Impact of inhouse training and their percieved effectiveness management essay

chapter 1: Introduction

Training is widely understood as communication directed at a defined population for the purpose of developing skills, modifying behavior, and increasing competence. Generally, training focuses exclusively on what needs to be known. Education is a longer-term process that incorporates the goals of training and explains why certain information must be known. Education emphasizes the scientific foundation of the material presented. Both training and education induce learning, a process that modifies knowledge and behavior through teaching and experience. The research model described here pertains to both training and education. Therefore, in this document, " training" refers to both processes.

In contrast to informal In-house training (which is embedded in most instances of human exchange), formal In-house training interventions have stated goals, content, and strategies for instruction. Our intent is to offer a general approach to intervention effectiveness research that addresses formal training across settings and topics. Training intervention effectiveness research is needed to (1) identify major variables that influence the learning process and (2) optimize resources available for training interventions. Logical and progressive study models are best suited to identify the critical elements and causal relationships that affect training effectiveness and efficiency. In training research, it is often difficult to arrive at definitive answers. Typically, many variables minimize effects and make results difficult to interpret. Furthermore, the amount of variance attributed to any one variable is usually small.[1]

Problem Statement

" To analyze the Impact of In-house Training Programs and assess their Perceived and Actual Effectiveness as Experienced by Trainees".

Research Objectives

Following are the research objectives:

To assess the effect of environmental variables (e. g. culture, learning environment, venue and management support) on training impact

To review how training impact and effectiveness can be enhanced

To highlight the relationship between employee ability and In-house training effectiveness

To explore how employee motivation affects In-house training effectiveness

To analyze the impact of effective trainer-trainee interaction on In-house effectiveness

To explore techniques to evaluate In-house training effectiveness

chapter 2: Litrature Review

The competitiveness of any business often rests on the quality and skills of its employees. Training can improve the performance and productivity of staff and ensure they have the skills that the business needs. Effective training may be crucial when we hire new recruits or when we change business practices or add new products. As the business grows, the skills needed for it to remain successful may change.[2]

Training and management development activities are currently receiving increased attention in the industrial and academic communities. This emphasis is illustrated by recent figures which report that organizations spend upwards of $30 billion dollars annually for training programs involving 15 billion work hours (Huber, 1985).[3]

The purpose of training and development can be said to be that of acquiring, developing and retaining the stock of human capital needed for an organization to conduct its operations. In the most general sense, it is carried out purposively in order to improve work performance. Training, therefore, refers to the company's planned and systematic efforts to modify or develop the knowledge, skills and attitudes of their employees through learning experiences. As an activity, it spans many boundaries, including the distinction between education and training, on-the-job and off-the-job training, as well as formal and informal training through work experience.

Training invariably represents investment by a company in its employees. At the very minimum, the orientation of new employees to the specifics of the company requires time and close supervision. Most likely, the company will continue to sponsor the further development of employee competencies and expertise. General training improves both the employee's internal and external position in the labour market, and is thus generally perceived by employees as a supportive act on the part of the company – an act that is reciprocated through increased commitment, independent of the particulars of the employment relationship (Gaertner and Nollen 1989; Meyer and Allen 1997).

Given the value of training to employees, sponsoring training can be seen as an act of ' gift giving' on the part of the company. Even training in company-specific skills contributes to the employee's attachment to the company (Levine and Tyson1990). Returns on any training investment depend greatly on employee retention. While specific training is often considered to be unique to a firm and therefore of little use to competitors, the enhanced productivity of general training is of great value to other firms. Generally trained employees are likely to be poached by competitors who are able to offer higher wages. Another problem with training arises should employees not be willing or motivated either to acquire new skills or to apply their newly learned skills at the workplace.

