

Investing In Employees: Why Are Training and Development Programs Important?

*Md. Mekail Ahmed

Student (Operational Level), The Institute of Cost and Management Accountants of Bangladesh

Submission Date: 8th Sept. 2022 | Published Date: 29th Sept. 2022

*Corresponding author: Md. Mekail Ahmed

Student (Operational Level), The Institute of Cost and Management Accountants of Bangladesh

Abstract

The current research focuses on understanding the impact of investment in training and development programmes. Employee success has an effect on a company's bottom line. In a global economy that continues to develop, the most competitive companies will be those that adapt rapidly and efficiently. In order to attract and maintain these talents, it becomes increasingly apparent that companies must invest in their employees' ongoing professional training and growth. Employees begin to become absolutely essential, so that the organizational, technical and social conditions make it necessary to respond to the continual learning and update of skills and information invaluable. However, the human capital is the most important asset of any company facing complex and rigid competition. The goal of this study is to obtain a deeper understanding of the training and management development programs provided by organizations at different levels. Through educating managers and allowing them to set up the right induction program for new hires, companies can greatly increase retention and attract new employees. Employees that are invested in and grown feel more like they are part of the company and are far more likely to make more effort, try to innovate and be more efficient.

Keywords: Training, Development, Human Capital, Productivity, Motivation.

INTRODUCTION

In the current global economy, it is difficult for businesses to remain competitive. Employee development programs are becoming increasingly important for businesses looking to gain a competitive advantage. Employees are a valuable resource for the company, and their performance determines whether the company succeeds or fails. As a result, businesses are spending a lot of money on employee training and growth. Furthermore, it is beneficial for businesses to place an emphasis on employees' experience, expertise, and abilities in training programs. In every industry, an organization's success is heavily reliant on its employees. In addition, companies strive to achieve success in the world economy and try to distinguish between employees on the basis of skills, information and excitement. In reference to its latest report, companies are spending over \$126 billion annually for employee training and development in the US Society for Training and Development. However, other factors are equally important, and it is important for an organization to ensure effective, financially dominant and competitive staff on the market. Companies must also be aware of the satisfaction and retention of their staff in order to retain this invaluable human resources. Training is a systematic approach to learning and development that improves individual, group, and organizational effectiveness. Achievements that lead to new skills and capabilities for employee growth are referred to as development. Furthermore, it is common to have difficulty determining whether accurate exploration studies report on education, development, or both. Various companies around the world offer their employees training and development programs to help them improve their skills. Employees are the company's most valuable asset because they are responsible for improving customer satisfaction and product and service quality. The staff will be able to help the company achieve its competitive position in the world market today. A company's vital distinct competence is measuring the current workforce's degree and expertise and its level of dedication to achieving its corporate objectives. The basic source of competitive advantages according to Thang (2009) is human resources. Capital in the human market is not duplicated or purchased. The mechanism by which a company's workforce is educated and prepared with cutting-edge expertise, skills, and attitudes in order to retain exposure to environmental changes is critical to the company's long-term viability. Dobbs (2003) states

that knowledge is a key to the worker as well as to the company. Organizations and people should appreciate knowledge as money, because they are hand in hand in today's market. Learning, career planning, goal setting, and evaluation should all be included in an effective employee development program. The key reason for changing jobs is the quest for new challenges and prospects for advancement, according to Rozenwald (2006), the recruiter of management recruiters at Boston. In this regard, Callahan (2000) suggests that businesses should build an atmosphere that encourages employees to learn and develop, rather than just a place where they do their work. Employee development systems, according to Zenger, Ulrich, and Smallwood (2004), cannot exist without a supportive community. Other factors however, play a role in an organization's success; for example, it must have productive (i.e. successful and efficient) workers. Furthermore, organisations that differentiate themselves on the basis of human resources, which includes intangible attributes such as employee expertise, abilities, and motivation, are increasingly seeing it as valuable in order to stay competitive. As a result, businesses should hire people who can adapt to a fast-paced, competitive market climate. In a world where there is a lot of confusion, the company and market intelligence information gives companies a consistent competitive advantage over those that don't (Jelena, 2007). Employees who can completely perform their work appear to be longer because they are more satisfied with their employment. Training and development is a critical tool not just for maximizing employees' success, but also for increasing their efficiency, productivity, satisfaction, motivation and innovation. Employee training and growth helps the company and its staff achieve a variety of objectives. Moreover, organizational leaders should use structured approaches to evaluate the employee performance that typically decide outcomes for individual, organizational, environmental, morale, ability level, skills or position expectations.

