



AN EMPIRICAL STUDY ON THE IMPACT OF TRAINING AND DEVELOPMENT ON EMPLOYEE PERFORMANCE

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The trends in Human Resource Management practices throughout the world are changing dynamically. Nowadays, employers are more concerned about employee's retention and controlled employees' turnover than cost cut off. The need of employee's retention has encouraged the employers to pay attention towards employee's development through training in order to keep them motivated. The core purpose of involvement in training and employee's motivation is to improve employee's performance resulting in enhanced organization's performance.

(Flippo, 1993) defined the word training as "an act that involves growing the knowledge and skill level of an employee in order to perform a specific job". (Armstrong, 2006) "Training is a procedure of improving the knowledge attitude and skill of employees to attain organization's objectives. It is merely through a systematic course of training in which essential professional knowledge is conveyed, skills are developed and attitudes adjusted to the work situation". (Flippo, 1993) intense that training is not a choice for any organization that it may skip or keep rather it's an essential requirement. The only option that an organization has is to choose the method to be acquired for training of its employees that also depends on the training subject. Training has a vital role in bridging the gap that exists between knowledge and skills required for the job and employee's own calibre. In the absence of planned and systematic training, employees learn their job either with the help of trial and error through observation. These methods cost additional time and energy, thus increasing the cost of training increases too. Still, there is no assurance that the employee will learn properly. This is in this regard that training is essential for effective learning at reasonable cost.

(Lettmayr et al., 2008) describes the term development as future oriented, volunteer activity of an employee to enhance his abilities and skills in long run. Development is a long run educational procedure emphasizes on a systematic and organized method through which managerial personnel acquire conceptual and theoretical knowledge. It is intended for the in general development of managers to assemble their long run requirements. Thus, development tends to be an initiative that is intentional and comes from the employee himself.

(Boyett, 1997) Indian retail sector is passing through massive changes due to advancement in science and technology and competition from private sector. India has nearly one-sixth of the world's population. This over abundant human resource needs to be converted to asset. This is possible only through proper training and development. The former Prime Minister Rajiv Gandhi rightly sensed this need and had established a separate Ministry for Human Resource Development in 1985. He stressed on the development of human resources and because of his initiatives, training had taken a front seat in the national economy. Later on, most of the PSEs realized the need and importance of training their employees for better and improved results. The human resource development approach is essential in order to have the optimum utilization of manpower for the benefit of both, the employees and the organization. (Fryer, Antony, & Ogden, 2009)

(Ratto & Burgess, 2003) After opening up of the economy, there has been tremendous amount of pressure on the retail to increase productivity of their employees on one hand and reduce surplus manpower on the other. The biggest challenge in VRS is to safeguard talent drain. Talented employees see this as an opportunity and are moving away from PSEs in search of high paid jobs in private and multinational companies, which lead to scarcity of trained manpower. On the one side they get lump sum compensation package by opting for VRS and on the other side they will be attracted by MNCs and other private sector enterprises. Nearly 40% of the employees in Reliance Petroleum were drawn from the public sector. (Wo niak & Dobosz, 2003) This again emphasizes the need and importance of training and employee retention (Mulgan & Albury, 2003) Research conducted by TVRLS on VRS also proves that good outside opportunity is one of the important reasons for employees opting for VRS. (Dey, Ray, & Rey, 2003; Maheshwari & Kulkarni, 2003)

Government of India promoted retail to fulfill the social objectives since the time of the first Prime Minister Jawaharlal Nehru. (Kaula, 2003) As a result, reservation for socially and educationally weaker sections of the society was introduced in public sector jobs. The government has banned de-reservation of vacancies meant for the reserved categories since 1989 and reservation for other backward classes was introduced in 1993.



Now PSEs are required to recruit up to 50% of their manpower from the reserved categories. In the event of candidates from reserved categories not meeting the required standards, reserved seats are filled after relaxing the standards.(Nader, 2006) This is another reason to concentrate more on training and development activities in retail and to provide proper training and development opportunities to persons recruited on relaxed standards, so that they can come up on par with the required standards.

In the year 2000, (Yeoman, 1992) 11th Finance Commission emphasized that the second phase of structural reforms should concentrate on the extensive restructuring of PSEs. This restructuring should not only give PSEs the same benefits of autonomy and freedom as the private sector, but also free them from the shackles of ministries from which they originally emerged.

In one of its recommendations, this Commission said that if a public sector enterprise fails to demonstrate its sustainability and cannot come out of the zone of chronic losses after five years of structurally reformed existence, it should be sold of at whatever price it can fetch. This further emphasized the need for training and development in PSEs to improve their performance.

