CHAPTER-III

REVIEW OF RELATED LITERATURE

In the present economic and advance technological environment and increasing global trade, the human resource development is increasingly important around the world. Advances in technology diminish the need for humans to perform routine work skills and increases the opportunity for humans to do complex work skills. The impact of economic reforms in the 90s on Indian economy has been unprecedented. It brought an opportunity of global competition and effective and sustainable performance of the corporate became key to organizational success. In such a scenario, Human Resource (HR) can be a source of competitive advantage to meet the demands of contemporary business. Liberalized economy demands multi-fold and critical skills to achieve key organizational performance on a sustainable basis.

Human resources are described as the individuals who comprise the workforce of an organization. They are “the people that staff and operate an organization- the executives, managers, supervisors, scientists and engineers, technicians and marketing and sales personnel, administrative and clerical personnel, and hourly workers- as contrasted with the financial and material resources of an organization” In a nation, the economic value of human resources resides not in numbers or physical characteristics such as height, but in the skills, knowledge and attitudes that are the result of norms and education provision.

Human resources constitute the ultimate basis of the wealth of nations. Capital and natural resources are passive factors of production, human beings are the active agencies who accumulate capital, exploit natural resources, build social, economic and political organization, and carry forward national development. The contribution of human capital development in SMEs in India is enormous. Owing to changes in technology and to avoid skill obsolescence, pattern of training and development should be conceived as a continuous exercise throughout the working life in SMEs. The role of HR professionals needs a shift from technical to tactical and legitimate to creating a sustainable strategic advantage. Change and advancement is affecting all walks of life with a great speed.
Techniques, technology and facilities, which may be considered latest today, can become obsolete tomorrow.

Manimala M. J., & Kumar Sudhir (2012) in their research found that while small and medium sized enterprises (SMEs) are acknowledged by researchers and policy-makers alike as the major source of vitality in an economy, they also found to be extremely vulnerable especially to the vagaries and turbulences of the external environment. It is therefore recognized by policy-makers in most countries that SMEs need special help for their survival and growth. Traditionally such help was offered by way of facilitating the external environment. Such facilitation will be effective only if the SMEs have the internal capabilities for taking advantage of the external facilitation. This is why the experiments with external facilitation have not met with much success especially in developing countries, where SMEs are inherently weaker than their counterparts in developed countries. Strengthening the internal capabilities of SMEs therefore has become a top priority nowadays and is positioned as an alternative or supplementary strategy for SME development. Training is recognized as an important tool for developing the internal capabilities of SMEs. However, research in the Western countries has shown that even though trainers, consultants and policy-makers consider training as an important tool for SME development, the SMEs themselves do not feel so. It is against this background that we launched a survey in Bangalore (India) to assess the training needs of SMEs, as perceived by them. This study is especially relevant as there are no other similar studies undertaken in India so far. The survey was conducted among 300 randomly selected SME units in Bangalore. The survey questionnaire enquired about the perceived need for training and the preferences for the topics, duration, timings, costs, training providers, etc. The findings show that the training-related attitudes and behaviour of SMEs are not very different from what is observed by the Western researchers. There is a growing recognition across the globe that small and medium enterprises (SMEs) have a catalytic role in the economic development of nations. In fact, they are considered to be the driving force behind the growth and vibrancy of any economy. The contributions of SMEs to employment generation, economic output, innovation in products/services, balanced regional development and alleviation of poverty are being appreciated by
governments as well as the civil societies. The role of SMEs in the economic development of nations is vital not only in the developing countries but also in the developed ones (OECD, 2004). Statistics from various countries also testify to the several contributions of SMEs to the economy and developing countries too, SMEs play a significant role in the economy. In fact, their share in employment is much higher in developing countries than in the developed ones. More than other business and technology issues, people issues are more likely to be taken for granted by SMEs as people management is not a technical matter for SMEs necessitating specialists (Matlay, 1999). SMEs are known to focus more on the operational aspects and neglect people-management issues. While small entrepreneurs do imbibe technological advancements in their operations, they do not recognize the critical role of effective HR policies and strategies for their success. Owners of SMEs do not normally adopt state-of-the-art people management practices. SMEs do not feel like revamping existing organizational structure, especially when they know that the status quo is delivering the output. Owners of SMEs believe that being informal and without structured processes will help them minimize cost and provide the necessary in-built flexibility in their operations. Hence, they stick to informal and loose structures in their operations of SMEs, maintain status quo and remain where they are. Management of SMEs through certain indigenous ways becomes a usual way of carrying the business in their day-to-day working.

Training plays an important role in continuous growth and expansion of a company and also it helps employees grow their skills and knowledge to better perform their current jobs. It also increases employee loyalty, and thus retention, and even helps companies to attract the best possible employees, increased productivity, knowledge, loyalty and contribution. Today business training encompasses every aspect of business, from specific technical training to more general practices like customer relations, sales procedures and operational procedures. Today's economic climate characterized by increasing competition and structural turbulence will require a higher combined level of productivity and quality than has been the case in the past. Building human capital is a pre-requisite for business growth and the growth of an economy. Rapid changes in technology and job design, along with the increasing importance of learning and
knowledge-based organizations, make training and development an increasingly important topic in human resource management.

**Concept of Human Resources Capacity Building**

Groot and Molen (2000) defined human resources capacity building as the development of knowledge, skills and attitudes in individuals and groups of people relevant in design, development, management and maintenance of institutional and operational infrastructures and processes that are locally meaningful. Based on this definition, capacity building for employees in a broad sense may refer to improvements in the ability of all employees to perform appropriate tasks within the broader set of performance standards of the organization.

Brews (1994) expanded the meaning of human resources capacity building to include empowerment. This is a broader approach while still focusing mainly on education, training and human resource development. He posited that capacity building gives substance to empowerment. If empowerment is the value then capacity building is the content. Capacity building activities equip empowered employees to achieve organizational goals.