When In-house trainings are effectively conducted, the management of a company's human resources entails a comprehensive assessment and matching of the skills attainment of the labour force and the skills requirement of the economy. By providing people with the necessary skills and training they need to do their job, effective human resource management, among others, can promote employment growth, address skills shortages and improve flexibility, all contributing to both employee and company needs.[4]

Businesses often decide that in-house training is the most cost-effective way to improve the skills of their employees. This is because: (1) training can be scheduled at their convenience, (2) training is more focused, consistent and relevant to their needs, (3) travelling and accommodation costs are reduced or even eliminated.[5]

In-house training can take several forms, for example: (1) a training programme designed and carried out by a company, (2) an off-the-shelf training programme bought from and run by a training specialist, (3) a training programme tailored to a company's needs and managed by a training specialist, (4) an Internet-based training course or (5) an informal, on-the-job training. Formal in-house training, if properly planned and executed, can be highly flexible and cost effective.

Positive reactions of trainees, learning, and behaviour change, and improvements in job-related outcomes are expected from well-designed and administered In-house training programs. However, the attitudes, interests, values, and expectations of trainees may attenuate or enhance the effectiveness of training.[6]

Ensuring that the company has the human capital it requires implies that it needs to invest heavily in the skill and training of its workforce, particularly company specific training. In doing so, companies incur considerable risk. The efficiency of the training investment will depend on the cognitive skills and the motivation of the employees to acquire new capabilities. Flanking training with selectivity practices ensures that trainable employees are hired (i. e. the person-organisation fit is maximised). Through the use of stringent selection procedures the company can take steps to ensure that the profile of employees is such that they are willing to share with the firm the costs and benefits of training as well as being likely to respond well to and learn quickly from training opportunities provided.

To this end, the selection of employees that are favourably evaluated for training potential helps to ensure that the company's return on training investment is maximised. Training incentives flanked by performance incentives reward the acquisition and the application of skills. Once recruited, it is imperative that the employee becomes well attuned to the company's expectations for developing skills and experience. To this end, flanking training with guidance practices contributes greatly to the fulfilment of this vital function by providing the employee with a training perspective. Training that is specific to the employer may be of little value outside the particular company, but general expertise and experience will undoubtedly improve the labour market position of workers. Consequently, the sponsoring of training involves a considerable loss, should the employee decide not to stay with the company. From the perspective of the firm, the provision of training has the negative effect that the employee is rendered more valuable to other firms and thus increases the risk of undesired turnover of highly skilled employees. Relational signals increase the attachment of employees and thereby compensate the negative side effect of training. Finally, by applying guidance practices employee attachment can be strengthened through the potential of these practices to integrate employees within the social milieu of the company.

A frequent criticism of research on In-house training is its susceptibility to fads and it's generally a theoretical approach (Goldstein, 1980; Hinrichs, 1976; Wexley, 1984). Researchers have frequently attempted to increase the effectiveness of training through a focus on techniques. Special attention has also been paid to the arrangement of training environments (Wexley, 1984).

But without a theoretical basis for studying the techniques and the training environments, researchers are often at a loss either to explain why they are effective or to predict their effectiveness in other settings or for other trainees (Noe, 1986).[7]

Professional development literature has consistently stressed the " continuing" part of continuing education. Since the 1980s, staff training researchers and practitioners have talked about ongoing training. They have urged follow-up sessions in the weeks and months after workshops to sustain new practices. They have preached the importance of encouraging and supporting trainers (through in classroom coaching by trainers and peer leaders) to continue learning and implementing new knowledge and skills, lest the momentum for change be lost (Bents & Howey, 1981; Joyce & Showers, 1983; Sprinthall & Sprinthall, 1980).[8]

Why is it so difficult for organizations to effectively conduct internal training? There are many reasons why internal workshops or seminars aren't productive. Consider the following example. Two managers in a major accounting firm were getting ready to conduct an in-house training session to introduce a new company initiative. The managers worked diligently to gather material and to put together excellent content for the handouts. They were covering a lot of valuable material, but the handouts were getting voluminous. When asked by an outside consultant why they had so much material, the team leader responded, " We have so much material to cover in the seminar … there is so much the participants have to understand." Then the question was asked, " How are you going to engage or involve the participants in the seminar?" A blank stare followed, then finally, " We

haven't really thought much about that. We were too busy getting the materials together. How would we get them involved anyway?"[9]

It cannot be expected from trainers to teach what they do not know, nor is to use yesterday training to prepare today's employees for tomorrow's future. We certainly cannot expect trainers to share and learn from each other's knowledge and skill unless they r provided with the research, structures, time, and money with which to do it. Ultimately, quality staff development benefits employees by channeling the talents and expertise of all the company's employees in all the company's department. By improving staff development trainers help all employees to reach the high levels of achievement they need to succeed.

