

Training and Development As A Strategic Human Resource Function

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Abstract:

With the changing market scenario, it becomes important to identify trends and technology that leads to the production of innovative and competitive textile products. To achieve this, the textile industry needs to train its workforce with international skills and standards. The objective of the paper is to synthesize the information in the form of a summary and critically analyze it with respect to the relevant area of study. Organizations are productive with minimal labour and costs, in an employee friendly business environment with the help of HR practices. Training equips employees to transform their knowledge and skills for enhancing the effectiveness of any organization and improvement in productivity along with increasing the quality of management of people. It becomes critical in the current situation to study the deficiencies and suggest a continuous improvement, developing human resources through T&D programs to withstand such competition.

Keywords: Human resources, Training and development, Talent development, Training trends

INTRODUCTION

Human resources help in achieving organizational goals through increasing productivity by focussing on the long term and short-term gains. As long term sustenance is difficult for the organizations without a competent workforce, HR practices help in enhancing the capabilities of well-trained, skilled employees. Acquiring a competent workforce, developing them and moulding them as per the requirement are necessary for any organization to achieve its objectives. Therefore, favourable HR practices help in building employee motivation for better performance, their continuous involvement, sincerity, and commitment to the organization. With the changing market scenario, it becomes important to identify trends and technology that leads to the production of innovative and competitive textile products. To achieve this, the textile industry needs to train its workforce with international skills and standards. A thorough review was done to substantiate the present research with existing studies on employee training to study the research gap. The objective of the literature review is to synthesize the information in the form of a summary and critically analyse it with respect to the relevant area of study. A literature review also indicates familiarity of the researcher with the knowledge area and credibility of the research by summarising prior work. A well-researched review helps in the formulation of objectives and gives a structure to the entire study. Thus, the literature review is a comprehensive account of the published work of scholars, trade reports, research journals that help in identifying the research gap and appropriate research tools based on which

the study is conducted. The paper, thus, covers the insights of descriptive and diagnostic studies well supported by the research experiences. Bassi, Laurie, and McMurrer (2007) emphasized that the investment in Human Capital Management (HCM) has a significant link with organizational performance. The authors developed a scale measuring HCM drivers that are leadership, employee engagement; training being defined as one of the HCM practices under learning capacity. The empirical research provided sufficient evidence of significant improvement in the organizational performance parameters of growth in sales, raising test scores, increasing returns, etc. by investing in HCM.

In the current scenario, management has realized the importance of man above money, machine, and material. Hence, the concept of Human Resource Development (HRD) has gained momentum. Organizations are productive with minimal labour and costs, in an employee friendly business environment with the help of HR practices. Personnel management encompasses the traditional approach towards HR where the employee was bound by the terms of laws and procedures. Any organization treating its workforce as resources, and nurturing their creative competencies can withstand all the challenges. To sustain a competitive business environment without any geographical boundaries, "human factor" can lead to enterprising, enthusiastic, competent, motivated and satisfied work surroundings. The concept of HRD originated to lay the focus on developing the skills, competencies, and behaviours of the employees. To have a continuous and regular up gradation of skills and knowledge

of human resources along with the development of technology and trade led to the need for Training and Development (T&D). Human Resource T&D is an area of management concerned with people and the overall dimensions of the organization. It is a strategic function for the development of skills, knowledge and abilities of employees at an individual level resulting in the overall performance of an organization.

1. TRAINING AND DEVELOPMENT (T&D) AS A STRATEGIC HR FUNCTION:

Increase in the global trade competition has led to the changing environment for most organizations. Reduction of trade barriers and transaction costs has forced competitors at the global level to reach more markets. The intensified competitive pressure has pushed the organizations to enhance their performance through innovative approaches in their processes as well as products. The dynamics of domestic sectors lead to new skills and abilities of the workforce through consistent training making it one of the crucial drivers to create sustainable advantage. Training equips employees to transform their knowledge and skills for enhancing the effectiveness of any organization and improvement in productivity along with increasing the quality of management of people. Management development is future-oriented and is concerned with educating the employees rather than focussing only on their training. The concept also includes assisting a person to perform better and focussing more on the employee's growth. Standard HR T&D policies and practices differ from organization to organization depending upon size, type, purpose, classification, and location of the organization. Singh (2003) found a significant relationship between strategic HR orientation and organizational performance in the Indian context. The author defined the strategic HR orientation as the significant arrangement of various HR activities with the business objectives of the organization. The data for the study was collected from 19 Indian service and manufacturing industries. The study was based on the premise that by utilizing the low-cost, sustainable advantage, strategic HR-oriented firms could give better performance. The findings indicated that the firms giving importance to strategic HR orientation performed better as compared to firms that provide lower emphasis. The author further stated that the financial payoffs would be better in case of firms that were strategically aligned and were investing in their human resources. Palo and Padhi (2005) analysed the case study on Rashtriya Ispat Nigam Limited, Vishakhapatnam to understand the strategic role of the HR professionals while implementing various stages of Total Quality Management (TQM). The data was collected based on structured interviews with the senior executives of the HRD and other supporting departments. The study indicated that the top management was helped by the HR professionals to implement HR and the quality policies, systems, considering the vision and mission of TQM, quality awareness and workshops, etc. and in bringing out a lot of HR challenges like employee motivation, communication barriers, resolving specific problems. The study indicated the strategic