Becker (1964) stressed that the theoretical framework for the wholesale adoption of education and development policies known as Human Capital Theory was based on the work of economists Human Capital Theory attempts to prove that formal education is highly instrumental in improving the productive capacity of a population. In order words, an educated population is a productive asset for a nation. This means that there is the need to invest in human capital through education and training so that productivity gains can be made. In other words education and training improves the quality of labour. The theory suggests that education or training raises the productivity of workers by imparting useful knowledge and skills, hence raising workers’ future income by increasing their lifetime earnings Becker suggested that education or training raises the productivity of workers by imparting useful knowledge and skills, others provide different explanations for how education is related to worker productivity. One is based on the argument that the
higher earnings of educated workers simply reflect their superior ability acquired during the process of education, rather than through skills and knowledge.

Capacity building has been one of the most important approaches used by international development organizations to achieve development objectives worldwide. It focuses on understanding the obstacles that inhibit people, governments, international organizations and nongovernmental organizations (NGOs) from realizing their developmental goals, while enhancing their abilities to achieve measurable and sustainable results. Capacity building takes place at three levels, individual, institutional, and societal. At the institutional level capacity building involves creation of new institutions or strengthening of existing institutions while at the individual level, it deals with development of conditions that allow individual participants to build and enhance their existing knowledge and skills.

**TRAINING AND DEVELOPMENT:**

**Dessler (2008)** advocated that training is a mean of giving new or current employees the skills they need to perform at their various jobs. Continuing, he sees training as the hallmark of good management and thus when managers ignore training, they are doing so to the great disadvantage of the organizations they are managing. This is because having high potential employees do not still guarantee they will perform on the job. This is why every employee must know what management wants him to do and how he must do it. Training therefore has had a fairly impressive record of influencing organizational effectiveness.

**According to Chiaburu and Tekleab, (2005)**, the skills which are necessary for the employees to perform their job successfully can be developed through training and development programme. He found that most of the companies believed that training would help them to sustain throughout their careers and lead to high levels of motivation and commitment by the employees. In his study, he defined training as a planned intervention that is intended to enhance the determinants of individual job performance.

**Jones et al. (2000)** found that training helps employees to perform their current jobs and acquire the knowledge and skills they need to be effective performers by taking up new responsibilities, and adapt to changing conditions while they opined that
developments deals with the building of the knowledge and skills of organizational members so that they will be prepared to take on new responsibilities and challenges but training is being used frequently at lower levels of an organisation. Development is a word that is frequently used with the professionals and managers. However, before the creation of training and development programmes, managers should perform a need assessment in which they will determine who among the employees needed to be trained or developed and what type of skills or knowledge they need.

According to Haslinda Abdullha (2009), The challenges faced by employers and organizations in the effective management of HRT&D varied from concerns about the lack of intellectual HR professionals to coping with the demand for knowledge-workers and fostering learning and development in the workplace. The core and focal challenge is the lack of intellectual HRD professionals in manufacturing firms, and this suggests that employers viewed HRT&D as a function secondary to HRM and perhaps considered it as being of lesser importance. This implication could lead to the ineffective implementation of HRT&D activities and increase ambiguity and failure in effectively managing HR T&D as a whole.

NEED OF TRAINING AND DEVELOPMENT PROGRAMME

Katcher and Snyder (2003) in his study identify some of the reasons why employers need their employees to continuously learn new skills. He believed that developing employee skills not only plays an important role in the workplace, but in the external world as well. It contributes to the complete personal development of each employee and the socio-economic development of the nation at large. It will be easier for the entire organization to adapt to changes that may arise in the domestic and global market with the help of skilled workforce.

Akinboju (1999) believed that training and development is not solely kept for newly recruited staff but also necessary for the existing employees. To enhance individual performance, it is important that training and development should be made a continuous process. He also postulated that the performance of employees is going to be more effective if he is trained properly and the affective commitment will lead to more emotional type of attachment which is going to improve the work efficiency and helps the
organization in gaining competitive advantage. Training also helps employees to stick to the same organization and reduce employee turnover.

Adeniyi, (1995)\textsuperscript{138} is of the opinion that for every employee to perform well, there is the need for constant training and development. The right employee training, development and education provide big payoffs for the employer in increased productivity, knowledge, loyalty, and contribution to general growth of the firm. The reasons behind employee training and development cannot be overemphasized. One can easily deduce some reasons behind firms engaging in training and developing their staff. Some of the reasons thus are;

- When needs arise as a result of findings from the outcome of performance appraisal
- As part of professional development plan.
- As part of succession planning to help an employee be eligible for a planned change in role in the organization.
- To imbibe and inculcate a new technology in the system.
- Because of the dynamic nature of the business world and changing technologies

**PROBLEMS WHICH TRAINING CAN SOLVE**

According to Kayode (2001)\textsuperscript{139}, Training programme can help in solving a variety of human resource problems which militate against optimal productivity and performance. These problems include needs to:

a) Increase productivity and efficiency.

b) Improve the quality and quantity of work.

c) Enhance employees’ morale and organizational climate.

d) Implement new or changed policies or regulations.

e) Ensure the survival and growth of the organization.

f) Develop new skills, knowledge, understanding and attitude.
g) Support succession plan and ensure continuity of leadership.

h) Prevent skill obsolescence and help in coping with the new technological advancement.

i) Handle new tools, machines, processes, methods or modifications.

j) Reduce waste, accidents, employee turnover, lateness, absenteeism, and other overhead costs.

k) Bring incumbents to that level of performance which meets the standard of performance for the job.