As a lead-trainer one must acknowledge the importance of engaging people. People learn more when they are engaged. They are more connected and enthused when they are participating. Imagine thinking you could learn how to play golf simply by watching a golf video or reading a book on the perfect swing. The trainer has to DO IT and get feedback and then try it again. He has to participate.[10]

An In-house trainer however may need training in: (1) presentation/speaking skills, (2) generating rapport/interest, (3) dealing with difficult trainees, (4) types of learning, (5) course and session design/planning skills, (6) evaluation, monitoring and feedback skills, (7) measuring the effectiveness of training, (7) setting up support for employees after training and conducting training needs analyses.[11]

Evidence exists that the preference for outsider training is the result of managerial responses to (1) the contrasting status implications of learning from internal versus external competitors, and (2) the availability or scarcity of training – in-house training is more readily available and hence subject to greater scrutiny, while external training is scarcer, which makes it appear more special and unique. It can be concluded by considering some consequences of the external training preference for organizational functioning.[12]

The two dilemmas on the employee and organizational levels are closely interrelated. On one side, the benefits of training accrue only to the extent that employees contribute to the organization. Thus, a firm should take into account how it expects a training program to affect employee effort as well as employee turnover. On the other side, trained workers produce at higher rates, which in turn may affect how much they contribute and how often they migrate to other firms in comparison with untrained workers.[13]

Individual differences can potentially influence the type of training conducted as some individual attributes may engender greater trainability in general or for specific types of training. Intelligence and other abilities have been found to relate to trainability in some instances (Bale, Rickus and Ambler, 1973; Gill, 1982; Williams, Sauser and Kemery, 1982). Further, initial training has been used to predict later training performance (Gordon and Cohen, 1973). More recently, researchers have begun to examine motivational and personality factors that potentially influence trainability (Tubiana and Ben-Shakhar, 1982). Noe (1986) presented a model of the potential influences of

such individual difference factors as locus of control, expectancies, and career and job attitudes on training effectiveness.[14]

Qualitative improvements may be just as important. This could include higher quality goods and services, better teamwork, fewer customer complaints and greater innovation within your business. Employee feedback is a critical component of assessing In-house training effectiveness, Employees need to be asked: (1) if the training was relevant to their job and their level of expertise, (2) how they will put their learning into action for feedback on the training method, (3) what worked and what didn't, (4) what could be improved. We need to remember that the business' expectations may not be the same as employees' expectations. Training assessment or evaluation forms may also prove to be useful here.

One way organizations gain tacit knowledge is through social ties to other organizations, that is, through networks. Networked organizations are those that are cosmopolitan, externally oriented, and characterized by multiplex, non-redundant affiliations. With respect to the workplace, the information that flows through networks can include knowledge about the performance effects of work reform, the benefits of bundling, and tactics to persuade managers and employees that innovation is beneficial.

Recently there has been a proliferation of studies emphasizing the role of networks in In-house trainings (for example, Nohria and Gulati 1994; Strang and Soule 1998). By enhancing access to knowledge, networks promote awareness and early adoption of an innovation. By promoting social

interaction, they generate trust and norms of reciprocity-social capital-that are conducive to knowledge transfer.[15]

When it comes to in-house trainings one variable, of course, is organizational size. Explanations for why large organizations provide more training are: Large organizations have formalized job structures, have internal labour markets, are more unionized, and operate in environments that encourage investment in training.