Literature Review

The company's employees are the cornerstone. The output of its staff relies on the achievements or problems faced by the company (Mwema & Gachunga, 2014). Analysis in the United States reveals that organizational support for the empowerment of women is likely to be negative in connection with employee turnover plans (Jawahar & Hemmasi, 2006). If training can provide this help, work satisfaction would be a clear outcome. It also suggests that supervisor encouragement ultimately helps retain employees (Eisenberger & et al, 2002). Employees will benefit from training programs that help them prepare for their new jobs. The understanding of the employee is critical to the effectiveness of training programs. If he believes the training program will help him do his job more efficiently, he will try to glean as much information as possible from it. He will continue to apply whatever the experience and skills he gains in his career. The employee will be able to obtain bonuses and other short-term incentives as a result of these. They discovered a connection between perceived training benefits and a successful and persistent engagement. As a result, they and their employer form a close psychological connection (Garrow, 2004). Perceptions of training are linked to training attendance, according to previous studies. This means that training is available and that the organization encourages it. Previous research indicates that training expectations contribute to training attendance. This shows the provision of training and funding for training by the organization. Workers are more likely to engage in training because there are less organizational obstacles. Another research, this time in the Chinese context, found that successful and consistent engagement is strongly linked to perceived training availability.

Methodology

The methodology relates to a key feature of the analysis, as well as the selection and arrangement of data activities based on the study's unique problems. I have collected secondary data. The posts, write-ups and abstracts of influential papers on training and development appearing in leading business dailies have been reviewed. A number of informative blogs, brochures from different organisations, some job directories, and souvenirs from conferences on similar topics added new dimensions to the current studies.

Reasons Why It Is Important to Train and Learn at Work

1. Enhanced Employee Efficiency

An employee who is trained sometimes is better able to enhance his job efficiency. Every employee would be knowledgeable in security practices and appropriate procedures in the performance of basic tasks through training programmes. A training program also contributes to building the confidence of an employee, as he gains a better understanding of the industry and of its position.

2. Increased Employee Motivation

Some would also argue that a company has fresh faces bringing new ideas to the company. However, high employee turnover can cause significant disruption and cost your company money. Investing in preparation is a much more efficient use of funds (rather than on recruitment costs). Your workers would feel more respected and are more likely to remain loyal if they learn new skills that will help them advance in their careers.

3. Enterprise Development

Regular training ensures the teams remain in the lead, ideal for any small and medium-sized companies who wish to beat the market. Encourage the various departments to keep regular track of any changes in their respective fields, and if anyone notices anything especially important, make them give a presentation to anyone else who may be involved. This way, you'll always be ahead of the curve, providing your customers with the best service possible.

4. Increased Profit Margins

Maintaining high levels of employee engagement is critical to increasing the company's profits, but better internal training also helps. It's only fair for employees to be better off at their work by developing their skills, whether it's customer service or administrative. It's only reasonable that by enhancing your employees' skills, whether in customer service or administration, they'll be better at what they do, resulting in more business for you.

5. Enhanced Company Understanding

Don't be afraid that one team would open it to the broader company if a training session takes place. You may be surprised to hear more about the company in which they have not been associated and who would like to take part. When your employees see the broader picture, they will of course be more responsible and moved to achieve the overall objectives of the business.

