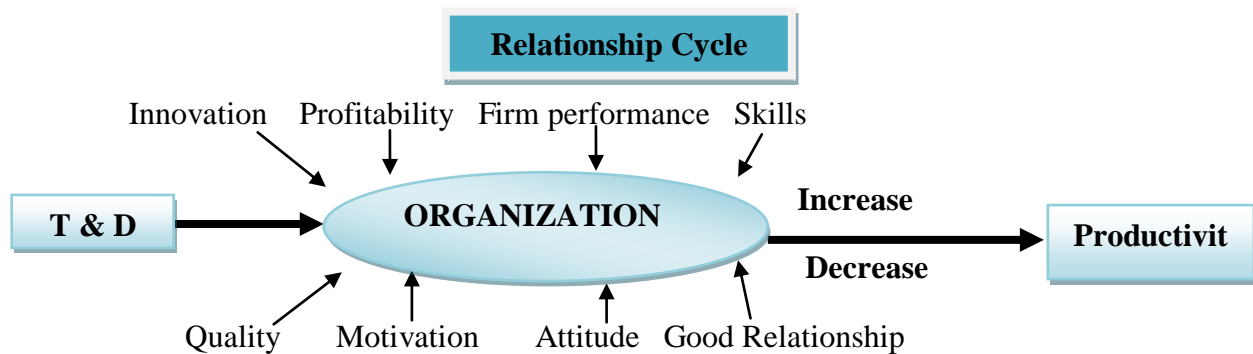
4	Automobile	0.16	0.87
5	Service	0.25	0.67
6	Electronics	0.22	0.78
7	IT Industry	0.19	1.54

Table 1: classifies training practises by industry and employee productivity.



Graph 1: illustrates the connection between employee productivity and training practices.

Discussion: In all industries, the amount of training provided to employees has a direct impact on productivity per employee. The strength or significance of the connection is up for discussion. (see Graph 1). Following are the main conclusions of the study that may be broken down: a detailed procedure for improving business operations through a specific training programme. It is crucial to highlight the pertinent productivity benefits that a company might experience from a learning programme and adjustments to the supply and value chains prior to the training session. The association between training and productivity is strong in sectors like agriculture and the IT industry and luxury items which have developed and mature markets and whose consumption patterns reflect the health of the economy. The productivity in these businesses will increase as the level of training increases.



Training only has a minor impact on an employee's productivity in high-risk industries like banks and financial industries which are classified as high-profit, high-risk firms. i.e., Compared to other basic manufacturing industries, the relationship between these two is quite weak. The effectiveness of the market is more heavily influenced by factors like loan recovery, market liquidity, and how responsibly customers handled their credit money. Economic factors including the rise in middle- and high-income earners, their purchasing habits, their disposable income, and society consumption patterns all have a significant impact on the production of luxury goods like name-brand wall paints. In these kinds of enterprises, the role of training is incredibly limited. Employees in the service sector, such as services and electronics businesses, include both direct and indirect employees like agents. Despite the fact that this sector's training processes were judged to be very well-organized and beneficial, the impact was minimal due to its diversified workforce.

VII. CONCLUSIONS

Productivity is significantly impacted by training. However, other powerful market forces diminish its importance. Our investigation compares training methods to other macroeconomic and market dynamics that have an impact on productivity. Other factors that affect employee productivity exist, but they are not the focus of this study. Small sample size and temporal restrictions can make it difficult for results to be generalised. The study's findings demonstrate that the participants believe that with the major issues addressed, development training will be used more frequently in the near future. More precisely, they believe that employing a realistic technique is the greatest way to use the novel teaching. An organisation may find it beneficial to talk about a specific benefit, such as how development training can help a worker advance their career. The organization's proactive involvement may dispel misconceptions and stop employees from erroneously interpreting the advantages of these new skills. As more young people join any organisation and are at ease with this method of learning, this is bound to become more and more true in the future. Today's business community is better equipped than it has been in a long time to gain significantly from development training.

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