Available evidence indicates a positive relation between organizational size and job training at both the establishment and firm levels (Cohen and Pfeffer 1986: 14; Barron, Black, and Lowenstein 1987). Some research suggests a curvilinear relation, with the smallest and largest employers providing the most training (Brown, Hamilton, and Medoff 1990: 54-55). Barron et al. (1987, 1989) found that five training activities (e. g., hours of instruction given to new employees by managers, supervisors, and co- workers) increased nonlinearly with the number of employees (logged) and the existence of subsidiaries outside the local area.[16]

Although little theory or research exists on environmental influences on In-house training, it is likely that companies would provide more employee training when skilled workers are harder to hire and where resource dependencies permit the diversion of resources from production. Thus, resource-rich organizations confronting rapid technological advances, intense domestic and international competition, and high demands for skilled labour may invest in improving their current employees' skills (as well as in

pirating from other organizations trained workers holding comparable positions).[17]

The best seminars allot blocks of time where participants are working in smaller groups on specific tasks. They are given a set of open-ended questions to consider. For example; " What are the greatest strengths, opportunities and challenges we face over the next six months?" Each mini-team can think about and discuss these important questions and then report back to the larger group. In turn, the trainer facilitates and assimilates this information and displays it for all to see.[18]

Between the components of initial instruction and trainee behaviour, some degree of learning has taken place. The learning is exhibited by trainees in some initial behaviour or response which the trainer can observe. Trainee behaviours at this point might be the first trials of the new behaviour, understanding of the information presented, or other response to exhibit learning of training material. The behaviour depends on trainee attributes and motivation, as described by Noe (1986) and tested by Noe and Schmitt (1986), and on learning principles incorporated into the training program, such as are described in texts on training (e. g. Goldstein, 1986; Wexley and Latham, 1981).

CHAPTER 3: METHODOLOGY

Primary Data:

Sample

Respondents were drawn from banks in both private and public sector. In order to study the existence of In-house Trainings and their effectiveness it was important to cover banks from both the sectors. Study of banks from just one sector wouldn't have provided the complete picture. The attitudes and work ethics also vary among private and public sector banks. Private sector in Pakistan employs some of the best talent available in the country thus they are more aware of latest concepts and are willing to implement changes however, the public sector is more about stability and sticking to the rule book and change is only considered necessary when there is no choice left.

Since the primary aim of the study was to study the Impact of In-house Training and their perceived effectiveness, banks with varied work ethic and objectives were selected. As much as it is a matter of which industry the banks belong to it is also about the systems they have developed overtime to perform in the modern business world and how they are planning to go forward as they grow.

Questionnaires were distributed to all officer level employees during the research. A total of 50 valid responses from 2 banks were used in this study. The actual population is Lahore and the working population is the employees of two banks i. e. Bank of Punjab and Faysal bank. The response rate was high because the participants willingness and interest in the survey. The respondents were mostly well qualified with at least a Master's Degree in their relevant field.

Measures

Preference scales were setup for questions using a five point Likert rating scale (1 = Very Dissatisfied, 5 = Very Satisfied). The questions were created primarily keeping the literature review as a reference and were validated by the interviews from senior managers along with the perception of employees and regarding the subject of In-house trainings.

Data Treatment

The Likert scale based questions were analyzed using statgarphics plus 5. 1 where multiple regressions were run of the independent variables with one dependent variable. Text from extensive interviews was utilized to justify variable intensity selection and also to know their views on issues related to Training and Development initiatives and their effectiveness.

Secondary Data:

Internet

Internet was mainly used for material pertaining to the literature review and findings of this research project. This included information about motivation, training and development previous research conducted by famous researchers, definitions and theories used as reference in this project etc.

The main problem faced in collecting data from the internet was the lack of local data available. No real information was available about current training and development practices going on in Pakistan and what their effects were.

Scope

To analyze the impact of In-house Trainings and to assess how they can be made more effective and to observe the effects of variables like company environment, culture, trainee learning ability and his or her motivation to learn from In-house Trainings.

Limitations

The thesis, off-course, has some limitations. First, the sample is relatively small, which limits the significance of the results. As the research is dependent on questionnaire, so individual concerns in filling out questionnaire honestly is a limitation. Sample size was restricted to 50 participants from 2 different banks.

Second, there are obviously several other factors that could also play a role in the observed effectiveness of organizational training. For instance, two additional steps commonly listed in the training development and evaluation sequence, namely (a) developing the training objectives and (b) the actual presentation of the training content was excluded.

Finally, this thesis focused on fairly broad training design and evaluation features. Although a number of levels within these features were identified previously and examined, given the number of moderators that can be identified (e. g., trainer effects, contextual factors), it is reasonable to believe that there might be additional moderators operating here that would be worthy of future investigation.

