

Impact of Training and Development on Organizational Performance: Empirical Study on Telecommunication Sector of Pakistan

Muhammad Zain ul Islam Abdul Basit Javed
Army Public College of Management & Sciences, Rawalpindi, Pakistan

Abstract

The Employee Strategic T&D in the organizations as exemplify by telecom sector has been the focal point of this study. The finding of the study revealed the situation of training and development (T&D) in Pakistan and showed that majority of the employees satisfied with the strategic T&D of the firm. There are very few organizations which fulfilled the demand with reference to the requirements of strategic T&D. This leads towards widening the gaps between the required skills and the attained skills of the employees. These circumstances are disturbing the balance and equilibrium of better performance in HRM and development via T&D. Therefore, to fulfill this gap companies are giving attention on the training and implementing a high level roadmap for strategic T&D.

INTRODUCTION

Telecom sector of Pakistan is considered as the backbone of Pakistan's economy and the biggest employer relative to other sectors of Pakistan. So as the biggest and strongest sector, it has major responsibilities in delivering perfect services to its customers as well as to its employees. So, in the current scenarios, employee training and development (T&D) has utmost importance for the sake of improving the productivity, which moves towards gaining competitive edge (Quartey, 2012). Both training and development are relatively important for employees to gain confidence and produce positive results in achieving their goals. Employee training is considered as the planned step towards facilitating employees to seek job-related knowledge including behaviors and skills (Dennis & Griffin, 2005). In human resource development (HRM) the theories and empirical evident supports Training and Development (T&D) as strategic positioning which have a direct relationship with development and achieving goals mainly.

The training and development (T&D) of the employees has direct contributions in the higher achievements of organization which shows improved performance. Training has increased the organizational performance which is predicted by many researches (Peteraf, 1993; Niazi, 2011). An organization's performance is defined as how effective and efficient managers use organizational resources which are Human, financial, Intellectual resources to satisfy customers and achieve organizational goals and objectives. Normally if the employees are more trained and satisfied with their organizational environment and working conditions the more they will be productive in achieving their personal and professional goals.

The resource based view theory supported that any training designed for the organization is based on the creation of values and enhancing the capabilities for continued organization performance (Barney, 1991). In Pakistan the recent changes in the policies of trades and the globalization surrounded by fierce competition, the Telecom sector being the largest distributor in GDP renewing and re-emphasizing their focus on training and development. There is a continuous hike in demand of better services from Telecom sector being a biggest employer and having biggest customer base.

PROBLEM STATEMENT

To analyze the impact of Training and development (T&D) on organizational performance of Telecom sector of Pakistan

OBJECTIVE OF STUDY

The objective of the study is to analyze the impact of training and development (T&D) on the organizational performance mainly on the Telecommunication sector of Pakistan. The Telecommunication sector was selected as being the strongest industry acts as the backbone of the Pakistan's economy where there is much opportunity of more foreign investment.

Applied aspects

The significance of the study is mainly classified in to two parts. In practical HRM the study will help the managers to understand and analyze the impact of training and development on employees and to make policies and procedures accordingly. Whereas at theoretical level, it will help managers to design policies, procedures and strategies about training and development (T&D) of employees, which will ultimately affect the organizational performance the data collected from the Telecommunication sector of Pakistan which leads

towards developing understanding of Telecommunication performance.

Research Question

Does the employee training and development (T&D) affect the organization performance?

LITERATURE REVIEW

Organizational performance and its productivity rely on the skills, knowledge and capabilities of the employees which are considered as the main assets of the firm. The knowledge, development, abilities and skills are the facets of the process of training and development. However, the results of training impart major contribution in the better performance therefore, considered at strategic level in the organizations. To understand the training and development (T&D) the literature review is carried out in three dimensions one is to understand the organizational performance, second to elaborate the strategic training and developments and its process and the last is training need in employees and its implementation.

Organizational Performance

The performance of the organization refers to those attitudes' that have been assessed or measured as to their contribution to organizational goals (Cook and Hunsaker, 2001). The behavior or attitude indicated the approach and skills of the management specially line management that helps them to use the resources' successfully and professionally with competency. However this competency is enhanced with the help of training and development.