PERCEIVED BENEFITS OF TRAINING AND DEVELOPMENT:

Salah R. Abulraheem (2016)\textsuperscript{140} believed that training cannot be discarded from the industry and the companies have to set up and implement an advanced roadmap for training and development as it enhances employee performance. Main elements of such map include proper systematic identification of the training needs and skill deficit of employees, monitor and evaluate with objective tools or criteria and provide effective feedback so as the program outcomes help to maximize the impact of training and development activities in these companies. The study also concluded that first line managers have responsibility to make strategic decisions regarding the types of training and development that contribute positively towards employees’ performance, productivity and organizational performance. Finally, training and development programs are very much important in order to achieve excellence and competencies in knowledge, skills, ability, potential, attitude and behavior so than to meet rapid changes in technology and changes in work practices.

Rani K., Garg D. (2014)\textsuperscript{141} found that there was enough evidence to show that employees who were trained on a regular basis are the ones who provide a higher quality services to the customers. To develop an integrated and proactive training and development strategy there is requirement of coherent corporate culture rather than ad-hoc programs. In a service oriented industry such as banking, people are among the most important assets and a bank must efficiently manage its employees during every phase of employment in this competitive arena. It is concluded that public sector banks undertake
training and development programmes for their employees to increase their efficiency. Banks provide training programmes to enhance their knowledge and skills to satisfy the customers. Growth of banking sector in India is the result of skilled manpower which is the outcome of training and development. Singh N. & Gaur A. (2014) in their research found that there is no other alternative or short cut to the development of human resources and if we have to meet the challenges of technology, social and economic we have to train the HR irrespective to their category at which they work in the organization. As it is recognized fact that we cannot survive in tomorrow business’s world with yesterday method. And hence the continuous development of HR is prime need of today’s organization. To make training more effective Healthcare requires to look at how training and development is associated with strategy of the organization and at which is being done to check out that all training programme are effective. The study revealed many factors that affect training effectiveness but three factors i.e. motivation, attitude, and emotional intelligence emerged to be stronger and more responsible in making training effective. Hameed, S.S., Rajinikanth, K., & Mohanaj, P. (2014) Suggested that to improve the efficiency of employee in the present job and prepare him for the higher level job, the effective training programmes are necessary. It is also needed to banking policies, new technology and the changing environments. Training and development is now considered as more of retention tool than a cost. The training system in banking industry has been changed to create a smarter workforce and yield the best results. Training and development programmes help remove performance deficiencies in employees and also they are esteemed resource of the bank and success or failure of the bank operation relay on the performance of employees. Timely evaluation of the success of employees’ training and development programmes are most important for the banks. Vasudevan, H. (2014) through their study suggested that training commitment, training needs assessment, training contents and delivery approaches, and training evaluation affect an employee’s work commitment, job satisfaction and performance in an organization. This study exemplifies a positive light towards increasing employee’s performance. This is a step towards identifying the kinds of training and development programs needed to ensure creativity, understanding of new knowledge and skills are
instilled in employees and that more importantly. A valid training program with a clear training purpose and valid informational contents with effective delivery approaches is able to attract employees to attend and participate in the training to develop their capacities.

Chahal, A. (2013)\textsuperscript{145} believed that training is necessity in the changing environment, planned and systematic training should be made compulsory in all private and public banks. It brings changes in behavior, attitude at any age and helps in increasing the organizational performance. The organization should encourage more facilities during training and also off the job training, because it is one kind of encouragement to improve the interest towards the training and development program. By providing training, employers support the skill development of their employees. If the training is good then the employees will contribute their maximum for the achievement of the organizational objectives. Researcher found that the training and effectiveness programs have a positive impact on the performance of both male and female employees but the results shows that it has a greater impact on the performance of male employees group. This can be due to the reason that mostly female employees bear additional responsibilities towards their families. The researchers found that most of the banks have their own training institute, management attitude is very positive for training support and budget, incentives are given for trainees, and overseas training opportunity. However, there is a lack of needs assessment before training. Corporation should take necessary steps in such a way that employees should feel training is essential to enhance the productivity and customer satisfaction to meet the present challenges in India. It is very much helpful to improve the individual career and the organization growth too and they are satisfied with the training process and method of teaching.

Murty, T.N. & Fathima, F. (2013)\textsuperscript{146} focused on the identification of the T&D practices, their implications, perception and attitude of the employees towards T&D practices implemented by public sector unit. On the basis of the results obtained from the study, it is found that the T&D practices followed by public sector unit have deep impact on workers psychology and motivate the workers towards their job in a commendable manner. It is concluded that the employees have positive attitude towards the T&D practices followed in public sector unit. They perceive the T&D practice in a positive
manner. Besides it has also been found that the perception and attitude of employees’
assume paramount importance in the context of present industrial scenario.

Ankush A. (2013) described Training as one of the most significant human resource
practices in any industry. The implementation of these practices in proper manner decides
the overall performance of any organisation. The study provides a strong indication that
there are significant differences on usage and importance of training practices in Indian
hotels. Thus, it appears that, after years of relative organizational marginality, training is
now coming to play an increasingly central role in the human resource development
strategies of many Indian hotel organisations. It has been even identified that current staff
trained needs to be retained so as to meet the financial burden of untrained employees
arriving in the workforce and highlights investment in training to maintain current
employee productivity.

Nda et al. (2013) pointed out training has become necessity in the competitive era.
Human resources distinguish a competitive organization from others. Organization wants
to get both short and long term advantage by putting their investment in proper training
programs. Workers has become unconditional, developing the desire to learn
continuously and bracing the abilities and advance information by the competitive
environment due to rapid change in technology and structure of organization. So,
organization understands the crucial requirement for managing proper investment on
training to get the maximum return by enhancing employee performance. In extensive
competition, human capital consider more significant asset for all firms. So training plays
an important function to the progress and performance of employees. Management
involves their employees while making wide decisions and develops the capability to
solve issues faced by organizations. When management has concern with their opinion
then it will develop the high trustworthiness devotion with organization. In competitive
worldwide organization try to become creative and innovative continuously, follow
persistent growth and progress and deal with challenges faced by external environment.
Organizations should offer proper and effective training programs by a formalized way
just to enhance the aptitude and caliber of their employees which prove helpful for
achieving organizational goals.
Sowjanya,G. & RajasekharM. (2012)\textsuperscript{149} in his research found that improvement and changes of an employee is essential in the manufacturing companies where change is constant in all its functions and hence training should be a continuous process that demands a range of activities to support the overall training and development objectives. Organizing a significant number of training programs for the employees are very vital in order to enhance the capability level and the skill set. The performances of employees in the respective departments are directly proportionate to the number of training programs attended. They also suggested that training programmes should be conducted on a regular basis as only 65 percent of the respondents agreed that the training programmes are highly useful. In order to make all the respondents highly satisfied, the training programmes should cater to the needs of the respondents of varied qualifications as still 38.3 percent of the respondents moderately satisfied. The organization has to create an environment such that the training will have its impact on perceptual skills of employees and in turn on their performance.

