Evaluation of ROI Through Employee Training Program

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Abstract
Training and development is a necessary factor in the attainment of organizational objectives of any organization. In every organization exists some form training and development programme. The manpower has to be trained and developed in terms of quality and quantity so that they can effectively and efficiently control the commanding height of our profit. This abstract provides a succinct overview of the crucial role that training and development play in fostering employee growth, enhancing organizational capabilities, and ultimately driving sustainable success. It explores key aspects such as the alignment of training programs with organizational objectives, the importance of continuous learning in a rapidly evolving landscape, and the pivotal role of effective leadership in facilitating employee development.

Keywords: Training, Development, Organizational Capabilities, Employee Development.

1. Introduction
In this competitive landscape, organizations invest significant resources in training and development programs to enhance employee skills, productivity, and overall performance. However, determining the effectiveness of these initiatives requires more than just tracking attendance or completion rates. It necessitates a thorough evaluation of the return on investment (ROI) to justify the expenditure and ensure maximum value for the organization [1]. Through careful planning, data collection, and analysis, organizations can not only measure the financial impact of training but also identify areas for improvement and optimization. Training program helps to build the skill and knowledge which helps to improve the performance and also the overall output of the work. Ultimately, a robust ROI analysis enables informed decision-making, resource allocation, and the continuous enhancement of training initiatives which help to give the maximum output with the minimum resource available which leads to the maximum output with the less cost to drive sustainable growth and success. And making sure that employee has a proper growth in the organization and fulfill the goals of the organization which is improving his personal as well as the career growth which leads to employee satisfaction and the growth if the organization and also we see the employee performance through the training program which is conducted in the organization by this we can assess the returns on the investment we made in the training program [2-4]. The objectives for the training program are to identify specific skills or knowledge where they provide training program which helps to learn new skill and increase the existing knowledge which is expected to be gained. And to provide the training program the organization needs to calculate all costs associated with the training program, including materials, instructor fees, employee time. In this program we cannot overlook intangible benefits like employee morale, retention, and company culture improvement it need to be flexible and should be able to adapt by every employee in the organization where it should be adaptable. Use the insights gained to refine future training programs it is a continuous improvement where they need to adapt the changes which are happening around and also the new technology which has come into existence it needs to be adapted and be implanted in the
organization where the employee needs to undergo the training program [5]. And it increases the performance of the employee where it would be helpful for their personal growth which leads to the employee satisfaction where the output would be great by the employee [6-9].

2. Purpose
Training programs prepare employee with the necessary skills and knowledge they need to perform their daily tasks. Moreover, training programs provide employees with extensive knowledge in their respective fields allowing them to get more experienced and comfortable doing their job. When employees acquire these skills they would be able to boost their productivity and efficiency [10].

2.1. Objectives of The Study
- To understand the training and development mechanism
- To assess the impact of training on employee performance
- To analyze return on investment on training programs.

3. Methodology of The Study
The present study is empirical in nature. The data is gathered from the primary sources through questionnaire and from the secondary source through the websites, research papers, online journals, review of literature from published articles and the internet. Simple random sampling technique is used with a sample size of 100. Statistical tools utilized for data analysis include correlation, ANOVA and regression hypothesis test will be done. The study confined to Hyderabad only [11].

4. Review of Literature
Armstrong, 2001; Craig, 1987
Employee training and development has emerged as a major educational enterprise over the past three decades. This increase is associated with a demand in the workplace for employee at all levels to improve performance in their present jobs to acquire skills and knowledge to do new jobs, and to continue their career progress in a changing world of work. [1] Bass, B.M., & Vaughan, J.A. (1966)
Bernard M. Bass was a distinguished scholar known for his work on transformational leadership theory, which emphasizes the role of leaders in inspiring and motivating their followers to achieve higher levels of performance and moral development. His research has had a profound impact on how leadership is understood and practiced in various organizational contexts and James A. Vaughan's contributions to the field of organizational behavior include research on topics such as organizational structure, communication, and group dynamics. While specific details about their joint work in 1966 are not readily available, it's possible that they collaborated on a paper or project related to leadership or organizational behavior during that time period. [2] Kane 1986)
If the training and development function is to be effective in the future, it will need to move beyond its concern with techniques and traditional roles. He describes the strategic approaches that the organization can take to training and development, and suggests that the choice of approach should be based on an analysis of the organization’s needs, management and staff attitudes and beliefs, and the level of resources that can be committed. This more strategic view-point should be of use in assessing current efforts as well as when planning for the future [12-14].

5. Hypothesis Formulation
H01: There is no significant relationship between designation and employee satisfaction.
H02: There is no significant impact of training on employee performance
H03: Return on investment and development strategies are independent

5.1. Hypothesis Testing
H01: There is no significant relationship between designation and employee’s satisfaction. (Refer Tables 1 & 2).