Strategic Training and Developments (T&D)

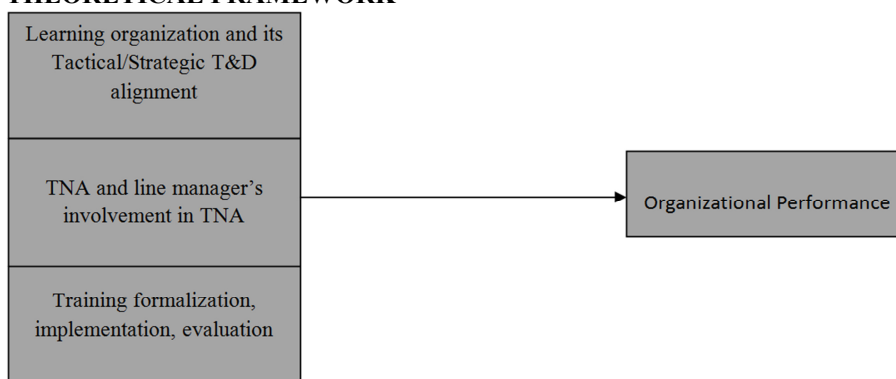
Tichy et al. (1982) studied the three major views of the organizational performance and one of them was human resources management (HRM) . The other two views were mission and strategy of the firm and the organizational hierarchy which gave indication to the workers. Moreover the study concluded that development of the employees is positively related with the performance of the workers as well as organizations. Miles & Stone (1984) argued that the employees rarely participated in the proactive planning process in which they got training by focusing on the conceptualization and designing which were formulated to increase their capabilities. This results leads towards formation of new business strategies.

Training of the organization should be based on the strategy of the corporation (Hussey 1985). The empirical finding concluded that management training in UK is mildly relevant with the organization's objectives and the employees of the organization relate the training with their promotion or with individual skills. Collins et al. (2003) supported that the development in the employee's skills through training also reduced the employees turn over in the firm.

Training Need in Employees and its Implementation

Leicester (1988) identified three means for designing and aligning the strategy of training and development. The line manager's development was the focus of the study. The three facets included the employee's performance appraisal, development of the workers and creation of balance between the tasks and training that is further creating a connection between the training and its requirement. However, Burney (1991) offered a theory of Resource based view in which the organization can achieve the competitive advantage only on the base of its internal resources which included skills of the employees and knowledge. The organizations can maintain its performance by implementing the training at strategic level, and if they fail to implement strategies their internal capabilities will be exploited (Barney, 2001). Dessler (2006) defined the training as giving new and different skills to the employees for performing their jobs. Armstrong (2009) suggests that" training can refer to the practice of equipping employees with skills, knowledge, and abilities, with the aim of building organizational capabilities and increasing increase organizational performance". There are different methods to the training which are linked with the learning in the organization with the strategic T&D like Proactive Approach In which learning activities with the corporate business strategy and its focus is on developing competencies.

THEORETICAL FRAMEWORK



Research hypothesis

H1: Organizational Learning with Training & Development (T&D) strategic alignment has positive relationship with performance of the organization.

H2: Positive relation of performance of the organization and the TNA and Line Managers involvement in Training Need Analysis

H3: Positive relation of performance of the organization with Training & development (T&D) formulization and evaluation

DATA AND METHODOLOGY

Primary data was collected to investigate the relationship between training and development strategies and formulization of these strategies and the impact of it on organizational performance.

Sampling procedure

Population of study was the employees of Telecom sector of Pakistan. Convenient sampling technique procedure was used to collect response from employees through questionnaire which were collected by visiting the company or by mail.

Employee survey

Line, Middle & top management were among the respondents. 200 questionnaires were distributed out of which 156 were returned and in which 138 were filled completely, that shows response rate of 69%

Research Instrument

The questionnaire adapted was from Naizi (2011) and Allen et al. (2007).

Hypothesis testing

Employees of Telecom sector were considered for this survey where training and development had (3 facets) i.e. (4 Items) Organizational Learning and Training & development strategic alignment, (3 Items) Formalization of Training, (3 Items) Performance of the Organization. Likert scale was used from 1 Strongly Disagree to 5 strongly agree.

Statistical Tool

Adapted questionnaire is used to collect data using descriptive statistics and graphs. it also used hierarchical liner modeling for data presentation.