According to Abeeha Batool & Bariha Batool (2012)\textsuperscript{150}, their present study aims to investigate in measuring the training needs of the employees at private organizations by applying the tools which measures the factors which affects the competitive advantage. Result reveals positive relations between training & development and competitive advantage. Organizations mostly invests a lot on their human capital to fulfill their training needs and improve their skills generally by organizing training programs/modules to make their competencies in accordance with the needs of changing world which finally contributes to gain the competitive advantage.

Khawaja, Jehanzeb, & Bashir, N.A. (2012)\textsuperscript{151} believed that it is very beneficial for the organizations to develop the employee development programs. If there is a systematic training and development program for the employees the companies will harvest its profit from the market and remain competitive in the job market. An organized and efficient development program with supportive apparatuses will significantly assist the organizations to retain the most valued human resource, especially those who have a lot of experience with the organization. If organizations are capable to support all employees in meeting their requirements then both, employees and organizations will get the long
term benefits. It is also very important for the organizations to timely evaluate the success of employee training and development program.

**Theresa, I. N. (2012)** pointed that manpower training and development play a major, if not decisive, role in promoting economic growth with equity; they benefit individuals, enterprises, and the economy and society at large; and they can make labour markets function better. Staff training and development has been identified by various scholars and anchors to be very crucial to an organization and its effectiveness. In the light of the above, organisations are therefore encouraged to train and develop their staff to the maximum advantage in order to enhance their effectiveness and helps their employees to be more committed to the achievement of goals and objectives of the organization. He believed that training should be vigorously pursued and made compulsory as it also reduces the work of the manager in terms of close supervision. The relevance of training to workers performance and productivity, the acquisition of skill by trainees determines the present and future relevance of such staff in an organisation, pointing out that trained workers are assets to any organisation. Training will assist management to change their techniques and adopt the best training methods that will bring the best results. From this background, it is therefore important to conclude that training and manpower development as a concept and method should be able to take its rightful place as a tool for workers performance through the recognition of the fact that it is the most active and indispensable in the process of production even in the global age of the 21st century.

**Rohan & Madhumita (2012)** pointed out the idea to arrange the effective training session for developing power of decision making, team oriented work environment and must have compatibility to solve the dilemma. After getting awareness through training they try their best to attain the expected level of growth and productivity of organization. Training influence workforce’s attitude and abilities regarding work that concluded into a constructive change in productivity of organization and performance of employees. If an organization wants to achieve its primary goal, it must adopt the training as systematic way to encourage and enhance loyalty in human capital. According to them, investing in training employees on decision making, as well as teamwork, problem-solving and interpersonal relationship has beneficial impact on organization s, level of growth, as well
as impacting on employees’ performance. Thus training is a way of enhancing employee commitment and maximizing employee potential

**According to Rao V., & Kishan, K. (2012)⁵⁴** carried their study with the objectives of understanding the concept of Training and Development and empirically measures the employee perception of effectiveness of various components of a Training program in Indian Public Sector Undertakings. The study reveals that PSUs give adequate importance to T&D programs. They are well planned, periodically evaluated and are handled by competent faculty making them extremely effective. Study concluded that Indian PSUs give adequate importance to T & D programs which help their employees to acquire technical knowledge and skills, lay adequate emphasis on developing their managerial capabilities and adequately develop their human relations competencies. There is also ample evidence of evaluation and objective assessment of effectiveness and outcomes of training and development programs in PSUs.

**Agarwal, S. & Sarna, S. (2012)⁵⁵** in their study found that Training & Development activities as well as labour welfare provisions are very important for an organisation to compete with this challenging & changing world. Although these facilities are basically directly related to employee but its ultimate effect goes to organisation because the end user is organisation itself. A lot of improvements can be brought about in the company with the help of effective training and coaching. Training & development program is helpful as to strengthen the employee's productivity, their promotion, transfer, training & developments needs etc. However, for any organization to succeed, training and labour welfare provisions should be vigorously pursued and made compulsory.

**Sultana, Afshan, Irum, Sobia, Ahmed, Kamran, Mehmood, Nasir (2012)⁵⁶** in their study on topic “Training practices of Telecommunication Sector in Pakistan” examined the impact of training on Employee performance. Based on a combination of literature review and questionnaire surveys, this paper explores that for any organization to succeed in achieving the objectives of its training program, the design and implementation must be planned and systematic, tailored towards enhancing performance and productivity. It has been observed that most organizations meet their needs for training in an ad hoc and haphazard way while others set about identifying their training needs, then design training activities in a rational manner and finally assess the results of training. The study
concludes that if organizations invest in right type of employee training it can enhance employee performance as well as competencies and skills. In addition, training is seen as a useful means of coping with changes fostered by technological innovation; market competition, organizational structuring and most importantly it plays a key role to enhance employee performance.