6. Reduced the Employee Turnover

It's common for your company to have some staff turnover. Many people believe that having new faces in the office brings new ideas to the table is beneficial to the business. However, high employee turnover can cause significant disruption and cost your company money. Investing in preparation is a much more efficient use of funds (rather than on recruitment costs). Your workers would feel more respected and are more likely to remain loyal if they learn new skills that will help them advance in their careers.

7. Boosts Corporate Image and Profile

Employee preparation, as previously mentioned, benefits both the workers and the company. Conducting the regular programs increases company's employer reputation, making it a top choice for top workers from competing companies as well as graduates.

Benefits of Training and Development Programs**Individual Benefits**

Staff development program helps staff to survive and to create new technology in the future. The criteria for blue collar employment have been constant for many years and many businesses have made changes to challenging applications and programmed training programs (Cunniff 2000). This provision requires employees to evaluate their ability to maintain their job. Because of this several workers have been rehabilitated in order to acquire promoted work and development within their organisations (Feldman 2000). Thus, employees prepared a 10-year plan for their future and changed the plan on technological and knowledge transition after two years (Wilson 2000). Moreover, it leads to job satisfaction by encouraging employees to develop their skills and knowledge to meet potential demands. Employees are aware that a training program will lead to more advanced responsibilities and higher pay (Fenn 1999). Employee promotion and preparation has many advantages for workers. Graduates from the new University prefer to work for a company that provides its workers with extensive training, but after a few years, companies may lose newly trained employees (Feldman 2000). IT industry professionals realize that experience is an asset, and that they must retain their skills and talent in order to meet the new market's demands. Most employers are aware that a training program is necessary and would like to pay more (Dillich 2000). A young graduate is also unprepared for the ever-changing market climate (Gerbman 2000). Young people with business goals know that skills and funds are missing and they are searching for employment with companies who have training programs for their potential employees (Feldman 2000). Employee attitudes and working skills were strengthened as a result of training (Satterfield and Hughes 2007), resulting in improved employee results and further positive changes (Kraiger 2002). In comparison to no-training or pre-training situations, Arthur et al. (2003) conducted a study with 1152 participants and 165 resources and found that training had a consistent positive impact on job-related outcomes. However, there were no major variations in impact size roles, and training efficiency differs depending on the training transfer process and the skill being taught. There are many benefits of engaging in a training program.

Organizational Benefits

For any company, employee development programmes, remaining solvent and competitive on the market is critical (Fenn, 2000). Training and development opportunities can be used by organizations to assist existing workers, prospective employees and company customers. The influence of investing in a training and development program on developing individual and organizational effectiveness, according to research, can justify the investment (Bartel, 2000). Several organizations have shown that one feature that helps maintain employees is the opportunity to improve their learning (Logan 2000). It also affirmed the close relationship between training and growth of employees and the retention of employees (Rosenwald 2000). Companies should recognize the importance of experienced staff and companies must bear the challenge to maintain them (Garger 1999). Employee retention is a difficult concept, according to the report, and there is no single formula for keeping workers into the business. Organizations that include workforce development services have a higher rate of employee retention. A good training program design can also enhance employee retention. The retention of workers is a voluntary effort by organisations to build a long-term climate involving staff (Chaminade 2007). Researchers also suggested that companies include training and development programs to describe more efficient

retention, which classify voluntary workplaces, criteria, and expectation (Seigel and DeLizia 1994). "Organizations must take their investment in training and growth seriously to keep workers" (Leonard 1998).

How Does Training and Development Contribute to a Company's Success?

Training and development may have a positive influence on an enterprise in several ways:

1. Competencies in the Workplace

The training and development program offers employees many advantages. They learn the technical and soft skills that their jobs require. Over the past 30 years, unemployment has fallen at the lowest rate and does not benefit employees if growth prospects are decreased. New university graduates mainly consider a company that offers its employees intensive training, but this is a risky idea for organizations to lose new training. Professionals in the information technology industry recognize that knowledge is power, and they must maintain their skills and talent in order to meet the market's current needs. The majorities of employees understand the value of a training program and would like to see their pay rise. It is often expected of a recent graduate who is ill-prepared for the ever-changing business climate.