PRESENTATION AND ANALYSIS OF DATA

Organizational Learning & Training &Development Strategic alignment -H1

Table 4.1 showing the responses of employees regarding hypothesis 1

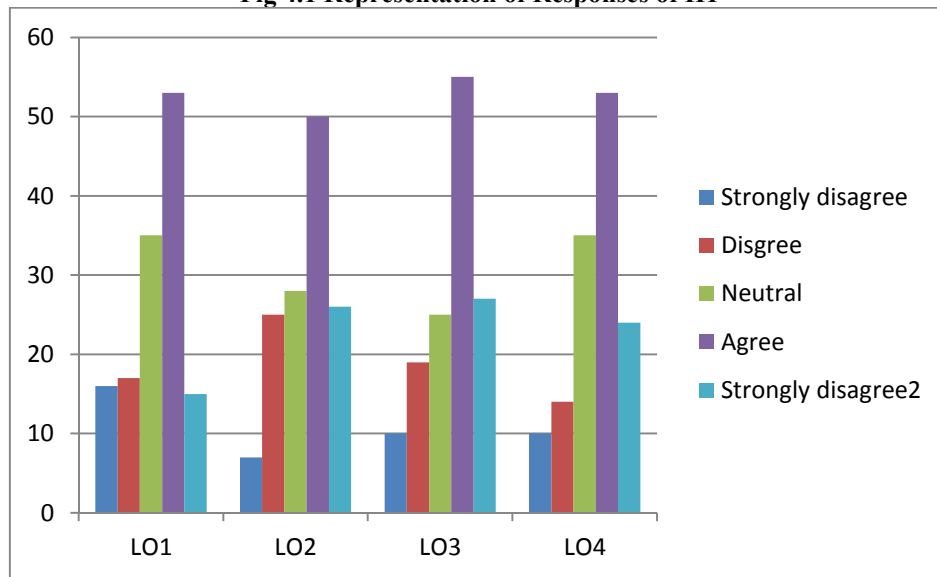
Item	Strongly disagree	disagree	Neutral	Agree	Strongly Agree	mean	SD**
LO1*	16	17	35	53	15	3.48	1.12
LO2	7	25	28	50	26	3.48	1.07
LO3	10	19	25	55	27	3.54	1.12
LO4	10	14	35	53	24	3.59	1.02
H1	8%	14%	23%	39%	16%	-	-

*Organizational Learning

** Standard Deviation

To measure Learning Organization and planned T&D alignment with the performance elevation 4 items were used. The questions were about employee's development by considering the company as organizational learning which provides training like strategic umbrella, which is aligned with the business objectives, availability of proper training directory and at the same time result in their improvement in achieving goals. These questions were designed to map out the T&D alignment with organization performance. The finding revealed that there is positive impact of learning organization and training on the employees as 39% employees are satisfied while 19% are strongly agreed as they are getting strategic planning and T&D which is aligned with the objectives of the organization. Thus H1 hypothesis is accepted as shown by the results. The finding is consistent with Irene (2009) who also emphasized that training process impact on the employees and organizational performance when employee is considered as learner and organization considered T&D as outmost need by relating it with motivation and progress.

Fig 4.1 Representation of Responses of H1



For further statistical analysis the average and SD of the data is carried out. The mean of the variable shows that aligned T&D is little but it is present as mean value is 3.60 which are more near to positive response (table 4.1). The histogram (fig 4.1) also showing the relationship of responding of employees along the likert scale.

TNA and Line Managers involvement in Training Need Analysis – H2

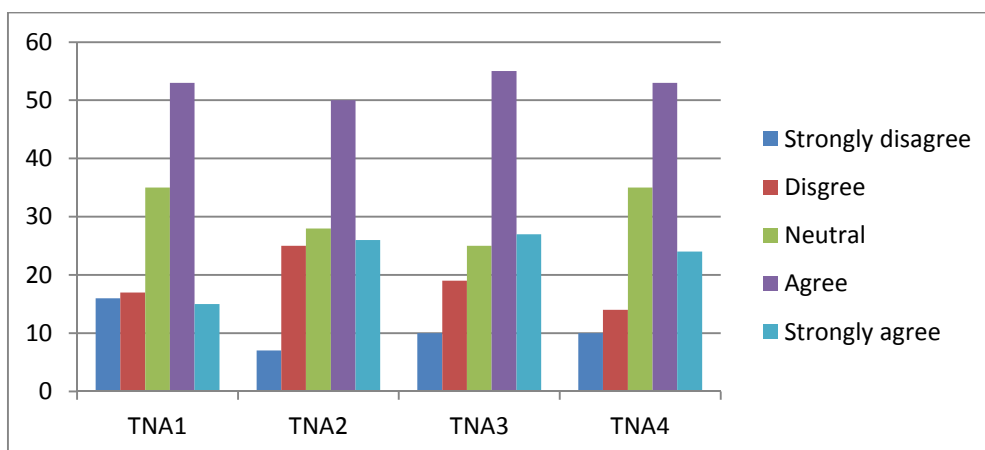
Table 4.2 showing the responses of employees regarding hypothesis 2

Item	Strongly disagree	disagree	Neutral	Agree	Strongly Agree	mean	SD**
TNA1*	20	24	34	37	21	3.32	1.153
TNA2	9	15	36	50	26	3.40	1.028
TNA3	6	25	38	53	14	3.37	1.017
TNA4	6	15	40	65	10	3.46	0.894
H2	7%	16%	26%	37%	12%	-	-

*TNA

** Standard Deviation

The histogram (fig 4.2) also showing the relationship of responding of employees along the likert scale.



