# Impact of Training on Employee's Performance in Indian Telecom Industry: A Study of Selected Telecom Companies

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**Abstract**
Training an indispensable strategic tool for enhancing employee performance and organization competitive advantage. The puroose of this study is to examine the impact of training on employees' performance and organization's competitive advantage in Indian telecom industry. A sample of 210 employees from four telecom companies has been selected for the study. Data have been collected through questionnaires designed on a five point Likert scale. Simple Linear Regression has been used as the statistical tool to measure the impact of training on the performance of employees. Summary of the findings indicates that training has a significant impact on employee's performance in selected telecom companies.
**Keywords:** training, development, performance, competitiveness.

## 1. Introduction

Employees are considered as the major element of every firm and the success and failure of an organization depends on the performance of employees ; employee's performance is depending on training provided by the organization. Training is considered to have a massive impact on organizational efficiency. It is also noticed that more expense in training has led to more productivity. Training is a continuous process of altering the behavior of employees to achieve the organization's goals. A training program is an effort by the employer to provide opportunities for the employees to acquire job interrelated skills, attitudes, and information. Hawthorne studies highlighted the fact that employees who are satisfied with their job will have higher job performance than those who are not happy with their jobs. It is stated that employees are more likely to turnover if they are not satisfied with their jobs. The employees could be only satisfied when they feel themselves competent to perform their jobs, which is achieved through better training programs. An organization, that gives worth to knowledge as a source of gaining competitive edge than competitors, should build up system that ensure constant learning, and the effective way of doing so is training (Barton, 1992). Pfeffer (1994) highlighted that well-trained workforce is more capable of achieving performance targets and gaining competitive advantage in the market. Training brings improvements in the knowledge, skills, and abilities to carry out job related work, and hence achieve more employee commitment towards the organizational goals (Huselid, 1995; Ichniowski et al., 1997). Kamoche and Mueller (1998) mentioned that training should leads to the culture of enhancing learning, to raise employee performance and ultimately higher return on investment (in training) for the firm. Hence, the purpose of this study is to find out how training practices are used as one of the strategies of enhancing employee's performance.

## 2. Training

Training is the process of upgrading the knowledge, developing skills, bringing about attitude and behavioural changes, and improving the ability of the trainee to perform tasks effectively and efficiently in an organization (Wills, 1994; Palo et al, 2003; Robert et al, 2004). The term training has been used to describe the acquisition of technical knowledge and skills. It gives the employees an awareness of the rules and procedures to guide their behaviour. It covers not only the activities which improve job performance but also those which bring about growth of the personality, help the individual in the progress towards maturity and acquisition of their potential capacities so that they become not only good employees but better men and women (Mamoria, 1999). It is a systematic process that intends to ensure that the organization has effective employees to meet the exigencies of its dynamic environment. This is inclusive of adding to the employee knowledge, skills, and attitudes required by an individual to improve his performance in the organization. Training is determined as the process of enabling employee to complete the task with greater efficiency, thus considered to be vital element of managing the human resource performance strategically (Lawler, 1993; Delaney and Huselid, 1996). Besides, Training is the transfer of work-related skills, knowledge, or information and is offered at the business establishment or at another location during work hours or at other times. It should stress learning, skill development, and behavioral changes and can be formal or informal in nature. Training is a means to an end, not the end product itself, and should be approached strategically in conjunction with other operational and business functions (Gamio, M and Sneed, J, 1992).

### 3. of Literature

A. **Iqbal et.al in (2011)** in their research entitled, "*An Empirical Analysis of the Relationship between Characteristics and Formative Evaluation of Training,* attempted to signify the use of formative training evaluation in an organization. The study was carried out at three public-sector training institutions. Besides, the study examined the relationship between the training characteristics and formative training evaluation under the Kirkpatrick model (reaction and learning). The findings of the study revealed that seven training characteristics explained 59% and 61% variance in reaction and learning respectively and found that training has a positive impact on reaction and learning.

B. **Pineda (2010)** in his research entitled, *"Evaluation of Training in Organizations: A Proposal for an Integrated Model"* analyzed satisfaction, learning, pedagogical aspects, transfer, impact and profitability of training in selected organizations. It has been found that training is a key strategy for human resources development and in achieving organizational objectives.

C. **Olaniyan & Ojo (2008)** in their study entitled, *"Staff Training and Development: A Vital Tool for Organizational Effectiveness"* revealed that training has become necessary because of advancement in the modern world. Training is a systematic development of knowledge, skills, and attitudes required by employees to perform adequately on a given task or job. Finally, this paper highlighted that training in the form of workshops, conferences and seminars should be vigorously pursued and made compulsory in the organization.