Another study conducted by Qasim S., Mehwish S., & Naseem A. (2011) on the “Degree of influence of training and development on employees behavior” found that the purpose of training and development is pervasive. Training and development builds a team of highly effective and efficient way. Employees who are trained regularly are well motivated, well-mannered and have enhanced confidence and self-esteem. Training and development prepare and enhance employee’s knowledge and skills to enable them so that they adapt to new technology, the changes that happened inside the organization and the working environment. Training and development also creates a pool of employees and chances for promotion or to replace employees who have left the organization. This study highlights that training and development of an employee, plays important role and high authorities of these different sectors give feedback that all employees should be given opportunities of training and development that lead to organizational efficiency and growth.

Nadeem, M. (2010) stressed that there is a positive relationship between of training and employee motivation, employee commitment and employee satisfaction. Whenever employees are trained, they are more motivated, committed and satisfied. The main reason is that when employee feels that he has been growing in an organization, his knowledge is not obsolete and he has been given importance in an organization and taken as an asset, he feels much more secure and starts owning the organization. This leads to motivated employees who work for long term growth of the organization, overall reduction in job switching and turnover and higher productivity due to employee satisfaction. There has been strong positive impact of training on overall firm’s productivity. When employees are more motivated, committed and satisfied, this directs to an overall organization culture where employees are focused, thoughtful, considerate and selfless working as one unit to achieve organizational goals, increasing employees productivity.
Khattak et al. (2010) suggested that training and development is directly related with successful performance of managers, organizations and nations. The countries which spend more on training and development of human resources are relatively more developed as human resources contribute to productivity more than physical and other resources but there is a problem, population growth is inversely related with human capital investment, particularly in developing countries like Pakistan, so it should be controlled in order to spend more on training and development of human resources that make the more employees to get involved in their jobs and increase their subsequent performance.

Mathieson (2006) found a positive relationship between the training programs in which managers are participatively involved in setting the training design & motivation of employees. He argued that everyone should be involved in the journey of training program as in this way employees feel ownership of the process which add value to their performance which in return motivate them to deliver the tangible organizational improvements. He said that the company's key objective is to design the training programs which fully utilize the employees potential and motivate the employees to continuously adapt the new skills and competencies according to the changing corporate environment. He suggested that management buy-in to training and development through bottom-up-approach can be used for this purpose.

Murphy et al. (2006) concluded that there is positive correlation between training programs and employee’s motivation. He argued that are certain set of factors which motivate the managers and employees to continuously adapt new skills and competencies according to the today’s changing environment and also increase their subsequent motivation level. These motivators may include improving the confidence level and self-esteem, higher levels of career satisfaction as well as more future promotion opportunities for those who show improved subsequent performance. He also identified some barriers in the way of training to motivation which may include lack of employer’s financial support & recognition as well as insufficient knowledge about the training program. He suggested that the organizations should remove such barriers and promotes the motivators in order to effectively implement the training, obtain the required
outcomes and subsequently increases employee’s motivation and involvement towards their jobs.

According to Swart et al., (2005)\textsuperscript{162}, concluded that bridging the performance gap refers to implementing a relevant training intervention for the sake of developing particular skills and abilities of the workers and enhancing employee performance. He further elaborate the concept by stating that training facilitate organization to recognize that its workers are not performing well and thus their knowledge, skills and attitudes needs to be molded according to the firm needs. There might be various reasons for poor performance of the employees such as workers may not feel motivated anymore to use their competencies, or may be not confident enough on their capabilities, or they may be facing work-life conflict. All the above aspects must be considered by the firm while selecting most appropriate training intervention that helps organization to solve all problems and enhance employee motivational level to participate and meet firm expectations by showing desired performance. As mentioned by the researchers, this employee superior performance occurs only because of good quality training program that leads to employee motivation and their needs fulfillment.

Wei-Tai, (2004)\textsuperscript{163} believed that by the changing time and changing needs, organizations are facing new problems and challenges. Technological advances have changed the requirements of traits and competencies of performing the tasks. Now, more effective and enhanced training techniques are required by every organization that should be more relevant to the changes arising continuously in that technology and its use. It can play a vital role in building a consistent and progressive learning environment. It can also make the upcoming challenges like a hot cake for more trained people.

According to Wright and Geroy (2001)\textsuperscript{164} believed that employee competencies changes through effective training programs. It not only improves the overall performance of the employees to effectively perform the current job but also enhance the knowledge, skills an attitude of the workers necessary for the future job, thus contributing to superior organizational performance. Through training the employee competencies are developed and enable them to implement the job related work efficiently, and achieve firm objectives in a competitive manner. However, employee performance is also affected by some environmental factors such as corporate culture organizational
structure, job design, performance appraisal systems, power and politics prevailing in the firm and the group dynamics. If the above mentioned problems exist in the firm, employee performance decreases not due to lack of relevant knowledge, skills and attitude, but because of above mentioned hurdles. To make training effective and to ensure positive effect of training on employee performance these elements should be taken into consideration.

Khasmi, N.U. (2001)\textsuperscript{165} studies the existence of training and development in Hindalco Industry and their impact on efficiency of Management and Employees. He suggested that proper training program and their updation from time to time help the individuals to develop their skills and knowledge and thereby contribute positively towards the achievement of organization goals. Organization has to plan its training activities, and prepare a training calendar to suit its need and make it a more effective program. The moment of truth and glory for training would be when companies look at people as assets and training and development activities as an investment for the future and not as expenditure.

Srivastava, Deb, S., & Prasad, A.P. (2001)\textsuperscript{166} has evaluated the effectiveness of various training programmes offered by the in-house training centre of Tata Steel, Shavak Nanavati Training Institute (SNTI), India. The effectiveness of the training was measured in terms of various outcomes such as satisfaction level; reaction and feedback of participants; and change in performance and behavior as perceived by participants, their immediate supervisors, and departmental heads. It was found that the satisfaction levels of participants, their superiors, and divisional heads were above average for all types of programmes. The participants were benefited from the programmes, but transfer of learning was not as expected form their supervisors.