2. Employee Satisfaction

Employees have no feelings for their employers if they believe their employers don't care about them. Companies that are willing to invest in their employees add value to working for them, even though the investment benefits the organization in the long run. Young entrepreneurs are aware that they lack experience and funds, so they seek out businesses that provide training programs to help their employees prepare for the future. Employees' future survival and skill development to deal with new technologies are aided by growth. Employees understand that their organization, which increases reliability of the organization, is investing in their future careers. Company loyalty cannot be measured, but it is important in terms of the employees' intrinsic reward. Employees feel comfortable and want to stay in the business because they think their efforts and skills contribute to the bottom line of the business. Employees happy in their jobs believe that their work is valuable and significant for their organization.

3. Attracts the Best Employees

Every business wants its best employees to achieve greater success. Incentives for training create a positive image for the company, which has a direct effect on prospective candidates for future job openings. To win over consumers, businesses invest a significant amount of time and money in developing a strong corporate brand. However, they often fail to improve their employer reputation, resulting in a failure to attract, engage, and retain the best talent. Companies have incorporated gamification and leveraged media in their hiring process as a result of the increasing competition for talent. These businesses understand that employer branding is critical not only for recruitment marketing but also for successful organizational performance. As the war for talent intensifies, increasing numbers of businesses are being shown to invest in enhancing their employer brand based on the vision, culture and values of their organization. A well-developed employer brand often empowers prospective candidates to monitor how they view a business. From an applicant's point of view, a company may seem creative, impartial, technically intelligent and willing to hire the right talent. Companies that are unable to attract talent will find it difficult to achieve their business goals.

4. Updated Technology Implementation

Businesses can improve communication and purchase coordination thanks to technological advancements. It has the potential to boost revenue while also lowering costs if used correctly. Companies have come a long way in terms of adopting new technologies, but there is still much more to be done. For the best results, continuous training in new technologies is required

5. Continue with Industry Trends

This enables the company to maintain its position while adhering to all industry regulations. Personnel may also have prior knowledge and experience in this field. It is essential to keep your staff up to date on developments in the industry. By undergoing constant training you can keep up to date on industry events.

6. Consider Learning Individually

This will aid an individual's ability to think and work while simultaneously considering the needs of various teams. Keeping teams informed about current events in any industry is a great way to get workers talking and learning more about the industry. This is especially advantageous for new hires. By bringing together a management team and lower-level employees, a learning culture can be established that can spread across departments. This can help younger people communicate with the rest of the management team, and it can also help the management team see what's going on.

7. Developing a Long-term Competitive Advantage

Staying ahead of the competition is one of a company's major challenges. Creating a competitive advantage is a time-consuming process. To stand out from the crowd, different strategies must be introduced. Training and

development are critical in making a genuine difference. By ensuring that staffs continue to advance, the company gain more value automatically and continues to advance in a good market position.

8. Tackle Shortcomings

Training and development is the best way to identify the gaps in a company's skills. For example, individual learning plans are assigned to employees by the Procurement and Supply Chain Academy following a detailed evaluation by the buyer and an analysis of gaps. This gives every buyer a clear picture of what skills and how much training are needed.

9. Productivity Enhancement

It should come as no surprise that increased productivity is a natural result of training and growth. The company ensures a higher productivity rate by ensuring that workers receive the necessary training to develop their skills. Employees who have been properly trained perform in terms of both quality and quantity. There is less wastage of time, resources, and money as a result of this.

10. Optimizing Time and Effort

In fact, employers optimize their own time and effort by training their employees. Suitable training for workers improves their skills and knowledge of their respective professions, thereby requiring less monitoring. This allows workers to better understand how to deal efficiently and effectively with their work duties in order to improve productivity.

