



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 1 Correlation Analysis

Designation	Employee satisfaction
47	8
13	22
10	24
30	28
0	18

Table 2 Correlation

	Designation	Employee satisfaction
Designation	1	
Employee satisfaction	-0.4563	1

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 3 Regression Analysis

Training	Employee performance
23	24
42	9
25	56
10	11

5.2. Summary Output

Table 4 Regression Statistics

Multiple R	0.070107
R square	0.004915
Adjusted R	
Square	-0.49263
Standard error	26.52405
Observation	4

Table 5 ANOVA

ANOVA		SS	MS	F	Significance F
	D		6.94980	0.00987	0.929893
Regression	1	6.949807	6.949807	9	
Residual	2	1407.05	703.525		
Total	3	1414			

Table 6 Summary Output

	Coefficients	Standard error	T stat	p-value	Lower 95%	Upper 95%
Intercept	27.89575	32.01139	0.871432	0.472	-109.8388	165.6296
X variable 1	-0.11583	1.1654	-0.09939	0.923	-5.13014	4.89848

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).



Table 7 Regression Analysis

Investment	Development strategies
40	15
40	23
14	36
6	26

5.3. Summary Output

Table 8 Regression Statistics

Multiple R	0.697249
R square	0.486156
Adjusted R	
Square	0.229234
Standard error	15.47421
Observations	4

Table 9 ANOVA

ANOVA	Df	SS	MS	F	Significant F
Regression	1	453.0973	453.0973	1.89223	0.302751
Residual	2	478.9027	239.4513		
Total	3	932			

Table 10 Summary Output

	Coefficient	Standard error	T stat	P value	Lower 95%	Upper 95%
Intercept	60.39823	26.87122	2.247692	0.153597	-55.2193	176.0157
X variable 1	-1.41593	1.029329	1.37558	0.302751	-5.84478	3.012918

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 H_0 , Reject H_a .

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

- Performance level is also found that the current opportunities provided by the company for the employee's professional development help to enhance satisfaction level of the employees within the workspace
- 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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