role of HR during the implementation of TQM at the organization as well as the employee level. Further, insights were given by Bhatnagar and Sharma (2005) on the analysis of organizational learning capability and strategic HR roles. The study was conducted through standardized questionnaires on a sample size of 640 managers. The results indicated a significant difference in the perceptions where the line managers had higher organizational capability learning and the HR managers have higher strategic role perception. The results also indicated that both the variables: the strategic role of HR and learning capability of the organization predicted firm performance. Evolving profile of HR professionals was identified by Srimannarayana (2015) with respect to roles and backgrounds in the Indian context. The author though the exploratory study stated that unlike in the past, nowadays, the HR professionals are well qualified and are recruited directly. Their conditions of employment are at par with any other professional groups. The HR professionals are now responsive to their employees and integrate talent management activities with the business strategies of their organizations. The HR professionals consider HRM activities like performance management, T&D, compensation, etc. critical for an organization; however, they still face limitation due to the perception of employees, support for their HR initiatives, available budget, top management support, and commitment, etc. T&D was viewed as an essential management task by Mühlemeyer, Clarke, and Clarke (1997) who emphasized on the strategic role of the workforce in securing innovation and competitive advantage. The authors stated consistent increase in production and quality of goods for secured western European employment required highly skilled workforce that provided long term advantage to the companies. The paper highlighted the importance of T&D in the overall strategic planning process by focussing on training requirement analysis, training design and implementation, training transfer, and control, etc. The relationship between organizational performance and training and financial outcomes were investigated by Tharenou, Saks, and Moore (2007) based on literature review. The results of the findings indicated a significant relationship between human resource outcomes, training and organizational performance but a weak association between training and financial outcomes. Choi and Yoon (2015) investigated the effect of the training investment on organizational outcomes by using predictive research design based on the data from 277 firms located in South Korea. Their findings suggested that the relationship between training the two was mediated by the commitment and competence of employees. It was revealed in the study that the discussed relationship between investment in training and organizational outcomes were further strengthened by highly strategically oriented human resource function. Ubeda-García, Marco-Lajara, Sabater-Sempere, and García-Lillo (2013) identified the variables of training policy having a positive impact on organizational performance. The sample taken from the Spanish hotels suggested a positive correlation of training policy and organizational performance by using

measures like productivity, financial performance, perceived financial performance, etc. The significance of training was emphasized by Khoury et al. (2014) so that the employees can work more efficiently. The authors stated that the employees need to attend the training sessions, but they always suspected the effectiveness of training. Based on primary data, the researchers observed the effect of training on employee's advancement. As observed, the authors found that most of the employees were satisfied and loyal to the company because of an increase in salary due to training. The authors, thus critically examined the role of T&D in widening the employee's perspective and helping them strengthen to reach higher levels within an organization. The learning experience through training can help an employee perform his job in a skilful manner. Training helps in talent development in an organization and involves change in the skill and competencies of the workforce. Therefore, strategic training is one of the critical factors required to manage talent in an organization. The organizations need to develop modules on strategic training as per the needs of an individual employee, create an employee-friendly environment helping them to apply their knowledge and skills and develop appropriate policies to retain such a workforce.