Stephenson (1999)\textsuperscript{167} & Roscoe (2002)\textsuperscript{168} concluded that no professional completes their initial training equipped to practice competently for the rest of their life. They argued that corporate environment is changing day by day and in order to cope with the level of changes, organizations implement various dynamic processes including the training programs which subsequently increase the motivation levels of employees as after the training process most of the employees seek promotions to higher level jobs which are the main cause of motivation. Thus, there are two basic factors which are very crucial to
be present in the employees in this new changing economy i.e. ability to learn and adapt and understanding of the new corporate environment which can be utilized by the corporations through continuous training programs in order to increase their motivation as well as involvement towards their jobs. Continuous training and professional development is not a luxury but a necessity of today’s changing economy, as employees can better understand that in order to cope with the changing corporate environment and to exploit the future job opportunities training programs are very useful to make them up to date.

Lester (1999)\textsuperscript{169} stressed that professionals must relearn and retrain to maintain the relevance of their skills. In this statement, he argued that changing nature of the corporate environment encourages the managers and employees to continuously relearn and retain new skills, knowledge and competencies in order to keep them up to date. He found a positive correlation between the training and the highest prior level of education gained which increase the employee motivation. He concluded that if employees perform well on the training and subsequent to the training, if they perceive that they have learnt something new which would be an enhancement in their CVs as well as beneficial for them to capture the future opportunities, then their motivation and involvement towards their jobs increase.

Hughey and Mussnug (1997)\textsuperscript{170} found a positive correlation between the employee training and employee & job satisfaction. Today, every organization provides some type of training to their employees after some intervals. Some companies provide formal trainings such as initial and ongoing training programs, some hire outside training consultants according to their requirements. So, motivation for implementing training programs varies from company to company. A very few organizations provide effective trainings to their employees in order to improve their knowledge, abilities and skills, and the correlation of such training programs with job satisfaction is high. On the other hand, some companies provide trainings to meet health and safety regulations and some firms provide training only for appearance sake and the correlation of such type of trainings with motivation is not so high.
Guest (1997)\textsuperscript{171} developed a theoretical framework to show how HRM policies can affect human resources and organisational outcomes. The strength of Guest’s model is it is a valuable analytical framework for studying the relationship between HRM policies and organisational performance, because it expresses pathways for more careful, clear and ease of empirical testing. He saw commitment as a vital outcome, concerned with the goals linking employees with firm performance as the goal of quality is important to ensure the high quality of products and services. Therefore, training and development policy play an importance role in HRM and contribute to improved strategic integration, employee commitment, flexibility and quality. HRM outcomes can then lead to high job performance, high problem solving activity, high cost effectiveness, and low turnover, reduced absences and fewer grievances. To achieve the best from training and development initiatives there must be a deeper understanding on the need for training evaluation.

Chandratilek (1997)\textsuperscript{172} & Dessler (2005)\textsuperscript{173} emphasized that the availability of high quality employees, places the organization in a competitive advantage over others even within the same industry and that the inadequacy of expertise is a major constraint as such organization take major concrete measures to organize training programmes. The resultant effects of properly executed training programmes are reflected through the performance management process.

Black and Lynch (1996)\textsuperscript{174} summarized the differences between workers who receive formal training and those who do not. Workers are more likely to receive training if their jobs have the following characteristics: high value added jobs where the individual has great responsibility, cognitively complex jobs (e.g., professional, technical and managerial jobs), sales jobs for complicated, changing and customised products, use expensive machinery on their job, regular, non-temporary jobs, full time jobs, and jobs where the skills learned are not useful at many other firms in the community. Holding other worker characteristics constant, the likelihood and the amount of formal training in a given year for workers depend on the characteristics of the jobs they hold, the firms for whom they work, as well as the characteristics of the workers themselves. Therefore,
firms usually analyse the training needs to determine where training is needed and who needs to be trained.

Noe and Wilk (1993) grouped employee training benefits into three categories: personal benefits, career benefits and job related benefits. Personal benefits represent the extent to which employees believe that participation in training activities help them network, improve their job performance and make progress towards their personal development. Career benefits result from participation in training activities that lead to identifying career objectives, reaching career objectives and creating opportunity to pursue new career paths. Job-related benefits lead to better relationships between peers and managers, and provide a necessary break from the job.

Becker (1962) argued that workers rather than firms should pay the cost of general training because the employers would not be able to capture any future return on their investment. Therefore, general training may be arranged in a formal education group because it is valuable to a wide range of employers and can be obtained in other ways than training in the firms. The firm should only pay for the firm specific component of training which does not help the worker receive higher wages elsewhere. In contrast, specific training raises the worker’s productivity only in the firm providing it either because they have special methods or because they use equipment with which workers must become familiar. The returns on specific training might be lost when the relationship between employer and worker dissolves. Thus, specific training is clearly associated with turnover. When employers expect workers to be with the firm for a long time, they will offer training for workers since there is a longer period in which the firm can receive returns from their investment.

EMPLOYEE TRAINING AND DEVELOPMENT AS A TOOL FOR EMPLOYEE PERFORMANCE

Esha (2016) in her present study examined the influence of training on performance. It further presents that organizational performance is significantly determined by training imparted to the employees. Performance of an organization relies on the employee commitment which in turn depends on the HR policy of training and development. The
study of relationship of the employees’ training with performance is important for today’s managers because the modern business trends demands more efficiency, accuracy and effectiveness in less time and less cost and obvious it can be attained only through designing, and development of outstanding training programs to the employees. With the help of addition of more & more training programmes, employees become more interested to get more knowledge about their jobs which eventually helps them in getting promotions among their peer groups.

Singh, A. (2014) in his research found that human resource management has been enormously important in the hotel business. Human resource management ensures business growth where staff training plays a significant role to build strong human resource management. Therefore, staff training is concerned a lot in now days' business. Finally staff training is essential management tool it has many benefits such as increase employees’ effectiveness in work, reduces wastage and time during job work or task, helps employees and company itself to compete with changing fast environment. Staff training is a mode of motivating employees, escalating their knowledge, upgrading their skill and augments their self-development.

