

Critical Analysis of Strategic Training and Development and Organisational Performance

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Abstract

With various changes in the globalised world, huge pressure have been seen on organisations to become more competitive. Organisations are facing new challenges in the form of technological developments, environmental changes and intense competition. And their survival lies with its ability to train and develop its human resource to be innovative, creative and inventive for enhancement of organization performance. For this, there should be an alignment of training and development with the overall business strategy leading to the concept of strategic training and development. Because for the success of an organisation, there is a need to assess training and development. And strategic training and development emphasises on development and implementation of training and development systems which further impact organisational performance. The focus of this paper is to analyse critically the relationship between strategic training and development and organisation performance. As per the contributions of various authors given in their studies, training and development are separated, if related, then only with employee performance or organisation's performance. Already existing literature is reviewed. Thus gap is seen and this paper examined the existing gap which requires further study on the relationship between strategic training and development on organisation performance.

Keywords: Organisation performance, Strategic training and development, training needs, training and development.

Introduction

Human resources are the effective and most critical resources of an organisation. And every organisation wants to have well trained, innovative, creative human resources so that the performance of an organisation can be enhanced and that should get competitive advantages as well. Because the survival of an organisation in the globalised world lies with the ability to train and develop its human resources to the fullest. Authors have defined the concept of training and development in different ways. Kleiman defined "Training and development are planned learning experiences that teach workers how to perform their current or future jobs effectively." **Katz & Kahn defined** "Training and development is described as a maintenance subsystem, intended to improve

organizational efficiency by increasing routinization and predictability of behavior”. Ivancevich (2010) conceives training and development as a process that attempts to provide employees with information, skills and understanding of the organization and its goals. It is a long run venture in ensuring that employees have the needed skills, knowledge and competency so as they can contribute positively to the success of the organization. Drummond (2000) differentiated training from development by asserting that training is the use of formal and informal processes to impart knowledge and skills for satisfactory job performance while development is the preparing for change in the form of new jobs, new responsibilities, or new requirements that may not yet exist in an organization.

Training and Development is a planned, continuous effort by management to improve employees' competency levels and organizational performance.

Strategic Training and Development and Organisation Performance

Strategic training and development activities are essential to ensure firm's long-term success. Employees will have higher morale and attendance, collaborate more effectively and be better prepared with the skills and expertise to do their assigned tasks well. Armstrong (1996), emphasized that training should be developed and practiced within the organization by appreciating learning of theories and approaches, if training is to be well understood. And strategic Training and Development is the designing and implementation of training and development systems to successfully impact organizational performance (Tannenbaum, 2002). For training and development to be effective in an organization, it must be aligned to the overall business strategy. Since strategic training and development directly contributes to achieving the company's long-term goals, thus training and development should be aligned with the objectives of the company's business strategy. The aim is to create a strategic training and development program with learning activities to help managers and employees successfully implement the business strategy. **That means designing initiatives that align with the mission and values while at the same time supporting the actions needed to achieve organizational goals. Successful organisations are known not only to embrace training and development initiatives but also to make them strategic in nature.** Employees' training and development is a strategic learning of the job related skills, knowledge, behavior and ability that are crucial for efficient performance in enhancement of organizational effectiveness (Noe, 2000). Kraiger and Ford (2006); Sessa and London (2006) pointed out that the major ingredient of strategic training and development includes: management of knowledge, continuous learning and development programmes to assist organizations increase their ability to detect change, adapt and anticipate trends in the world of work. And competitive organisations as noted by Ooko, Manyasi and Ondiek (2016) are those that embrace talent development strategies of career

management, succession planning, training and development strategies. Organizational Performance means how well an organization is doing and how much of its daily tasks and set objectives it successfully completes. In this paper performance means contributions gained by an organization as a result of strategic training and development initiatives. These contributions according to Cook and Hunsaker (2001) effective and efficient utilization of organization resources and professionally with competency which is enhanced with the help of training and development. And Collins *et al.* (2003) study findings depict that development in the employee's skills through training reduces the rate of turnover in an organization. Organisational performance can be defined as how efficient and effective managers use organizational resources to satisfy customers' needs and wants and timely achievement of organizational goals and objectives. And for an effective strategic training and development program, there is a need to assess the training needs in an organisation. Assessment of training needs as per Leigh, Watkins, Plat and Kaufmann (2000) must be aligned with the training systems and organizations business strategy. Training and development systems should also be designed in such a way that it supports knowledge as well as skills acquisition and transfer. After developing the training needs according to outcome McCourt and Derek (2003), the next step is to select techniques suitable for these needs, planning how to implement them and thereafter evaluate outcome.). According to Tannenbaum (2002) needs assessment should focus on whether appropriate support is present in the organization to support transfer of training on the application of trained skills. It means that for an organization to increase its productivity, transfer of training is an essential component whereby the employees put into practice what they have been trained in their day to day activities. As training and development of the human resources is very lengthy and expensive project which is not feasible for small sized organisations? That is why there is a need to have in-depth knowledge and consider every aspect thoroughly.

How Relevant is Training and Development?