Independent Variables

Independent variables are the manipulated variables-that is, the training inputs and activities that are implemented and studied. They are presumed to cause or influence certain training outcomes. Depending on the study, independent variables could include timing, format, and location of training as well as modifications to the training rationale, content, or educational approach under study.

Dependent Variables

Dependent variables are the intended aims of training, which are expected to result from exposure to the independent variables. As exposure varies, results may differ, allowing effectiveness to be measured. Sample outcomes of training include participant satisfaction with the course; changes in knowledge, attitude, and behavioural intent; and demonstrated skills or abilities. Sample impacts of training include the following: diffusion of course material into the field, retention of knowledge and attitudes, transfer of behavioural intent into practice, application of learned skills and abilities, transfer of training to new populations, and acceptance of instructional content as normal operating procedure.

Theoratical framework

A theoretical framework is a conceptual framework as to how one theorizes or makes logical sense of the relationships among the several factors that have been identified as important to the problem.

It seems intuitively obvious that an employee's work attitudes influence preparation for a particular training program, or that an organization's reward system may affect the extent to which trainees use their newly

acquired knowledge and skills. However, these and other variables have been given little attention in the training literature, and training researchers in particular have not focused much attention on factors outside the learning or training environment. In fact, individual and work-related factors that are not directly associated with training have only recently been empirically studied.[19]

The framework helps us analyze the impact of independent variables like trainee's ability and motivation to learn, impacts of the work environment, the organizations learning culture, implementation, content and design of the trainings and the training impact and effectiveness which is dependent variable.

Theoretical Framework Flow

Work Environment

Trainee's motivation to learn

Trainee's ability to learn

Training Impact and Effectiveness

Training Implementation

Content and Design

Trainer-Trainee Interaction

Organizational Culture

Operational definitions of variables:

Organizational culture:

Organizational culture is the personality of the organization. Culture is comprised of the assumptions, values and norms of organization members and their behaviours

Trainee's ability to learn:

Trainee's ability to learn is the trainee's performance in a training program, which can be measured by asking trainees to recall trained materials immediately or shortly after completion Of a training program.

Training implementation:

To put training program into effect according to definite plan or procedure is called training implementation.

Trainee's motivation:

Trainee's motivation refers to an individual's desire to engage in training activities and fully embrace the training experience.

Content and design:

Content and design with reference to training can be defined as the material which is provided to the trainees as well as the structure of the training program which is carried out.

Trainer-trainee interaction:

Trainer-trainee interaction is defined as how the trainers give instructions to the trainees and get feedback from them in terms of questions or answers if any, by the trainees.

Work environment:

The work environment is comprised of the physical location, equipment, materials processed or used, and the activities of an employee while engaged in a training program.

Hypothesis

Ho: trainee's ability to learn does not affect training impact and effectiveness

H1: trainee's ability to learn does effect training impact and effectiveness

Ho: trainee's motivation to learn does not affect training impact and effectiveness

H1: trainee's motivation to learn does effect training impact and effectiveness

Ho: work environment has no effect on training impact and effectiveness

H1: work environment has effect on training impact and effectiveness

Ho: trainer trainee interaction has no effect on training impact and effectiveness

H1: trainer trainee interaction has effect on training impact and effectiveness

Ho: organizational culture does not affect training impact and effectiveness

H1: organizational culture does effect training impact and effectiveness

Ho: content and design does not affect training implementation and effectiveness

H1: content and design does effect training implementation and effectiveness

Chapter 4: RESULTS AND ANALYSIS

The thesis sites that the companies observed have had difficulty assessing training's effectiveness. To begin with, the findings were based primarily on the respondents' personal experiences and " common sense." Little can be said about the direct impact of training, regardless of the respondents' perceptions about the value of training. One thing which is clear from the study is that the training question goes beyond how much is spent. Simply because an organization spends a certain percentage of its payroll on training does not tell us whether that money is well spent. The interviews and research review has revealed at least two general factors beyond training content, design, and implementation that probably influence the effectiveness of training.

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Dependent variable: impact and effectiveness

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