Jadhav (2013) studied the training and development programmes undertaken by banks for their employees. The study was conducted to analyze effectiveness of training and development programmes for employees to discharge their duties and to study how training and development programmes helps to achieve customer satisfaction. It is concluded that private and public Indian banks undertake training and development programmes for their employees to increase their efficiency. Banks provide training programmes to enhance their knowledge and skills to satisfy the customers. Growth of banking sector in India is the result of skilled manpower which is the outcome of training and development.

Punia, B.K.& Kant, S. (2013) in their research described the factors affecting training effectiveness and how the training effectiveness can be measured. He believed that to make training more effective organizations requires to look at how the training and development system is associated with the strategy of the organization and at what is being done to check out that all training programme are effective. The study revealed many factors that affect training effectiveness but three factors i.e. motivation, attitude
and emotional intelligence emerged to be stronger and more responsible in making training effective. These three factors were found dominant on other factors while a training programme is going on. Managers should first motivate employees to learn new abilities and skills. Next, to ensure better training effectiveness, managers should support employee efforts to practice such skills at the workplace. Trainee’s attitude decides that what would be learning ratio from training programme and emotionally intelligent leaders always found successful in inspiring the workers.

Ramakrishna et al. (2012) have studied that Human Resource Development department has to play a more proactive role in shaping the employees to fight out the challenges. The banks not only have to make plans and policies and devise strategies, the actual functionaries have to show competence and effectiveness in executing the said policies and strategies. The study revealed that the employees have attended more training and development programmes, employees strongly agreed about the necessity of training and development programmes, majority of the employees rated trainer’s preparation as good, employees rated trainers creating learning atmosphere and employees given overall rating for training and development programmes.

Purohit (2012) studied the existing policies practiced in co-operative banks to appraise the level of HRD practices, to assess the satisfaction level of employees about HRD practices particularly Training and development & Reward and recognition of employees. The study revealed that training helps employees to gain better understanding in the area of job and this will enhance their stock of knowledge. Extensive training providing the continuous development, such as on-the-job training, training programmes and workshops can be a driving factor for the activities in the firm.

Owoyemi, Oluwakemi Ayodeji, Oyelere, & Michael (2011), conducted the research to investigate the relationship between training, learning and development to commitment. The result using a regression model showed that, the more training given to employees, the more committed they will be to the organisation. This result is consistent with other research and findings on the relationship between training and employees’ commitment to the organisation. Thus, there is the need for management to acknowledge and openly accept that training is one of the commitment-based strategies that can be utilised to enhance organisational performance. It is a tool that can help the organisation
in building a more committed and productive workforce and can lead to greater commitment and minimise employee turnover. Based on these findings, effective training program can lead to greater employee commitment and a more stable workforce.

Haslinda & Mahyuddin (2009)\textsuperscript{184} found that lack of support from top management and peers, employees’ individual attitudes, job-related factors and also the deficiencies in training practice are the main factors which affect the effectiveness of training. If there will be less support from top management and peers, job is not going well or somehow there is problem in job and absence of training practice then there is less chance of effective training programme.

Kinicki & Kreither (2007)\textsuperscript{185}, Employee performance is greater in a satisfied worker and the management also finds it easier to give motivation to high performers in the process of attaining the organizational goals. Employees' can only derive satisfaction when they feel that they are competent to perform their duties, when this is achieved through effective training and development programmes. Recognizing the important role of training practices gives the top executives safe and good working environment that goes along in improving the motivational level and performance output of the workforce.

Richard Cooney, Mile Terziovski & Danny Samson, (2002)\textsuperscript{186}, stated that no matter what kind of training programme is implemented, employee training seems to have a positive effect on employee morale and general enterprise effectiveness. Training seems to develop a positive orientation on the part of employees towards their work role and the organization and it seems to play an important part in lifting performance by enhancing employee skills. Employee training is found to have a more significant effect on organizational performance when it is closely combined with comprehensive quality management practices. The close alignment of training with the development of skills and competencies that are strategically important to the business seems to enhance the value of training programmes.

Cole (2001)\textsuperscript{187} found that employees who receive training have increased confidence and motivations. Training eliminates risks because trained personnel are able to make better and economic use of material and equipment thereby reducing and avoiding waste. It brings a sense of security at the workplace which in turn reduces labor turnover and absenteeism is avoided and helps to manage change by increasing the understanding and
involvement of employees in the change process and also provides the skills and abilities needed to adjust to new situations. It also provides recognition, enhanced responsibility and the possibility of increased pay and promotion and help to improve the availability and quality of staff.

Moses (2000) observed that companies can no longer guarantee employees’ promotions to the top, it is important that training and development help employees with career planning and skills development. Some organization fear that career planning will communicate to employees that their jobs are at risk, but it can be framed differently to communicate that they are willing to invest in helping employees reach their potential. Companies can also help ease employees’ minds by making career planning a standard part of their employee development process of downsizing or restructuring. When accompany communicates to their employees that they are marketable outside the organization, yet still invests in their training and development, it makes a strong statement to workers that they are values, and many are compelled to offer a high level of commitment.

According to Leonard-Barton (1992), an organization that gives value to knowledge as a source of gaining competitive edge over their competitors, are supposed to build up a system that ensures constant learning, and an effective way of doing so is through employee training.

In contrast to above findings, Elnaga & Imran (2013), in their study on title ‘The Effect of Training on Employee Performance’ measured the training effect on employee performance in terms of speed of achievement, quality and quantity of work. The outcome of study indicated that in terms of employee performance, training is considered as a tool to help employers to achieve a larger number of task and gives them the ability to deal with the problems at work in addition to improve their continuously. A weak and medium study between the variables (Training and employee performance) was found. Generally the correlations between the variables was found to be positive. A weak correlation has been found between training and speed of achievement and medium correlation was found between training and quality and quantity of work with the training respectively.
EMPLOYEE TRAINING AND EMPLOYEE PRODUCTIVITY

Rohan & Madhumita (2012)\textsuperscript{191} 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.

