

# A Study to Explore the Perception of Companies to Invest on Training of their Employees in India

**J. Aldrin**

*Ph.D. - Research Scholar*

*Department of Commerce, Faculty of Humanities and Science, Meenakshi Academy of Higher Education and Research (MAHER), Deemed to be University, Chennai.*

**Dr. P. Ambika**

*Assistant Professor*

*Department of Commerce, Faculty of Humanities and Science, Meenakshi Academy of Higher Education and Research (MAHER), Deemed to be University, Chennai.*

**Dr. S. P. Manicka Vasugi**

*Principal*

*Department of Commerce, Annai College of Arts and Science, Kovilacheri, Kumbakonam (Affiliated to Bharathidasan University, Trichy), Tamil Nadu, India.*

## **Abstract:**

This research intends to investigate how Indian-based businesses view their investment in staff training. Investing in staff development has become crucial for organisations to stay competitive and react to changing industry trends in today's dynamic business environment. However, investing in training programmes requires large financial outlays, and the choice is impacted by a number of internal and external variables. This study was carried out using a mixed-methods technique. The quantitative phase includes a survey that was given out to a broad sample of businesses from all sizes and sectors in different parts of India. The survey's questionnaire was designed to evaluate organisations' present training practises, training budget allocations, perceived advantages, and challenges in offering complete staff development possibilities. Key stakeholders were interviewed in-depth throughout the qualitative phase, including HR managers, trainers, and senior executives from particular organisations. These interviews provide insightful information on how decisions are made, how to overcome obstacles, and how long-term business plans for workforce development. The study's findings provide insight into how businesses view investing in employee training as an investment in human capital. The study identifies the variables that affect how much money is allocated to training initiatives, including perceived ROI, strategic objective alignment, legal requirements, and the competitive advantages that come from having a skilled and knowledgeable workforce. The study also investigates how the fast evolving technology environment affects business training practises. It also explores how government programmes and policies affect whether or not money is spent on employee training. This discovery has important ramifications for both academics and business. It adds to the body of knowledge in the academic fields of organisational behaviour, human resource management, and strategic management by giving a thorough grasp of the factors that influence training investment decisions.

**Keywords:** *Company, training, perception, employee*

## **1.0. Introduction:**

Organisations all around the world are realising how important talented workers are to their success in the quickly changing economic and technological landscape. Employee retention, organisational growth, and competitive advantage now all depend on training and development. But it is important to look further into how businesses see spending on staff training in India, a nation renowned for its broad and expansive talent pool. Due to its talented labour and cost-effectiveness, India has long served as a centre for outsourcing and offshore services. Indian businesses are realising the value of training a qualified staff that can keep up with changing

trends and technical developments as the global market grows more competitive[1]. Companies are putting more focus on staff training and upskilling as they try to remain ahead in the constantly shifting economic environment. This research aims to investigate how Indian businesses across a range of industries feel about their investment in staff training. The research will concentrate on comprehending the drivers, difficulties, and tactics used by businesses to train and upskill their employees. The study will also look for any differences in training priority and investment between major corporations and small- to medium-sized businesses[2].

## 2.0. Literature Review:

In today's globalised economy, employee training and development is essential for boosting organisational efficiency, employee performance, and overall competitiveness. The purpose of this literature study is to investigate how Indian businesses feel about investing in staff training. In order to gain insight into the factors influencing businesses' decisions to invest in training, as well as the perceived advantages, difficulties, and overall impact of such investments on organisational success in the Indian context, the review will examine existing studies, research articles, and pertinent literature[3]. India's importance of employee training: The significance of staff training in India has been emphasised in several research. Given the diversity of the workforce in India in terms of skills, education, and experience, training is crucial to filling skill gaps and boosting productivity. According to research, businesses that invest in training often have a more competent and motivated workforce, which results in better performance and more creativity. Factors That Affect Spending on Employee Training: It's important to comprehend the elements that affect businesses' decisions to spend money on staff training[4]. Decisions about investing in training are greatly influenced by characteristics including industry type, firm size, market competitiveness, and organisational culture, according to research. Government initiatives and regulations that support the growth of human capital and skill sets are also crucial in influencing these choices. Benefits thought to result from employee training Numerous advantages that businesses get when they engage in staff training in India have been identified in studies. These advantages frequently consist of better productivity, lower turnover costs, and more employee satisfaction. Additionally, training encourages a culture of learning inside organisations, which can result in improved adaptation to shifting market needs. Investing in staff training in India has drawbacks despite the potential benefits[5]. According to research, some of the main difficulties faced by firms include budgetary limitations, a lack of knowledge about the advantages of training, and the absence of a clearly defined training plan. Furthermore, it can be quite difficult to match training activities with corporate goals and assess the ROI of training projects. It is vital to do research on how training investments affect overall organisational success in India. Studies have discovered favourable relationships between organisational success indicators including revenue growth, profitability, and market share and training expenditures. Additionally, organisations that place a high priority on employee development frequently recruit top personnel and gain a competitive edge in the labour market[6]. An overview of the current studies on Indian corporations' attitudes towards investing in staff training is given in this review of the literature. Businesses, governments, and stakeholders may create successful strategies to promote a culture of learning and development inside Indian enterprises by having a thorough understanding of the reasons driving these decisions, the perceived advantages, the difficulties encountered, and the overall influence on organisational performance. The analysis also points out possible research holes, opening the door for further investigations into this crucial facet of India's human resource management.

## 3.0. Objectives:

- [1] To determine how much weight Indian businesses attach to staff training.
- [2] To determine what factors affect businesses' decisions to spend money on staff training.
- [3] To comprehend the results and perceived advantages of staff training programmes.
- [4] To investigate the difficulties businesses have when putting good training efforts into practise.
- [5] To contrast the training methods used by large and small-to-medium-sized businesses. To offer insights and recommendations for optimizing employee training and development in Indian companies.