Most of the training programs focus on meeting the individual's training needs, whether it's to improve job performance or personal development. In contrast, strategic training and development focuses on meeting the *organization's* needs and strategic goals. The aim is to create a strategic training and development program with learning activities to help managers and employees successfully implement the business strategy. That means design the initiatives that align with the mission and values while at the same time support the actions needed to achieve organizational goals. Organisations with better performance helps in facilitating the training and development programmes for their employees which bridges the gap between what should happen and what is happening. Different contributions of the authors gives an idea about the relevance of training and development. Mullins (2007) argues that training and development improve knowledge and skills and to change trainees attitude of employees in an organization. The benefits accrued by an organization that trains and develops its staff includes: increasing confidence and commitment of staff, provision of the needed recognition and enhances responsibility that can results in promotion of employees. According to Cole (2004) added that systematic training and development leads to: greater commitment of staff,

Improved service to customers , improvement in job performance and provision of a pool of skilled personnel for the organization resulting in organization increase in productivity. Training and development of employees enhances their capabilities, competences and reasoning faculty (Lynton and Pareek, 2000) which leads to improvement of organization performance as well as gaining competitive advantage (Bowen and Ostroff, 2004; Armstrong, 2010). McNamara (2008) also asserts that training and development increases employees' innovation, invention, efficiencies and capacity to accept new techniques and technologies. Quarley (2012) observed that training and development of organization's most valuable asset (employees) leads to improved productivity thus leading to competitive advantage.

Empirical literature

The organizational performance depends on the employee performance because human resources of an organization plays a very important role in the organizational performance. In order to improve the organizational performance and the employee performance, training is given to the employees of the organization. Trained employees perform well as compared to untrained employees (Partlow, 1996; Tihanyi et al., 2000; Boudreau et al., 2001). Various studies have been conducted on the relationship between training and development on organization performance. Conti (2005); Dearden (2006); Ballot, Gerard, Fakhfakh, and Taymaz, (2006) observed that training have an impact on productivity of an organization and where employees and employers were able to share the benefits from training. Barrett and O'Connell (2001) further concurred that general training has positive impact on firm performance. The organization will be the ultimate beneficiary knowing that the training and development are being directly invested in the staff (Abdul Ghafoor Khan et al., 2011); moreover, human resources as an asset contribute to the firm performance and growth. Hence, to increase both firm and staff performance, training and development are implemented to improve staff performance (Ahmad & ud Din, 2009). Ookoet *al.* (2016) study on talent management strategies on employees' productivity found out that talent development strategy has a positive and significant relationship on employees' productivity. The elements of talent development strategy highlighted by the study included; career management, succession planning and training and development. At a global level, different organizations provide training and development programs to their employees to improve their skills and abilities. These programs will help employees match their talents with the new requirements of their occupation and guarantee the firm's development and progress (O'Herron & Simonsen, 1995). It is easier for employees to accomplish properly in the workplace with prior training (Garavan, 1997), and the performance of trained employees exceeds that of untrained (Partlow, 1996). So, organizations must train their employees to achieve their overall goals better (Flynn et al., 1995). Nankervis, Compton and McCarthy (1999) study found out that there is positive relationship between employee development and organizational performance. It was noted that effective training equipped employee with knowledge and skills needed to accomplish jobs and helping in achievement of organization overall objectives by contributing to satisfaction and productivity of employee. Training and development influences corporate performance because by

developing human capital through continuing training results to an increase in each employees productive output either through improvement in job satisfaction, morale skill level (Dessler, 2003; Mondy, 2008).

Studies conducted by Aycan (2003); House *et al.* (2004) and Javidan (2004) concluded that there is positive relationships between training and development strategies on organizational performances. They also observed that organization that train and developed their employees attains high performance due to employees' job satisfaction. Ideally, the more employees are trained and developed and are satisfied with their environmental conditions and daily work, the more they are likely to enhance their organizations performance. Trained and developed employees contribute to high achievements of organization leading to better performance (Niazi, 2011). Training and development will improve staff performance, improving firm performance. Training is vital to enhance employees' capabilities, and training also affects the return on invested capital. Thus, training is given to the firm's staff to improve the firm's and its staff's performance (Abdul Ghafoor Khan et al., 2011).

Literature Criticism

It is very clear that in so far as literature is concerned, training and development are inseparable to each other. Many researches have been conducted extensively on the definition of training, very few on development despite the fact already stated about their inseparability. Drummond (2000) differentiated training and development to be separate entities. In defining strategic training and development, the reviewed literature is inadequate in that it deals majorly on the relevance of training and development and little is known about the relevance of strategic training and development (Mullins, 2007; Quartey, 2012; Lynton and Pareek, 2000; Bowen and Ostroff, 2004; Armstrong, 2010; McNamara, 2008). Reviewed literature is also not sufficient on the relevance of strategic training and development. As it deals with training and development only and leaving the strategic part. Almost all these studies advocated the relevance of training and development to the organisations. They supported different methods of training for improving organisational performance. Further, with regard to the relationship between strategic training and organisational performance, it is also found out that literature is not adequate as much emphasise is given on the relationship between training and organisation performance particularly between training and employee performance. Ookoet *al* (2016) analyzed relationship between talent development and employees' productivity while Niazi (2011) studied the effect of training and development on organization achievement. Authors such as Conti (2005); Dearden (2006); Ballot, Gerard, Fakhfakh, and Taymaz, (2006) majored on the relationship between training and organization performance, Nankervis, Compton and McCarthy (1999) capitalized on the effect of development on organization performance. These few studies showed combined effect of training and development on organization performance with no emphasis on strategic training and development. Thus, it is found out that all these studies fall short of relating strategic training and development to organization performance thus a further study to fill this gap is inevitable which requires extensive research as strategic training and development is very much related with organisation performance.

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