D. **Narayan & Johnson (2007)** in their research paper titled, *"Relationships Between Prior Experience Of Training, Gender, Goal Orientation And Training Attitudes,* analyzed that employee's development specifically training help individuals and organizations to work more effectively and efficiently by which individual and organizational goals can be achieved. The authors take a sample of 165 participants (men= 71and women= 94) with a mean age of 20.5 years with a standard deviation of 3.14. Regression has been applied as the statistical tool to found impact of training on employees. The results from regression analysis indicated that mastery-approach goal orientation had a beneficial effect on training attitudes of men but not for women.

E. **Khan (2015)** in his research paper entitled, *"An Empirical Analysis of HR Policies on the Performance of Employees in Banking Industry: A Case Study of State Bank of India (SBI),* investigates the influence of human resource policies on the performance of employees in Indian banking sector. A sample of 100 employees from State Bank of India was purposively selected for the study. Data have been collected through questionnaires designed on a five point Likert scale. The author used multiple regression to measure the impact of human resource policies on the performance of employees in State Bank of India. The results show that there is significant impact of HR Policies on the performance of employees in State Bank of India.

### 4. Research Question

Is there any impact of training on employee's performance in selected telecom companies?

### 5. Objectives of the study

1. To provide the concept of training in brief.
2. To investigate the impact of training on employee's performance in selected telecom companies.

### 6. Hypotheses of the study

$H_{01}$: Training has no significant impact on employee's performance in selected telecom companies.
$H_{a1}$: Training has a significant impact on employee's performance in selected telecom companies.

### 7. Research Design

a) **Population or Universe:** The population of this study consists of all working employees who sent for training in all telecom companies in India.

b) **Size of the Sample**: The size of the sample is 210 employees selected from four telecom companies in India.

c) **Table 1: Sample Size**

| Companies | Number of Employees |
|---|---|
| BSNL | 60 |
| Bharti Airtel | 60 |
| Vodafone | 50 |
| Idea | 40 |
| **Total** | **210** |

d) **Data collection:** A well designed questionnaire has been used for collecting data from employees working in Delhi, Ghaziabad, Gurgaon and Noida. The questionnaire set on a five point Likert-scale (5-highly satisfied to 1-highly dissatisfied).

e) **Tools:** Linear regression has been used to analyze the results through Statistical Package for the Social Sciences (SPSS).

## 8. Data Analysis

Firstly, reliability, validity, and normality of the collected data have been tested by applying appropriate statistical tool and thereafter hypothesis developed has been tested by applying linear regression.
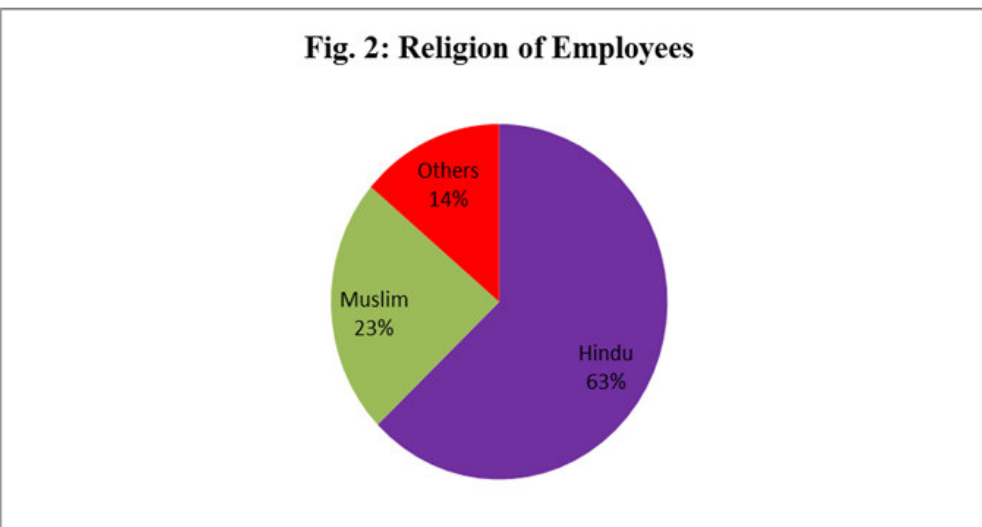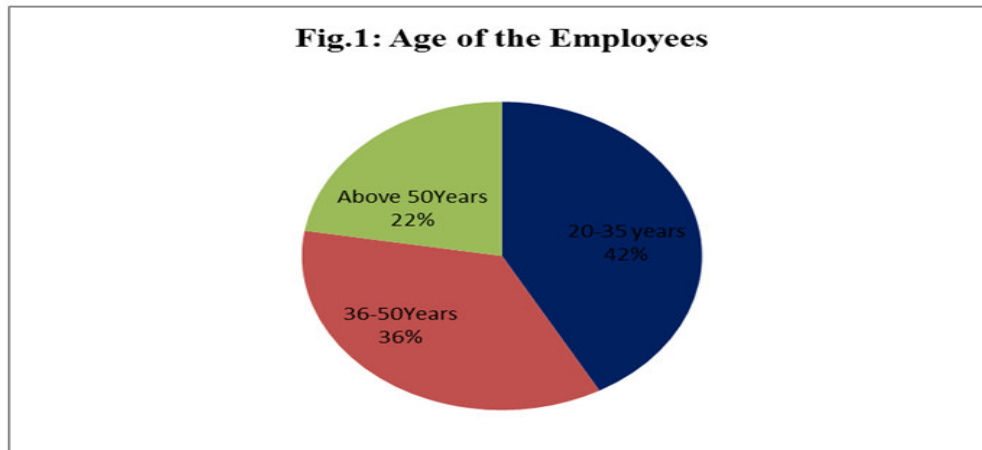
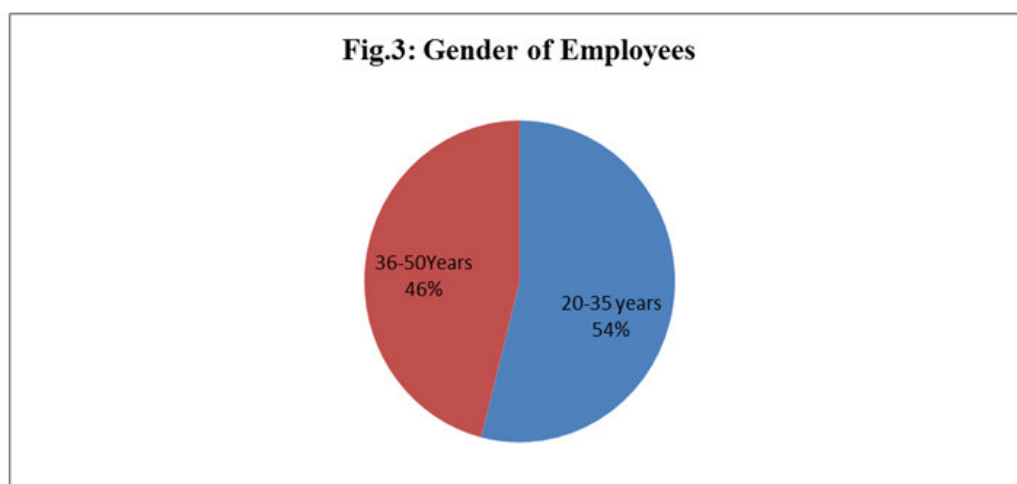## 9. Demographic Profile of Employees