11. More Opportunities for Internal Promotion

The cost of hiring new employees is also included in the additional costs. When training is introduced, existing employees will be more eligible for internal promotions. This can be a significant benefit because, unlike new hires, existing employees have a better understanding of the organization as well as the necessary skills.

DISCUSSION

Companies, in general, are thought to place the greatest value on their workers, and to cultivate values and practices that demonstrate the employees' highest dedication. Employees needed to feel as if they were making a significant contribution to the company's success. Some organizations may find that they are working to improve workers who contribute their abilities and skills to other organizations, but they also find that the loyalty of others increases. In this analysis the various advantages of the training program are significant support for individuals and organizations. According to established research, these benefits differ depending on individual and organizational results. After the research on this subject is complete, I strongly believe that developing employee development plans is very beneficial for organizations. If a comprehensive training and development program exists for workers, employers can take advantage of the competition. Likewise, it is relevant for government policy makers who are involved in allocating government resources to subsidize private sector investment to know the rate of return on enterprise training investments. An important element of organizational success is also effective management of the human resource procurement and training. For example, the effective practices of staff and training organizations were illustrated by Delaney and Huselid (1996). Training helps workers to be more committed to the achievement of their corporate goals and objectives and, thus, improves the productivity of their employees within their organisations. Tires Plus, a tire retailer headquartered in Minnesota, has launched its Tires Plus University to reinforce staff recruitment in order to boost hiring, keep employees in the store, and fill key positions. Tsubaki University in Tsubaki, Illinois, is a UST that delivers, calculates, and develops programs to meet the needs of organizations and individuals. Employees' guided, managed, and operational skills are the primary components of a dignified employee training program. Employee development programs should be included in the core competencies and an appropriate framework for businesses to expand their enterprises at the company level. Several employee development programs have the primary goal of assisting employees in learning the company's culture and achieving the organization's mission. Through the growth of learning opportunities and the promotion of corporate culture, these goals aid in the achievement of business strategic objectives.

CONCLUSION

Organizations aspire to success in diversified programs, services, skills and products. Differentiated systems, facilities, capabilities, and goods are what organizations strive for in order to be competitive. However, well-trained individuals must visualize, create, execute, and maintain such elements. Employee growth, it has been said, is the secret to long-term organizational success. The 21st Century would help those organizations which can learn quicker than their rivals and respond to changes. Developing organizational skills makes administrators look ahead and think creatively instead of day-to-day firefighting. It also provides the right atmosphere for people to develop and thrive in, be inspired, evolve and feel part of the company. A company will overcome problems and obstacles with the right training and development plan, which otherwise would be harder to address or accomplish. Companies must plan how training can assist workers in achieving their goals and objectives (and how such goals can relate to the business), as well as how follow-up evaluations and appraisals will be conducted. It is crucial that businesses intend to help workers achieve their goals and targets by performing effective follow-up reviews and assessments.

