



THE IMPACT OF EMPLOYEE TRAINING AND DEVELOPMENT ON EMPLOYEE PRODUCTIVITY

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Abstract

Training has become the buzz word in the dynamic competitive market environment. Human capital differentiates a great organization from a good one. Organizations investing in effective training and development for human resource tend to achieve both short and long term benefits. This study presents a literature review on the significant of training and development on employee productivity. Employees tend to become absolute, and therefore making the need to adapt to the continuous learning and updating of the skill and knowledge invaluable, due to the organizational, technological and social dynamics. Thus, in order for organizations to achieve optimum returns from their investment, there is imperative need to effectively manage training and development programmes. However, the most vital asset of every organization under stiff and dynamic competition is its human capital. Training and development is an instrument that aid human capital in exploring their dexterity. Therefore training and development is vital to the productivity of organization's workforce.

Key words: Employee Training, Employee Development, employee Productivity.

I. Introduction

As organizations try to survive in the turbulent dynamic market, strong emphasis must be laid on human capital in order to be competitive and financially solvent. However, there are other factors that affect organizations' success; organizations must possess productive (i.e. effective and efficient) employees. In addition, organizations differentiating on the basis of human capital due to its intangible characteristics such knowledge, skills and motivation of workforce increasingly sees it as invaluable in order to remain sustainable in the market. Thus organizations should have employees that have capability of adjusting to swift dynamic business environment. Paradise, (2007) in his report stated that U.S. organizations alone spend more than \$126 billion annually on employee training and development. In an environment where there is high uncertainty tends to present organizations with high risk, the knowledge of business and market intelligence present organizations with a reliable competitive advantage over those that do not have such (Jelena, 2007). Therefore knowledge is turning to basic capital that triggers development. The success of organizations is however dependent on its knowledgeable, skilled as well as experienced workforce. Therefore in order to maintain sustainability, organizations must see continuous employee training and development as invaluable. Training and development is very essential at all employee levels, due to the reason that skills erode and become obsolete over a period of time and has to be replenished (Nishtha and Amit (2010).

II. Employee Training

Training is the organized way in which organizations provide development and enhance quality of new and existing employees. Training is viewed as a systematic approach of learning and development that improve individual, group and organization (Goldstein & Ford, 2002) in Khawaja & Nadeem (2013). Thus it is the series of activities embarked upon by organization that leads to knowledge or skills acquisition for growing purposes. Thereby, contributing to the well being and performance of human capital, organization, as well as the society at large. According to Manju & Suresh (2011), training serves as an acts of intervention to improve organization's goods and services quality in stiff the competition by improvements in technical skills of employees.

III. Employee Development

Development refers to activities leading to the acquisition of new knowledge or skills for purposes of growing. Organizations provide employees with development programmes in order to enhance their capabilities. Employee development is gaining an increasingly critical and strategic imperative in organizations in the current business environment (Sheri-lynn 2007) in Abdul Hameed (2011). Thus organizations need to invest in continuous employee development in order to maintain employees as well as the organization success (Khawaja & Nadeem 2013).

IV. Employee Productivity

Productivity as defined in Oxford dictionary (2007) is the efficiency with which things are being produced. Employee productivity however is the measure of output per unit of input economically. It is the log of net sales over total employees (Rohan & Madhumita 2012). Thus employee productivity of an economy as whole or industry could be determined.

V. Employee Training And Employee Productivity

Training has been invaluable in increasing productivity of organizations. It does not only enhance employees resourcefully, but also provides them with an opportunity to virtually learn their jobs and perform more competently. Hence, increasing not only employees productivity but also organizations' productivity. Various researches indicate the positive impact of training on employees' productivity. Training as a process is one of the most pervasive methods to enhance the productivity of individuals and communicating organizational goals to personnel (Ekaterini & Constantinos-Vasilios, 2009). Rohan & Madhumita (2012) also supported that investing in training employees on decision making, teamwork, problem-solving and interpersonal relations has beneficial impact on the organizations' level of growth, as well as impacting on employees' performance. Training affects employees' behavior and their working skills which results into employees enhanced performance as well as constructive changes (Satterfield & Hughes, 2007). Training is most effective way of motivating and retaining high quality in human resources within an organization (Kate Hutchings, Cherrie J. Zhu, Brian K. Cooper, Yiming Zhang & Sijun Shao, 2009). Also added by Lowry, Simon & Kimberley (2002), training is a way of enhancing employee commitment and maximizing employee potential. According to Konings & Vanormelingen (2009), Colombo & Stanca (2008) and Sepulveda (2005) training is an instrument that fundamentally affects the successful accomplishment of organizations' goals and objectives. However, the optimum goal of every organization is to generate high revenue and maximize profit and a vital tool to realize this is an efficient and effective workforce. Thus, a workforce is only efficient and effective if the appropriate training and development is provided for such and therefore leading to productivity.