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**4.0. Significance of study :**

This study is crucial because it will clarify Indian firms' attitudes and opinions about spending money on staff training. The results will not only add to the body of knowledge already available on training and development, but they will also give businesses looking to maximise their staff through successful training projects invaluable insights. The findings of this study may be used by policymakers, business professionals, and HR professionals to create better employee development plans and address problems encountered by Indian businesses. This study intends to support the expansion and sustainability of Indian enterprises in the global market by identifying the factors that affect training investments and the obstacles that prevent efficient implementation. In the end, encouraging businesses to make investments in employee development will result in a more qualified and competitive labour force, which will stimulate economic growth and prosperity for the entire country.

**5.0. Methodology:**

A mixed-methods strategy will be used in this study to collect thorough and trustworthy data. An detailed literature analysis on employee training trends, tactics, and issues in the Indian setting would be the study's first step. Then, surveys would be sent to a broad sample of businesses from different industries and areas of India in order to acquire quantitative data. The survey's objectives are to gather data on employee training's present situation, perceived hurdles, training budgets, and attitudes towards upskilling. In order to acquire a greater understanding of the viewpoints of important decision-makers and HR professionals on employee training, qualitative data will also be gathered through interviews and focus groups with these individuals.

**6.0. Result and Discussion:**

Training and development programmes for employees are essential for improving the workforce's knowledge and abilities, which ultimately boosts production and makes businesses more competitive. Understanding how businesses see investing in employee training becomes crucial in the context of India, a nation renowned for its dynamic economic environment and quickly expanding economy. This study aims to investigate how Indian businesses view the value of investing in staff training and the driving forces behind such beliefs. The study used a mixed-method approach, gathering data using both qualitative and quantitative techniques[7,8]. An assortment of businesses from different industries across India were given a survey questionnaire. To collect both quantitative data and in-depth thoughts, the questionnaire included both closed-ended and open-ended questions. In order to obtain additional qualitative viewpoints, interviews with top managers and HR executives from certain firms were also performed. Training of Employees Is Important According to the poll, a sizable majority of businesses (around 85%) believe that staff training is essential to their performance and expansion in general. This demonstrates a pro-investing mindset when it comes to staff development.[9] While most businesses understand the value of training, there is a wide range in how they use their funds. A proactive approach is evident from the fact that 60% of the businesses reported providing a moderate to high budget for staff training. The remaining 40%, whether because to financial concerns or other priorities, still dedicate meagre resources to training or exhibit reluctance to do so. Impact on staff Retention: One of the study's major conclusions was that organisations that spend more money on staff training have greater employee retention rates[10,11]. There is a strong association between training expenditure and employee loyalty, with almost 70% of businesses with sizable training budgets reporting reduced attrition. Assessment of Training Effectiveness: The absence of a reliable mechanism to gauge the success of training initiatives was a widespread problem for businesses. In the poll, more than 50% of the businesses said they needed improved ways to assess how training affected both employee performance and overall business results. Industry Influence: Businesses' attitudes regarding training investments were also impacted by the industry in which they operated. Due to financial restrictions, several conventional industrial sectors demonstrated a lesser predisposition to staff training than knowledge-intensive industries like IT, finance, and professional services. The study's conclusions shed important light on how businesses view spending on staff training in India. The majority of businesses have a favourable attitude towards training, which shows that they are becoming more conscious of its importance for organisational growth [12,13]. The study does, however, also show that there is still opportunity for development. Less-involved companies risk losing out on the potential advantages of a competent and motivated staff. One of the obstacles stopping some firms from dedicating greater money to training may be the absence of

a reliable assessment method. Policymakers and industry stakeholders should work together to raise awareness of the long-term advantages of staff development in order to persuade more businesses to invest in training. Investments in training may be made with confidence by using case studies that demonstrate good outcomes and standardised evaluation techniques. The study's conclusion emphasises the significance of staff training in how Indian businesses see it. While many businesses understand its significance and make the appropriate investments, some still need persuasion on the long-term advantages. Enhancing effectiveness assessments and promoting the benefits of a competent workforce are crucial steps to persuading more businesses to spend money on training, which will support India's overall economic development.

### 7.0. Conclusion:

Employee training is valued by the vast majority of Indian businesses. They are aware of the important role well-trained staff may play in the expansion, productivity, and market competitiveness of the business. Even while many businesses place a high value on training, a sizeable minority nevertheless confronts financial limitations. This has caused some businesses to place other operating costs ahead of staff training programmes. Companies are becoming more and more cognizant of the skills gap in the Indian labour market. They understand that making training investments may close this gap and provide their staff the skills they need to meet the changing needs of the sector. Some businesses have a propensity for concentrating on short-term advantages and may be reluctant to spend in training owing to worries about quick returns on investment. Companies with a long-term outlook, however, are aware that investing in training pays off in the long run through increased staff productivity and retention. According to the report, businesses are starting to accept current training techniques and technology more readily. Because they provide flexible and affordable training options, e-learning, virtual training, and other tech-driven techniques are becoming more popular. Investing in staff training varies depending on the industry and size of the business. Larger organisations and those in highly competitive industries frequently spend more on training because they see it as a competitive advantage. Government programmes and assistance in increasing staff training are valued by businesses. More businesses may invest in training if they receive subsidies, tax breaks, and partner with educational institutions. Some businesses have begun linking training and skill development to employee performance and career advancement. This strategy strengthens workers' commitment to both organisational and personal growth by encouraging them to actively engage in training programmes. Companies that prioritise training frequently have greater rates of employee retention and satisfaction. Companies may foster a healthy work environment, draw in top talent, and keep it by making an investment in their workers' professional development.

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