2 TRAINING AND DEVELOPMENT FUNCTION IN INDIA:

To sustain competitive strength in the era of globalization, the Indian industry is changing in their long term objectives, and growth parameters leading to the mergers and acquisitions. Changing economic conditions such as the open economy and increasing competition from other organizations for skilled and knowledge workers makes it essential to understand the training function in the Indian context. It becomes critical in the current situation to study the deficiencies and suggest a continuous improvement, developing human resources through T&D programs to withstand such competition. The HR practices in manufacturing firms from the public and private sectors were compared by Budhwar and Boyne (2004). Their data collected from 137 firms was based on the structure and role of the HR function in corporate change, training and development, recruitment and selection, etc. Statistical results indicated many differences and similarities in the HRM systems of both kinds of organizations; however, no significant gap was observed between the two types of organizations. The study indicated that the Indian private manufacturing sector had adopted a more rational approach in HR functional areas like compensation and T&D than the public sector. A comparative study between service and manufacturing industries on the effectiveness of HRM practices was done by Krishnaveni and Deepa (2011). The results were based on an interview questionnaire from HR managers of selected companies of Coimbatore. The findings of the study indicated significant differences in the recruitment and training practices of the service and

manufacturing sectors; however, no difference was found in the perceived effectiveness of HRM practices. The study helped in designing industry-specific HRM practices and presented a framework for the understanding of the HRM function in a specific region. Sharma (1992) mentioned in his study that training of managers had gained attention worldwide. His research was based on questionnaires sent to a sample population of 1200 industries from different sectors, locations, and size. As per the survey results, 62% of the respondents denied providing any kind of management training. The author emphasized structural differences being the cause of some organizations providing training and others do not. As per the study, the factors based on which the managers received training were their managerial level, size of the organization and structure of the ownership of organizations. He also indicated that junior level managers of small and owner managed organizations were missing the training opportunities and the benefits associated with the same. Sharma (1994) studied that financial constraints are the single most critical factor behind lack of management training in India. The author discussed the environmental factors that can help encourage training, perceptions of non-trainers for the benefits of skills and the role of Government in enhancing the training. Rao, Rao, and Yadav (2001) evolved an integrated HRD systems approach for Indian organizations. Their study examined the status of the formulating the HRD policies and practices against this given approach. The primary data collected from 12 organizations indicated several drawbacks of HRD function regarding structure, staffing, etc. and pointed out the requirements for the successful implementation of other HRD frameworks in India. As per the study, the HRD functions in the organizations were convenience driven rather than systems driven and were not well-integrated. However, the HRD subsystems have developed to some extent with reference to the T&D system and performance management system. Their study emphasized on the need for competent and potentially trained staff and the significance of HRD subsystems in attaining competitive advantage. Innovative HR practices were stressed by Bharadwaj and Karkera (2001) by studying the new practices appropriate for the company. Employees should be aware of what was expected from them and their performance to be measured and rewarded regularly. The study presented a framework for training and skill formation in manufacturing, service and small business units based on human resources models of successful companies in India. The study suggested the problem-solving approach of the training modules appropriate in Indian conditions, thereby, equipping the human resources and enhancing their identity and commitment. Paul and Anantharaman (2003) measured organizational performance in two dimensions of operational performance and financial performance. Employee retention, quality of the product, employee productivity, delivery, and operating cost were defined as operational performance. Financial performance was measured as sales growth, return on investment and net profit. The data was collected from

1200 employees of 45 large scale, small scale, and multinational software companies with an individual response of employees as 30.83 percent. The findings specified that organizational financial performance had an indirect but no causal connection with any of the HRM practice under study. Further, the results indicated that training, compensation, job design, and incentives affect the given operational performance parameters. Role of training and its effectiveness for the successful implementation of TQM was examined by S. Palo and Padhi (2003). The authors stated that TQM underlies continuous improvement that can be achieved only through constant training in an organization. Pearson coefficient of correlation was used to statistically signify effectiveness of TQM training and other factors for public-sector enterprise manufacturing steel in India. The authors indicated the positive benefits of training like employee commitment, teamwork, performance standards, etc. however, they also mentioned the areas of focus for the organizations. The authors further stated more commitment and support of top management for successful TQM training. Singh, Garg, and Deshmukh (2006) had discussed the effect of globalization and increased customer expectations on the Indian small, medium and large-scale organizations and various issues adopted by them to reduce costs and improve quality. As observed, main constraints were growth conducive environment and pressures like cost, quality and time. The weak areas of these companies included employee training, research and development, application of information technology, etc. The performance of Indian organizations with respect to the cost of manufacturing, inventory costs, a turnover rate of employees were found to be significantly below the international standards. The study recommended an increased focus of Indian organizations in areas like R&D, IT applications and employees training in a strategic manner. Kalirajan and Bhide (2005) stated the importance of manufacturing in the sustenance of India's growth. Their analysis revealed that the growth of the manufacturing sector in the post-reform period of the 1990s was more "input-driven" rather than "efficiency-driven" affecting the economic growth of the country. The study indicated that the output can be increased by 15 percent by improving upon the efficiency of the firm by following best practices without any increase in the inputs or improvement in the technology that is existent. The paper stated investment in technical training, research and development, and technology-driven managerial processes to improve production efficiencies. Zheng, Hyland, and Soosay (2007) explored training practices followed by multinational companies having their operations in Asia. The authors studied various dimensions of training like expenditure and the nature of training. The respondents from 529 multinational companies were asked their views on the training conducted and the effectiveness of training on the performance of their organizations. The findings indicated training to be more prevalent in service industries rather than manufacturing industries. Majority of the training was conducted externally, and the relevance and quality of training programs was a

