

# Training Impact on Employees: A Study on Executive Vs Operative Level Employees in SME's of Assam

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Training and Development Programs are an important constituent of the Human Resource Management process in this globalized world which results in intense competition necessitating firms to be equipped with workforce capable of adapting themselves with all kind of situations. Whatsoever, studies have revealed that majority of small enterprises adopts informal practices as compared to large scale enterprises. The study therefore attempts to analyze the training and development practices adopted in small and medium manufacturing enterprises of Assam and in course of it learns the training need assessment of operative and executive level employees of these enterprises. Moreover, the study also makes an effort to assess the training related feedback of these enterprises.

## Introduction

Training and development of employees in an organization is the backbone of successful business. Identifying training needs and implementing in the right earnest leads to high morale among employees which apparently results in their job satisfaction. In fact the observation is that organizational performance is correlated to training. It is also seen that such practices are different from large enterprises where training and development forms an integral function of management. However, available literature on training aspects of small business provides insight into thinking and practice of training. Waxley and Baldwin (1986) criticized traditional training and development system for its lack of accountability and rigorous evaluation. Traditional training was thought to be a paid perquisite or free time for the employees devoid of daily stress or distraction of the workforce on one hand, and a wasteful expenditure of the management on the other. Mumford (1988) observed that prior to participating in any training and development experience, the participants are overwhelmed and ask themselves many questions. He found that when employees perceive that desirable outcomes are attained as a result of their full commitment to a training and development programs, only then the benefits of training and development programs will be maximized. Fuchberg (1993) observed that in today's global context, evaluation of both economic and non-economic benefits and investments associated with training and development programs is crucial to determine how such initiatives contribute to corporate

performance. Saxena (1997) cited a study conducted by American Society of Training and Development, which reported that the actual practice of evaluation do not often follow the recommendations of evaluation literature. Moreover, he also undertook a study on the role of evaluation of training in designing training programs in institutions of government, public, private and banking sectors. It was found that the institutions and HRD centers defined the scope of training evaluation from trainee's development level to the organizational effectiveness level; training institutions were clear about the purpose of evaluation of training programs; lack of adequate evaluation methodology, lack of expertise, and fear of exposure to weakness were cited as the constraints for attaining, collecting and evaluating data; training institutes concentrated their evaluation efforts mostly on reaction and learning levels; Training institutions and HRD centers were found to have plans to improve the courses by effective evaluation procedures.

## Review of Literature

Kotey and Slade (2005) in their study used data from micro, small and medium firms in Australia and examined the rate of adoption of formal human resource practices with increasing firm size. The result demonstrates a move towards division of labour, hierarchical structures, increased documentation and more administrative process as the number of employees increase. The adoption of formal practices begins in the early growth process initially at a rapid

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rate (as a significant percentage of firms adopt these practices) and then at a slower rate (as fewer new firms adopt these practices). The paper concludes that static models cannot be used to portray HRM practices in small firms and that management training and advise for small firms must recognize the diversity of practices associated with various firm sizes. Yadapadithaya and Mamatha (2005) focuses on the different concepts of training and evaluation. Evaluation has been defined by them as the comparison of objectives (criterion behaviour) with effects (terminal behaviour) to answer the questions of how far the training has achieved its purpose. They suggested that a sound training and development program should contain certain specific, measurable, achievable, relevant and timely objectives based on a systematic training need analysis conducted at individuals (acquisition of proper knowledge, skills and aptitudes), operational (what an employee must do to meet organizational objectives) and organization (organizational objectives, resources and its allocation) levels. Deb (2006) has stated that with increasing globalization of economy, marketplace has become increasingly competitive and transformational. Competitive advantage makes the difference between success and failure of an organization. Human resource is the only reliable source of competitive advantage and to attain this, organization requires to provide training and development facilities to all employees which is crucial in achieving the level of cost-effectiveness. The author presents the entire conceptual framework of training and development in a refreshingly new style related to its fundamentals, overview, methods, learning environment and conditions, need identification, evaluation teaching aids for training and non-formal methods of development. Campbell, Dunnette, Lawler, and Weik (1970) found that much of the existing literature on training and development has failed to organize efforts to significantly improve the skills, knowledge, attitude of employees or affect business performance. Hague (1979) attempts to take a fresh look at management training by showing that the most effective and useful manner in which a manager can learn and develop is not through external seminars and courses,