Table 1 to table 4 and (figure 1 to 3) highlight the demographic profile of the selected employees. 88 employees belong to the age of 20-35 years whilst 47 were of the age of more than 50 years. Secondly, the maximum employees (132) were Hindu and 49 were Muslim. Further, 29 employees were belonging to other religion like Sikh, Jain, Christian, Buddhist. As far as gender of employees is concerned, 143 were males and 67 were females.

**Table 2: Demographic Profile of Employees**

| Age of employees | 20-35 years | 36-50Years | Above 50Years | Total |
|---|---|---|---|---|
| | 88 | 75 | 47 | 210 |
| Religion of employees | Hindu | Muslim | Others | Total |
| | 132 | 49 | 29 | 210 |
| Gender of employees | Male | | Female | Total |
| | 143 | | 67 | 210 |

**Source:** Primary Data



Fig.1: Age of the Employees



Fig. 2: Religion of Employees

**Fig.3: Gender of Employees**

36-50Years
46%

20-35 years
54%

## 10. Hypothesis Testing

$H_{01}$: *Training has no significant impact on employee's performance in selected telecom companies.*

$H_{a1}$: *Training has a significant impact on employee's performance in selected telecom companies.*

The impact of training on employee's performance in telecom companies has been measured by applying linear regression. The independent variable is training and dependent variable is employee's performance. Here the null hypothesis is that there is no significant impact of training on employee's performance and the alternative hypothesis states that there is a significant impact of training on employee's performance in selected telecom companies.

**Table 3: Descriptive Statistics of Training and Employee's Performance**

| Model | Mean | Standard Deviation | N |
|---|---|---|---|
| Employee's Performance | 4.1236 | 2.4512 | 210 |
| Training | 3.9974 | 2.0798 | 210 |

Table 3 shows the mean and standard deviation of training and employee's performance. The mean of employee's performance is 4.1236 with 2.4512 as standard deviation. Notwithstanding, the mean and standard deviation of training is 3.9974 and 2.0798 respectively.