Training Formalization Including Accomplishment and Its Assessment H-3

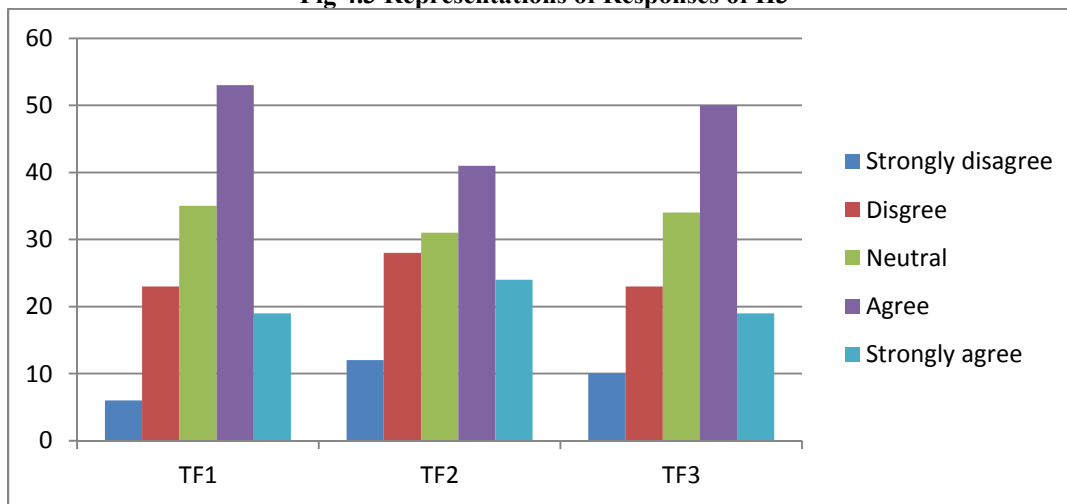
Table 4.3 showing the responses of employees regarding hypothesis 3

Item	Strongly disagree	disagree	Neutral	Agree	Strongly Agree	mean	SD**
TF1*	6	23	35	53	19	3.46	1.03
TF 2	12	28	31	41	24	3.40	1.13
TF 3	10	23	34	50	19	3.35	1.09
H3	6.8%	18%	24%	35%	15%	-	-

*TF

** Standard Deviation

Fig 4.3 Representations of Responses of H3



The histogram (fig 4.3) also showing the relationship of responding of employees along the likert scale. This shows that telecom sector is vigilant in grooming their employees. The mean of the data is also slightly above the neutral. Hence the H3 also accepted showing that training formulation if up to the market challenges they increase the performance of the organization. These results are consistent with Delery and Doty (1996).

CONCLUSION

The Employee Strategic T&D in the organizations as exemplify by telecom sector has been the focal point of this study. The finding of the study revealed the situation of training and development (T&D) in Pakistan and showed that majority of the employees satisfied with the strategic T&D of the firm. There are very few organizations which fulfilled the demand with reference to the requirements of strategic T&D. This leads towards widening the gaps between the required skills and the attained skills of the employees. These circumstances are disturbing the balance and equilibrium of better performance in HRM and development via T&D. Therefore, to fulfill this gap companies are giving attention on the training and implementing a high level roadmap for strategic T&D.

Line Managers are accounted for making reports, so their involvement in the strategic T&D is very helpful as the study results indicated. The improvement in the workforce skills for the benefit of performance of the organization contains outmost importance. The focus of the program is to develop the career and job skills in the line management which must be relevant with the objectives of the firm.

The organizational learning in the developed countries considered as corporate universities having best learning practices. The environment of such organizations made the learning culture and improves the performance of the employees. In Pakistan, the telecommunication sector also giving attention towards promoting learning culture in the organizations.

It is the need of the time to enhance and sharpen the skills of the human capital in the organizations. Employees grooming is considered as the social as well as moral obligation for the organizations. The skilled employees increase the performance and helped to attain the goal.

In the global world, the fierce competition encourages the firms to adopt the strategic approaches of T&D to augment the firm's performance. The findings of the study also showed that firms which adopted the strategic T&D, their employees are more skilled and performance is also better. The satisfied work force is the asset for the firm which positively contributes towards the objectives.

RECOMMENDATIONS

The findings helped the management to concentrate towards the T&D as to improve the required skills of the

employees which are important for the organizational performance. The government should make policies as the better performance of the industries will impart major role in the economy of the country as well as in the social sector.

LIMITATIONS

Furthermore, to achieve the effective results trainings must be frequent.

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