but rather within the context of his daily problems and his own organization. The author shows how learning from real situations can be a highly efficient formula for all levels of management training and development. Rae (2000) describes the steps necessary in planning and designing process to prepare a training and development program. Srivastava (1999) states that to develop human resources, there are many ways out of which training is considered as the primary mechanism and strategy. However, he gave importance to the fact that there has been no effort to identify training needs at governmental and institutional level for specific manpower categories. He tries to fill the gap and also provides a better understanding of the issues, needs and evaluation process required for assessment of training needs both at micro and macro level. Lynton and Pareek (2000) emphasized on broadening perspectives on training strategy as well as advocating the issues of widening the trainer's role to include consultation with participant organizations, especially to match participant selection with organizational changed strategies and to ensure organizational support for improved performance subsequent to training. They deal with establishing particular objectives to aim at quite concrete action outcomes, scans the range of methods to consider for reaching different objectives and the staff, time and other specifications for each, and ends with designing programs. Another viewpoint is about managing programs, developing a group and climate, trainers and styles, building in the required post training supports and evaluating the training and modification programs in the light of it. Sogani and Mehta (1996) focusses on the role of training in facilitating goal directed change.

### Objectives of the Study

- To analyze the training and development practices at different levels of SME's.
- To analyze training need assessment of operative and executive level employees
- To study the training related feedback of employees of the enterprises .

## Research Methodology

The study is based on primary data and is conducted in Kamrup district of Assam since the district has the highest concentration of small scale enterprises. For the purpose of the study, Small Scale and Medium Scale Manufacturing Enterprises have been taken separately. For the purpose of selecting Small Scale Enterprises, the industrial estates of Bamunimaidan, Rani, Kalapahar and Bonda of Kamrup district are taken. The population size for small scale enterprises is 150 in these estates out of which 60% of these enterprises are already sick. Out of the remaining 60, only twenty six enterprises fulfill the criteria of selection. The study takes into account all the twenty six (26) small scale enterprises, which reveals that the study uses complete enumeration. In case of Medium Scale Enterprises, a total of nine (9) enterprises in various locations of Kamrup district, which fulfill our specified criteria. It is important to mention here that since no exact figure in respect of the total number of medium enterprises in Assam is separately available from published government sources, therefore, judgmental sampling method is adopted while selection of sample for medium scale enterprises. Thus, selection of enterprises, is based on the following criteria:

- the enterprises must complete not less than five years of operation,
- the enterprises must fulfill the requirements of being defined as Small Scale Enterprise and Medium Scale Enterprise as per MSMED Act, 2006,
- the enterprises must adopt minimum training and development practices.

In both small scale and medium scale enterprises, the employers, operative-level employees and executive level employees were asked to respond to questionnaires presented to them. For both types of enterprises, executive level refers to those who are just below in position from the actual owner or employer. This is because it has been found that in such enterprises, generally three levels of management exist, viz, the employer at the top, supervisor at the middle and the workers at the

lowest level. However, in case of some Small Scale Enterprises, there exist only two levels, the employer and workers, where, only permanent employees are taken into consideration. Face-to-face interactions and interviews have been conducted extensively. The population size for operative level employees in the twenty Six Small Scale Enterprises is 40 out of which 50% of them have been questioned. For medium scale enterprises the population size for operative level employees is 50, out of which 40% of them have been questioned. Out of a total of 25 executive level employees in twenty six Small Scale Enterprises, 80% have been questioned and in Medium Scale Enterprises, out of 40 executive level employees, responses were acquired from 55% of them.

For the purpose of secondary data, sources covered for the study include libraries, books, brochures, magazines and journals are also consulted wherever necessary.

## Research Tools

Principal Component Analysis has been used in the study. Data regarding impact of training on employees for small as well as medium scale industries were collected at two levels – operative level and executive level. Responses from altogether 40 operative (i.e. 20 from small scale and 20 from medium scale industries) and 42 executive level employees (20 from small scale and 22 from medium scale industries) were obtained through pre-coded schedule. Impact of training has been attempted to evaluate with respect to 10 variables viz, Personal skill, Knowledge of job, Personal development, Decision making, Job satisfaction, Delegation, Leadership skill, Production capacity, Communication skill and Education each measured on a 10 point scale values of which ranged from 0 to 9. For objective evaluation of impacts on individual employees two problems needed to be resolved. First is the elimination of mutual correlations among the variables used and second is determination of appropriate weights. Standard methodology

**Table 1: Component Score Matrix of Training Scores by Employees**

Variable	Components		
	Component 1	Component 2	Component 3
Personal Skill	.110	.219	.323
Job Knowledge	.091	.321	.312
Personal Development	.285	-.073	-.055
Decision Making	.271	-.062	-.221
Job Satisfaction	-.059	.372	-.270
Delegation	.241	-.078	-.111
Leadership Skill	.177	-.284	.075
Productive Capacity	.025	-.110	.596
Communication	.162	.104	.013
Education	.203	.301	-.039