**Table 4: Correlation Matrix of Training and Employee's performance**

| Model-1 | | Employee's Performance | Training |
|---|---|---|---|
| **Pearson Correlation** | Employee's performance | 1.000 | 0.778 |
| | Training | 0.778 | 1.000 |
| **Sig. (1-tailed)** | Employee's performance | . | 0.000 |
| | Training | 0.000 | . |

Table 5.59 shows the coefficient of correlation between the two variables. The coefficient of correlation between the two training and employee's performance is 0.778 which indicates a high and positive relationship between training and employee's performance in selected telecom companies.

**Table 5: Regression Analysis of Training and Employee's Performance**

| Model | R | R Square | Adjusted R Square | Standard Error |
|---|---|---|---|---|
| 1 | 0.778[a] | 0.6971 | 0.6932 | 1.3641 |

a. Predictors: (Constant), Training and development

Table 5 exhibits the regression analysis of training and employee's performance. R square shows the amount of variation in one variable (employee's performance) that is accounted by another variable (training). The above table shows the value of R square is 0.6971. It means 69.71 percent variation in employee's performance is explained by the training programme and the rest of the variation $(1-R^2)$ is an unexplained variation in employee's performance due to other variables that has not been considered in this model.

**Table 6: ANOVA of Training and Employee's Performance**

| Model-1 | Sum of Squares | df | Mean Square | F | Sig. |
|---|---|---|---|---|---|
| Regression | 363.480 | 1 | 363.480 | 555.949 | 0.000[a] |
| Residual | 135.957 | 208 | 0.6538 | | |
| Total | 499.437 | 209 | | | |

a. Predictors: (Constant), Training

b. Dependent Variable: Employee's performance

The above ANOVA table assesses the overall significance of the model. The overall model is significant because the significant value is 0.000 which is less than 0.05 at 95 percent confidence interval. Hence, the model construct is validated.

**Table 7: Coefficients of Training and Employee's performance**

| Model-1 | Unstandardized Coefficients | | Standardized Coefficients | t | Sig. |
|---|---|---|---|---|---|
| | B | Std. Error | | | |
| (Constant) | 2.451 | 1.227 | | 18.561 | 0.177 |
| training and development | 0.714 | 1.369 | 0.698 | 9.471 | 0.000 |

a. Dependent Variable: Employee's performance

Table 7 shows the values of unstandardized and standardized beta coefficients, and t value. An unstandardized beta coefficient gives a measure of contribution of each variable to the model. A larger value indicates that a unit change in the predictor variable has a larger impact on the criterion variable. The results show that the value of unstandardized beta coefficients is 0.714 which is an indication of positive impact of training on employee's performance. Besides, this impact is strong and statistically significant as the value significant value is 0.000 which is less than 0.05 at 95 percent confidence interval. Therefore, the null hypothesis is rejected and it can be said that there is a significant impact of training on employee's performance in selected telecom companies.

**The Regression equation of this Model is:**
Y (Dependent Variable) = α (Intercept) + β (Slope) x (Independent Variable) + e
Employee's performance= 2.451+ 0.714 Training

Regression equation (Y= α+ β x + e) shows the linear relationship between employee's performance and training. It signifies the values of α (Intercept) and β (Slope). Intercept shows the change in employee's performance when training is zero, whereas slope shows the change in employee's performance with respect to training. The e shows the random error that will occur in the prediction of Y (employee's performance) for the values of X (training) because X does not explain all the variability of Y. The error term e allows the employee's performance values to vary for any given value of X (training).

**Table 8: Summary of Hypothesis Tested**

| No | HYPOTHESIS | R Square | Unstandardized Coefficients | Sig. Value | Results |
|---|---|---|---|---|---|
| 1 | Training has no significant impact on employee's performance in selected telecom companies. | 0.6971 | 0.714 | 0.000 | Rejected |

The summary of the hypothesis tested has been exhibited in table 8. The value of R square is 0.6971 which shows variation in employee's performance due to training programme. Besides, unstandardized beta coefficients is 0.714 which is an indication of positive impact of training on employee's performance. The significant value is 0.000 which is less than 0.05 at 95 percent confidence interval. Therefore, the null hypothesis stands rejected and alternative hypothesis has been accepted. Hence, training has a significant impact on employee's performance in selected telecom companies.

**11. Research Limitations**
  i.   This is a survey conducted on 210 employees working in four telecom companies namely BSNL, Idea, Bharti Airtel and Vodafone in India and therefore results cannot be generalized.
  ii.  A more detail examination will be more significant with the large sample size and by selecting more companies.
  iii. There are also different indicators of employee's performance which are not centered in this research due to time limitation.

**12. Conclusion**
The central principal of this research is to explore the relationship between training and employee's performance in selected telecom companies. The paper is based on one hypothesis which states that 'training has no impact on employee's performance. Findings and discussion of the results reject the null hypothesis meaning thereby alternative hypothesis has been accepted. Hence, it can be said that training cannot be discarded from the industry and the companies has to set up and implement an advanced roadmap for training as it enhancing employee performance.

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