The objective of the study is to examine the impact of training and development on employee's performance. Also, to gauge the level of performance enhancement due to training programs in the industry keeping these objectives in view, I suppose that training has a positive relationship with performance of employees on job.

The population of this research consists of all workers and managers working in all supermarkets located in the premises of Cochin. For this study, the companies were selected on the basis of time availability, existence of Training and Development department and market position as compared to other competitors.

After conducting a vast literature review the following hypothesis was developed for the purpose of this study completion. Ho: Training & Development positively affects Perceived Employee Performance. H1: Training & Development negatively affects Perceived Employee Performance.

Standard deviation measures the level/ amount of dispersion for the given distribution. If the standard deviation's value is smaller, then the data set observations are closed to the mean whereas in case of larger standard deviation's value then the data set observations are spread widely to its mean. Table shows the minimum and maximum values of the variables. It also illustrates the Mean and the deviation of the values to its mean (Standard Deviation).

The total no. of respondents (N) is 100 out of which all (N) are valid. The minimum value for variable Training and Development is 3.50 whereas the maximum value is 5. The mean of the variable is 4.49 with the standard deviation of 0.35. Similarly, the minimum value for variable Employee Performance is 2.90 whereas the maximum value is 5.

The mean of the variable is 4.57 with the standard deviation of 0.342. The analysis of the table shows that a minor difference exists among the responses of several employees of supermarket industry.

That leads us to the common direction indicating that along with the small standard deviation figure and mean with high value, respondents are agreed with the questions that were asked from them.

Descriptive Statistics					
	N	Minimum	Maximum	Mean	Std. Deviation
TrainingAndDevelopment	100	3.50	5.00	4.4900	.35831
EmployeesPerformance	100	2.90	5.00	4.5700	.34275
Valid N (listwise)	100				

Table illustrates the correlations between the dependent and independent variables whereas previous table shows the descriptive statistics consisting upon standard deviation, mean minimum and maximum values. The results show that there is a positive correlation exists between dependent and independent variables.



The relationship between employee performance and training and development is positive. Training and development plays vital role in stimulating employee performance with $r = 0.333$ whereas probability is 0.001.

Most of the respondents are in favour of Training and Development, proving that a well-organized, well planned and evaluation based training and development processes within the organization can positively enhance the employee performance in context of supermarket industry

Correlations			
		TrainingAndDevelopment	EmployeesPerformance
TrainingAndDevelopment	Pearson Correlation	1	.333**
	Sig. (2-tailed)		.001
	N	100	100
EmployeesPerformance	Pearson Correlation	.333**	1
	Sig. (2-tailed)	.001	
	N	100	100

** . Correlation is significant at the 0.01 level (2-tailed).

To analyse the degree of Training and Development impact on employee performance, Regression Analysis was used. (Lee & Chon, 2000) states that it is a statistical technique to evaluate the relationship on one dependent variable on one or more independent variables in form of linear equation. This Regression helps examine that how much an independent variable is impacting the dependent variable. In this research study, Training and development has been used as an independent variable and employee performance as a dependent variable. The following tables show the summary of regression result.

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.333 ^a	.111	.102	.32482

a. Predictors: (Constant), TrainingAndDevelopment

ANOVA ^b						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	1.291	1	1.291	12.232	.001 ^a
	Residual	10.339	98	.106		
	Total	11.630	99			

a. Predictors: (Constant), TrainingAndDevelopment
b. Dependent Variable: EmployeesPerformance

Coefficients ^a						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	3.139	.410		7.650	.000
	TrainingAndDevelopment	.319	.091	.333	3.497	.001

a. Dependent Variable: EmployeesPerformance

The Regression analysis of Training and Development as dependent variable specifies that training and development significantly contributes in employee performance enhancement with 0.33 of beta, $R^2 = 0.11$, $R^2 = 0.102$ and P (sign.) = 0.01. F-statistic shows the value of 12.232 with significance level of 0.01, supporting the hypotheses that training and development has significant impact on employee performance. The T test is 7.65 for constant with significance level of .000



and 3.497 with significance level of 0.001. Thus, it is concluded that training and development imposes large impact on employee for performance

Since training and development has imposed positive impact on employee performance, it can help create sustainable competitive advantage over other key players. Supermarkets should develop a sound training and development process where the performance of employee is evaluated through transparent systems. Training must be based on need based analysis and returns should be collected statistically. It should be a continuous process as it helps reduce cost in long run. The supermarkets that consider Training and Development essential for their growth are significantly expanding their businesses. For new entrants, it is the most important factor that should be ensured before their business commencement if they want success in long run.

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