\*\*3 Components extracted. Total variance explained 64.06 percent

for accomplishing these two tasks is the Principal Component Analysis (PCA) is found to be most suitable for our purpose. Underlying principle of the PCA is that it clubs together variables into mutually independent "components" and expresses each of these components as linear combinations of variables with coefficients being their weights. Comparison can be made between two groups of employees and two types of industries by suitable mean comparison measures i.e. either t-test or ANOVA as the case may be. We have adopted the PCA (with correlation matrix and without rotation) for our training score data for 82 employees (40 operative and 42 executive) and got the following component score matrix:

From the component score matrix all 10 variables

can be clubbed into three components depending on their absolute value of coefficients (which ever is highest) as below:

Component 1 : Personal Development, Decision Making, Delegation, Communication

Component 2 : Job Knowledge, Job Satisfaction, Leadership Skill, Education

Component 3 : Personal Skill, Productive Capacity

Using the component score matrix the mean scores of employees across industries with respect to three components and total is calculated and tested for significance differences by independent t-test.

Results are given below:

**Table 2: Mean scores across employee category**

	Category	N	Mean	Std. Deviation	Std. Error Mean
Component 1*	Executive	42	9.09	1.83	0.28
	Operative	40	7.29	1.14	0.18
Component 2*	Executive	42	5.26	1.49	0.23
	Operative	40	3.99	1.42	0.23
Component 3	Executive	42	5.30	1.12	0.17
	Operative	40	5.80	1.57	0.25
Total*	Executive	42	19.64	2.32	0.36
	Operative	40	17.08	1.77	0.28

\*Significant at 5 percent level of significance.

**Table 3: Mean scores across industry types (Small and Medium)**

	Industry	N	Mean	Std. Deviation	Std. Error Mean
Component 1	Small	40	8.61	1.63	0.26
	Medium	42	7.83	1.84	0.28
Component 2	Small	40	4.99	1.69	0.27
	Medium	42	4.30	1.41	0.22
Component 3*	Small	40	5.11	1.39	0.22
	Medium	42	5.95	1.25	0.19
Total	Small	40	18.71	1.85	0.29
	Medium	42	18.08	2.86	0.44

\*Significant at 5 percent level of significance

The mean, standard deviation and standard error mean have been calculated for all components, Component 1, Component 2 and Component 3 across employee category. Again, for Component 1 and Component 2, results are calculated at 5% level of significance.

The mean, standard deviation and standard error mean have been calculated for all components, Component 1, Component 2 and Component 3 across employee category. Again, for Component 3, results are calculated at 5% level of significance.

## Results and Discussion

It is thus evident from the above two tables that the impact of training practices on executive level employees are more influencing. It can be observed that there is significant improvement with respect to factors in component 1 (i.e. Personal Development, Decision Making, Delegation, Communication) and component 2 (i.e. Job Knowledge, Job Satisfaction, Leadership Skill, Education). However, training programs conducted is having least impact on operative level employees with respect to component 2 (i.e. Job Knowledge, Job Satisfaction, Leadership Skill, Education). The training impact is highest in component 1 for executive employees and component 3 for operative level employees. So far as the industry level is concerned, there is no significant difference of overall impacts across the two types of industries. However, training is having significantly improved impact in component 3 in

case of Medium Scale Enterprises than Small Scale Enterprises. For both Small Scale and Medium Scale Enterprises, training impact is highest in component 1 (i.e. Personal Development, Decision Making, Delegation, Communication) and lowest for component 2 (i.e. Job Knowledge, Job Satisfaction, Leadership Skill, Education).

It can therefore be concluded that in both Small Scale and Medium Scale Enterprises, majority of the employees in both operative and executive level shown tremendous improvement in the development of personal skill and job knowledge after receiving training. However, In case of educational development both level of employees couldn't attain much. There is average range of development for the other aspects including increase in personal development, communication skills, production capacity, decision making skills, delegation of responsibilities by management, leadership skill and job satisfaction. In today's competitive business environment, the human resource employed has to be effective for growth and development of an organization. Therefore, mere increase in job skills does not make a good worker. The degree of Training and Development Programs conducted in both Small Scale and Medium Scale Enterprises of Kamrup district in Assam is not found to be satisfactory. It has been observed that majority of the enterprises resort to on-the-job training methods which is good, but we cannot ignore the benefits of off-the-job methods.

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