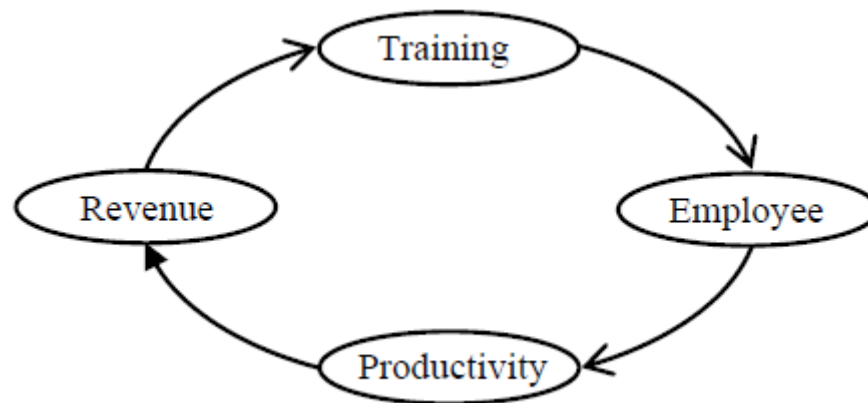


Fig1: Relationship cycle

Source: Rohan & Madhumita (2012)

VI. Employee Development and Employee Productivity

Development programs worth investing so much into, as most successful organizations consider the progress of workforce and therefore invest in their training. This results to increase in skill and competence that improve morale and productivity (Sheeba, 2011). Development seems to reduce the turnover rate of employees (Deckop et al. 2006). Thus advancement opportunities do not only reduce absenteeism, but it increases employee's commitment and satisfaction that helps reduce turnover (Atif et al. 2010).

VII. Discussion

Training and development must be designed and delivered to meet the needs of all employees in such a way that the employees will not be only productive but also be satisfied. Training and development has a positive impact on the employees to carry out their work more effectively, increasing their interpersonal and technical abilities, team work, job confidence and work motivation (Kate Hutchings, Cherrie J. Zhu, Brian K. Cooper, Yiming Zhang and Sijun Shao 2009).

Training in organizations holds the key to unlock the potential growth and development opportunities to achieve a competitive edge (Rama V. & Nagurvali Shaik, 2012). Organizations train and develop their workforce to the fullest in order to enhance their productivity. Thus, knowledge, skill and abilities are determinants of employees' performance which organizations need to continuously invest in wisely in order to improve their employees' productivity. As supported by (Noe, 2006), organizations spend an enormous amount of money and time on training in order to aid employee's learning of job-related competencies. Thus it is important to fully provide the results from training efforts (Dowling & Welch, 2005).

VIII. Conclusion

Training and development ultimately upgrade not only the productivity of employees but also of the organization. It has rightly been said, employee development is the key to organizational sustainable development. Organizations must have employees who are able to quickly adapt to an ever-changing world market. Companies need to invest in on-going employee training and development in order to both keep employees and be successful. The 21st century will be favorable to those organizations, which are able to learn faster and adapt to changes than their competitors. Training enhances employees' initiative and quality of work, thereby assisting them to be more committed to achieving the organizational goals and objectives and in turn enhancing employees' effectiveness within the organization.

Summarily, training and development impacting on employee productivity has not only improve the wellbeing of organizations, but also aid the prosperity of most countries that has put into consideration the design and delivery of training and development of workforce at national level. As the national policies aim to improve nation's human capital, this optimally in turn results to the economic growth of the nation. However, it is recommended for management of organizations to give training and development of employees a priority in order to get the best out workforce as well as improving the organization's productivity. Further research studies is also recommended on the training and development of employees in order to have a broader understanding of its valuable impacts.

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