Ekaterini & Constantinos-Vasilios, 2009\textsuperscript{192}, advocated that 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. It has been an important variable in increasing organizational productivity.

According to Konings & Vanormelingen (2009)\textsuperscript{193}, Colombo & Stanca (2008)\textsuperscript{194} and Sepulveda (2005)\textsuperscript{195} 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.

RELATIONSHIP OF TRAINING AND DEVELOPMENT AND EMPLOYEE PERFORMANCE

Jagero and Komba (2012)\textsuperscript{196}, in their research found that while training is a factor in job performance, it is the combination of factors such as working environment, employee skills and knowledge, motivation and rewards, communication flow and organizational culture that significantly improve employees’ performance.
Devins, et al. (2012)\textsuperscript{197} found that trained employees often work better as teams because everyone is aware of the expectations and can achieve them together smoothly. Trained employees are also more confident in their performance and decision-making skills. In addition, employees who receive regular training are more likely to accept change and come up with new ideas. Employees who learn new skills through training make good candidates for promotions because they have shown their ability to learn, retain and use information. Reliable, skilled employees can also be empowered to train other employees, the fact that reduces pressure for the management team. Abay (2008)\textsuperscript{198} reported that significant relationship was found between the employees training and their resultant performance in accomplishing different tasks. It was found that those employees who have taken trainings were more capable in performing different task & vice versa. Training has direct relationship with the employees’ job performance.

**RELATIONSHIP OF TRAINING AND DEVELOPMENT AND FIRM PERFORMANCE**

Yong-Kean,L.,& Teck-Hong,T. (2010)\textsuperscript{199} in their research examined the relationship between training approaches (formal and informal) and service performance among SMEs in the service sector, Klang Valley, Malaysia. It is vital to study this association since training approaches, if managed properly, will aid SMEs firms to overcome severe challenges, particularly human capital related issues. Hence, SMEs operating in the service sector should provide training (formal and informal) to their employees continuously in order to gain competitive advantage in the global marketplace. These are only possible when SMEs are able to see a great value from the training given to their employees. The findings of this paper indicate that training approaches (either formal or informal) have a positive and significant effect on service performances. This study provides strong evidence to the existing literature that training approaches have positive and significant influences on firm performance. The study also found that informal training approaches have a stronger effect on service performance as compared to formal training approaches. Although formal and informal training approaches by themselves show positive effects on organizational performances, when there is a presence of
moderating effect of organizational commitment to employees on relationship between training approaches and service performance, only informal training approaches contribute to the success of the service firm. Senior management of SMEs can benefit from this study through recognition of the role of organizational commitment to employees as a key driver to strengthen the relationship between informal training approaches and organizational performance further. Based on these findings, it is reasonable for the researcher to propose that managers of SMEs firms in the service sector need to be committed to training approaches. The rational of this is obvious in which employees are motivated to take training activities seriously if they are able to receive effective support from their committed senior management. As a result, the presence of commitment from senior management to training approaches is likely to produce more desirable organizational performance.

**Thang, N.N., Quang, T. & Buyens, D. (2010)** in his research found that relationship between Training and Firm Performance. This research interests include human resources management, training and development, employee and firm performance, and the labour market. This is a study on human resource training and its effect on firm performance, and it developed and proposed a framework for analysing training and firm performance issues in order to assess the advantages and disadvantages of many previous studies (e.g., research design, measurement of variables and firm performance or estimation method.

There were two approaches to gauge the impact of training on firm performance, namely the studies that use firm level data from a large sample of firms and the case study approach. Based on the firm performance measures used in previous studies firm performance was classified into financial firm performance and non-financial firm performance. The review offers new directions for future research that has potential to guide practitioners and managers to decide on their human capital investment plans and provide training for their employees.

**EFFECTIVENESS OF TRAINING AND DEVELOPMENT**

**Rosmah Mohamed & Arni Ariyani Sarlis Alias (2013)** carried their research work with the aims to evaluate the effectiveness of employee training programs in the banking
sector in Malaysia. Using the Kirkpatrick’s four levels of evaluation model, this paper specifically examines: (i) the reactions of the employees to the training programs; (ii) the level of employee’s learning; and (iii) the employee’s transfer of training. The study showed that most of the respondents were happy with the content of the modules, the speakers’ style of facilitating, the overall effectiveness and the knowledge gained. They were satisfied and convinced with the learning activities provided in the training and perceived that these activities had motivated and made them interested to learn. The findings also showed some evidences that respondents had improved their knowledge level and were able to apply the knowledge and skills learned in the training to their job.

Dhal Manoranjan (2001) in his qualitative study nine factors were identified such as programme design, faculty/trainer, pedagogy, course content design, scheduling, non-academic infrastructural support, learning outcome, classroom environment, programme objective. These were found to be vital and relevant factors which can influence the effectiveness of any training programme.

Ellis et al, (2005) found that both training and feedback can collectively bring sharpness in quality of processes performed by the employees. They stressed that feedback system provides the clear picture of what weaknesses are there on the employees’ end those immensely need the training. So, the collection of results from feedback helps the management or supervisor to construct a training program which should be comprised of those factors of training which can assist in removing negative outcomes obtained through feedback, while impressive training can support to great extent in making the way clear to the achievement of best shape of outcomes

Bashir et al. (2011) identified three major categories which impact the effectiveness of training (1) objective, content & activities, (2) facilitators effectiveness (3) application of learning.

Upon checking the effectiveness of training, Kenney et al. (1992) stated that the training program is reviewed during and after its completion by the training officer, the line manager, and if necessary, by the trainees themselves. Evaluation differs from validation in that it attempts to measure the overall cost benefit of the training program and not just the achievement of its laid down objectives. Evaluation is an integral feature of training, but it could be difficult because it is often hard to set measurable objectives.