<table>
<thead>
<tr>
<th>Designation</th>
<th>Employee satisfaction</th>
</tr>
</thead>
<tbody>
<tr>
<td>47</td>
<td>8</td>
</tr>
<tr>
<td>13</td>
<td>22</td>
</tr>
<tr>
<td>10</td>
<td>24</td>
</tr>
<tr>
<td>30</td>
<td>28</td>
</tr>
<tr>
<td>0</td>
<td>18</td>
</tr>
</tbody>
</table>
Interpretation: Based on the correlation coefficient provided (-0.4563), it seems there is a moderate negative correlation between designation and employee satisfaction. This suggests that as designation decreases, employee satisfaction tends to increase, and vice versa. Other factors could be influencing both designation and employee satisfaction independently. To determine whether there is a statistically significant relationship between designation and employee satisfaction, this hypothesis test is conducted. This would involve testing whether the correlation coefficient is significantly different from zero.

H02: There is no significant impact of training on employee performance. (Refer Tables 3 to 6).

### Table 2 Correlation

<table>
<thead>
<tr>
<th>Designation</th>
<th>Employee satisfaction</th>
</tr>
</thead>
<tbody>
<tr>
<td>Designation</td>
<td>1</td>
</tr>
<tr>
<td>Employee satisfaction</td>
<td>-0.4563</td>
</tr>
</tbody>
</table>

### Interpretation

The summary output presents a linear regression analysis between different training and employee satisfaction. The regression model is significant (p <0.05) indicating that there is difference in training assessment and employee performance. The R square value of 0.004 implies that about 0.4% variability in performance assessment for different training methods. Overall there is significant difference in training assessment of select training performance. Reject H02, Accept Ha2 there is a significant impact on training performance.

H03: Return on investment and development strategies are not independent. (Refer Tables 7 to 10).
5.3. Summary Output

Table 7 Regression Analysis

<table>
<thead>
<tr>
<th>Investment</th>
<th>Development strategies</th>
</tr>
</thead>
<tbody>
<tr>
<td>40</td>
<td>15</td>
</tr>
<tr>
<td>40</td>
<td>23</td>
</tr>
<tr>
<td>14</td>
<td>36</td>
</tr>
<tr>
<td>6</td>
<td>26</td>
</tr>
</tbody>
</table>

Interpretation: the summary output presents a linear regression analysis between investment and development strategies. The regression model is significant (p>0.05) indicating that there is difference in investment assessment of different development strategies. The R square value of 0.486 implies that about 48.6% variability in investment assessment for different development strategies. Overall, there is significant difference in investment assessment of select development strategies. Accept H03, Reject Ha3.

6. Observations

Training and development programs play a pivotal role in enhancing employee skills, knowledge and performance within organizations. Observations on such initiatives reveal a spectrum of impacts, including improved employee engagement, enhance job satisfaction, increased productivity and reduction in turnover rates. Moreover successful training programs often correlate with heightened innovation, better employee retention and more adaptable workforce contributing to overall organization growth and competitiveness. Regular assessment and feedback mechanisms are crucial to ensure that training efforts align with organizational objectives and yield a favorable return on investment. Observing the return on investment (ROI) of a training program involves assessing various metrics such as increased productivity, reduce turnover and improved performance.

6.1. Findings

- It is observed that training employees shows more interest in participation at conference and role play along with online courses initiated by the organization. This helps to gain employees knowledge and achieve high performance by the employees.
- The returns which the organization gets back is by providing training program to the employees is by the effective output they towards the work they
have been assigned and the overall output they
give to the organization

- Training improves employee’s motivation as well
  the satisfaction and the knowledge they get by the
  training program they have provided by the
  organization
- ROI measures the factors such as increased
  productivity, improved employee performance
  and reduce turn over.

**Conclusion**
The conclusion is regarding accessing return on
investment for training and development initiatives
would likely involves analyzing the effectiveness of
the program in achieving its objectives compared to
the cost incurred. This could include metrics such as
improved employee performance, increased
productivity, reduce turnover and enhanced skills.
Continuous evaluation and adaption of training
initiatives are essential for maximizing return on
investment and ensuring ongoing success in talent
development. Ultimately the conclusion would
assess whether the benefits outweigh the expenses,
providing insights into overall value of the training
and development efforts. It is not only important to
evaluate the training but to realize how much it has
boosted the bottom line. Here is where the ROI
comes to the fore possibly on helping management
realized that training is truly an invested and not an
expense. By evaluating training programmes with
the ROI in mind, training functions can be perceived
in a more credible light. Programs aligned with
organization strategy are offered, while others add
little value are redesigned and sometimes
eliminated. With proper planning around a proven
framework, realistic evaluation targets and shared
responsibilities for major steps the ROI process can
be implemented in cost-effectiveness, systematic
manner and can assist the resources-constrained
training function to present their work in terms of
financial benefits.

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