REFERENCE

1. Bartel, A.P. (2000). Measuring the Employer's Return on Investment in Training: Evidence from the Literature. *Industrial Relations*, 39, 3, 502–524.
2. Barrett, A., & O'Connell, P. J. (2001). Does Training Generally Work? Measuring the Returns. *Industrial and Labor Relations Review*, 647-662.
3. Bartlett, K.R. (2001). The Relationship between Training and Organizational Commitment: A Study in the Health Care Field. *Human Resource Development Quarterly*, 12, 4, 335–352.
4. Callahan, B. (2000, May). Life-long learning pays off. *Industrial Distribution*, 89 (5), 116.
5. Chaminade B (2007). A retention checklist: how do you rate? 28 November, 2007.
6. Cuniff, J. (2000, July 26). Lifelong education has become the norm. *Milwaukee Journal Sentinel*, 35Q.
7. Eisenberger, & et al. (2002). Perceived supervisor support: Contributions to perceived organizational support and employee retention. *Journal of Applied Psychology*, 565-573.
8. Feldman, D. (2000, May). The Dilbert syndrome: How employee cynicism about ineffective management is changing the nature of careers in organizations. *American Behavioral Scientist*, 43, 1286-1301.
9. Fenn, D. (1999, February). Corporate universities for small companies. Inc, 21 (2), 95-96.
10. Garger, E. M. (1999, November). Goodbye training, hello learning. *Workforce*, 78 (11), 35-42.
11. Garrow, V. (2004). Training and Development and the Psychological Contract. *Training Journal*, April 8–10.
12. Gerbman, R. V. (2000, February). Corporate Universities 101. *HR Magazine*, 45 (2), 101-106.
13. Greengard, S. (2000, June). Going the distance. *Workforce*, 79 (6), 22-23.
14. Jawahar, I. M., & Hemmasi, P. (2006). Perceived organizational support for women's advancement and turnover intentions The mediating role of job and employer satisfaction. *Women in Management Review*, 643-661.
15. Jelena Vemic(2007): "Employee Training And Development And The Learning Organization". *Facta Universitatis Series; Economics And Organization Vol. 4, No 2, 2007, Pp. 209 – 216.*
16. Kleiman, M. (2002, January). What happens if you don't train them and they stay? *Occupational Health & Safety*, 69 (1), pp. 18, 70.
17. Leonard, Bill. (1998). *HR Magazine*, July 1998, vol. 43 Issue I, p. 22-25.
18. Logan, J. K. (2000, April). Retention tangibles and intangibles: More meaning in work is essential, but good chair massages won't hurt. *Training and Development*, 54 (4), 48-50.
19. Mwema, N. W., & Gachunga, H. G. (2014). The influence of performance appraisal on employee productivity in organizations: A case study of selected WHO offices in East Africa. *International Journal of Social Sciences and Entrepreneurship*, 1(11), 324-337.
20. Newman, A., Thanacoody, R., & Hui, W. (2011). The impact of employee perceptions of training on organisational commitment and turnover intentions: a study of multinationals in the Chinese service sector. *International Journal of Human Resource Management*, 1765-1787.
21. Nishtha Langer and Amit Mehra (2010), "How Training Jump-Starts Employee Performance", *Indian Management*, Vol 49 (6), pp: 14-18.
22. Nunn, J. (2000, September/October). Career planning key to employee retention. *Journal of Property Management*, 65 (5), 20-21.
23. Oguntimehin, A. (2005) "Teacher Effectiveness: Some practical Strategies for Successful implementation of Universal Basic Education in Nigeria" *African Journal of Educational Management Vol. 9, No 1 P. 151 – 161*
24. O'Herron, P., and Simonsen, P. (1995, May). Career development gets a charge at Sears Credit. *Personnel Journal*, 74 (5), 103-106.
25. Petrecca, L. (2000, May 1). Agencies teach skill building. *Advertising Age*, 71 (19), 12.
26. Rosenwald, M. (2000, October 15). Working class: More companies are creating corporate universities to help employees sharpen skills and learn new ones. *Boston Globe*, H1.
27. Satterfield JM, Hughes E. (2007): "Emotion skills training for medical students: a systematic review". *Medical Education*, 41:935–41.
28. Thang, N. N. (2009). Human resource training, organisational strategy and firm performance in emerging economies: the case of Vietnam. Submitted to the Faculty of Economics and Business Administration, Ghent University, in Fulfillment of the Requirements for the Degree of Doctor in Applied Economics, chapter 2.
29. Wagner, S. (2000, August). Retention: Finders, keepers. *Training and Development*, 54 (8), 64.
30. Wilson, C. (2000, July 26). More companies recognize the impact of learning centers. *St. Louis Post-Dispatch*, C8.
31. Zenger, J., Ulrich, D., & Smallwood, N. (2004, March). The new leadership development: It's about results for your company now. *Training and Development*, 54-(3), 22-27.