significant concern. Singhand Khamba (2010) surveyed manufacturing organizations based in India to study the factors contributing to the improvement in the utilization level of advanced manufacturing technologies. The study identified education and training of employees as one of the success factors that affected the growth in the manufacturing performance in Indian Industry.

The paper, thus, highlighted the potential of advanced manufacturing technologies in improving the organizational performance with the training of employees being one of the critical factors. Sharma (2014) presented the situation of the training function in Indian organizations. He compared the managerial training in different Indian industrial sectors with respect to their importance and performance. He took a sample size of 542 employees from the Indian companies at the level of national and international origin and another level of service and manufacturing industry. His study concluded that Indian origin organizations and the manufacturing companies are yet to consider training importance and performance. His findings implied that intensive efforts were required by training professionals in manufacturing companies based in India for the improvement of content and image of the training function for maximum utilization of organizational resources.

3 TRAINING TRENDS IN INDIA AND ABROAD:

Cross-national comparison between India and Britain were made by Budhwar and Khatri (2001) to trace the significant developments in human resources management. The survey examined the HRM system and subsystems in six industries from the manufacturing sector. The variables for the study were the size of the organization, the product they manufacture, industry sector and participation at an individual level apart from the influence of many variables such as age, nature of the organization, etc. The study indicated significant differences in employee recruitment, compensation, T&D, etc. between India and Britain. Yadapadithaya and Stewart (2003) compared the various dimensions of T&D like training drivers, result areas, evaluation designs, challenges, etc. in India and Britain. The study was based on the data collected through questionnaires mailed to 252 Indian and 174 British organizations. Their findings indicated enhanced training, delegation, an involvement of line managers and employees with respect to training in Britain. The authors stated that more importance given by the British organizations towards business results lead to better involvement of employees as well as managers. A review of the perspective of Indian and International firms on employee training was done by Jain, K, and Richa (2005). They emphasized that almost all organizations apply a systematic approach to training to increase organizational effectiveness and the effectiveness of training. The authors highlighted significant differences in the training processes across the countries and significance similarities within a country. They indicated that the training is

considered as a strategic priority rather than a tactical response in Indian as well as International organizations. A study on Indian and multinational companies operating in India from manufacturing and information technology sectors was done by Aggarwal and Srinivasan (2008). Their investigation based on questionnaires through stratified random sampling revealed higher organizational learning (OL) in multinationals based in India in comparison to Indian companies for both the industrial sectors. The authors indicated the presence of more effective human resources in multinational companies as compared to their Indian counterparts. As per the study, Indian organizations need to change their strategies, structures, and systems to promote organizational learning for sustenance in a competitive environment. Thus, OL affects the organizational performance and the Knowledge Management (KM) practices of an organization. For effective knowledge transfer across the employees and the organizations, training interventions need to be carefully planned, well designed and capable enough to meet the objectives of an organization. Strategic training processes are, thus, integrated in terms of knowledge sharing, continuous learning and development to strengthen an organization for sustainable performance.

The reviews that have been stated above provided a theoretical framework of the T&D as a managerial function. The review of literature signifies the need to understand the training practices and the barriers hampering the growth of talent across the organizations. As per the review of the literature, the training practices are need-based and vary with respect to the organizations. However, an assessment of the training needs would help to focus on the approach of T&D function followed by other organizations and benchmarking the suitable practices for the textile and apparel sector. The studies conducted on the T&D programs in the Indian textile industry would help to understand the efforts undertaken by the organizations to develop the talent across all managerial functions. The need of the hour is to analyse efforts undertaken by the organizations based in these selected industrial regions to develop a competent workforce for ever-increasing competitive global trade. Competency building initiatives in the apparel industry would help in talent development thereby contributing towards increased production and higher economic growth. The sector being sensitive to the constant change of technology needs such studies highlighting the role of T&D for upskilling of the workforce. The research on the training and employee development function, thus, would help in strengthening the required capacity building for overall improvement in organizational performance and provide successful value-added outcomes for the Indian apparel industry. The review summarises the available literature in an organized manner and shows the understanding of the researcher to present the information with the existing body of agreed and accepted knowledge.

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