

## Strategic training and development and organization performance- A critical analysis

Ooko George Oduor<sup>1\*</sup> and Dr. Rev. Willis Otuya<sup>2</sup>

<sup>1</sup>Ph.D student,<sup>2</sup>Senior Lecturer- Department of Business Administration and Management Science, P.O.BOX 190-50100, Masinde Muliro University of Science and Technology, Kakamega, Kenya.

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### Abstract

*In this global world, the business environment has changed with intense pressure on organizations to become competitive. Organizations that wish to be successful should confront with increased competition resulting from economic environments, changes in technology and globalization. The survival of an organization thus lies with its ability to train and develop its human resource to be innovative, creative and inventive for enhancement of organization performance. For training and development to be effective in an organization, it must be aligned to the overall business strategy leading to the concept of strategic training and development. Training and development needs assessment is also imperative towards the success of an organization. Strategic training and development thus focuses on the design and implementation of training and development systems to successfully impact organizational performance. Critical review of literature shows that little if any is known about the relationship of strategic training and development on organization performance. Most of the studies have isolated training and development thus relating them to either employees' performance or organizational performance. This study therefore critically examined the existing gap which necessitated a further study on the relationship between strategic training and development on organization performance. The study reviewed existing literature on training and development using desktop research design.*

**Keywords:** Strategic training and development, organizational performance, training needs, training needs assessment, training and development programmes

### 1. Introduction

In this global competitive world, the survival of an organization lies with its ability to train and develop its human resource to be innovative, creative and inventive for enhancement of organization performance and its competitive advantage (Edralin, 2004; Lynton and Pareek, 2000; Vemić, 2007). Authors have defined training and development in different ways.

Ivancevich (2010) conceives training and development as a process that attempts to provide employees with information, skills and understanding of the organization and its goals. It is a long run venture in ensuring that employees have the needed skills, knowledge and competency so as they can contribute positively to the success of the organization. Drummond (2000) differentiated training from development by asserting that training is the use of formal and informal processes to impart knowledge and skills for satisfactory job performance while development is the preparing for change in the form of new jobs, new responsibilities, or new requirements that may not yet exist in an

organization. Training and development is a techniques used by an organization to transfer to the employees relevant skills, knowledge and competence for improved performance of employees on current jobs and future assignment (Katou and Budhwar, 2006; McNamara, 2008; Parce and Robinson, 2009).

### 2. Strategic training and development and organization performance

Strategic Training and Development is the designing and implementation of training and development systems to successfully impact organizational performance (Tannenbaum, 2002). For training and development to be effective in an organization, it must be aligned to the overall business strategy. Organizations that have superior performance are known not only to embrace training and development initiatives but also to make them strategic in nature. Kraiger and Ford (2006); Sessa and London (2006) pointed out that the major ingredient of strategic training and development includes: management of knowledge, continuous learning and development programmes to assist organizations

\*Corresponding author's ORCID ID: [orcid.org/0000-0001-8970-6699](http://orcid.org/0000-0001-8970-6699)

increase their ability to detect change, adapt and anticipate trends in the world of work. Employees' training and development is a strategic learning of the job related skills, knowledge, behavior and ability that are crucial for efficient performance in enhancement of organizational effectiveness (Noe, 2000). Ooko, Manyasi and Ondiek (2016) noted that competitive organizations are those that embrace talent development strategies of career management, succession planning, training and development strategies.

The performance of the organization in the study context refers to contributions gained by an organization as a result of strategic training and development initiatives. These contributions according to Cook and Hunsaker (2001) effective and efficient utilization of organization resources and professionally with competency which is enhanced with the help of training and development. Performance of an organization can be defined as how efficient and effective managers use organizational resources to satisfy customers' needs and wants and timely achievement of organizational goals and objectives. Collins *et al.* (2003) study findings depict that development in the employee's skills through training reduces the rate of turnover in an organization.

For an organization to have an effective training and development programme which is strategic in achieving organization objectives, it must first identify training needs via training need assessment. This is because training and development of human resources is a very expensive venture to undertake hence satisfactory reason must be given before rolling it out. After developing the training needs according to outcome McCourt and Derek (2003), the next step is to select techniques suitable for these needs, planning how to implement them and thereafter evaluate outcome. Leigh, Watkins, Plat and Kaufmann (2000) noted that training needs assessment is the alignment of training systems with the organizations business strategy and operating constraints. Training and development systems should also be designed in such a way that it supports knowledge as well as skills acquisition and transfer.

Needs assessment is critical because it links training and development initiatives with the overall goals of the organization and also helpful in evaluating whether training is a viable option for the organization based on its resources and strategy (Leigh, Watkins, Plat and Kaufmann, 2000). According to Tannenbaum (2002) needs assessment should focus on whether appropriate support is present in the organization to support transfer of training on the application of trained skills. This means that for an organization to increase its productivity, transfer of training is an essential component whereby the employees put into practice what they have been trained in their day to day activities.

### 3. Relevance of training and development

Mullins (2007) argues that training and development improve knowledge and skills and to change trainees

attitude of employees in an organization. The benefits accrued by an organization that trains and develops its staff includes: increasing confidence and commitment of staff, provision of the needed recognition and enhances responsibility that can results in promotion of employees. According to Cole (2004) added that systematic training and development leads to: greater commitment of staff, Improved service to customers , improvement in job performance and provision of a pool of skilled personnel for the organization resulting in organization increase in productivity.

Successful organization facilitates training and development programmes for their employees which forms integral part of the organization's business strategy to bridge the gap between what should happen and what is happening in an organization. Quartey (2012) observed that training and development of organization most valuable asset (employees) leads to improved productivity thus leading to competitive advantage. Training and development of employees enhances their capabilities, competences and reasoning faculty (Lynton and Pareek, 2000) which leads to improvement of organization performance as well as gaining competitive advantage (Bowen and Ostroff, 2004; Armstrong, 2010). McNamara (2008) also asserts that training and development increases employees' innovation, invention, efficiencies and capacity to accept new techniques and technologies.

### 4. Empirical literature

Several studies have been conducted on the relationship between training and development on organization performance. Conti (2005); Dearden (2006); Ballot, Gerard, Fakhfakh, and Taymaz, (2006) observed that training have an impact on productivity of an organization and where employees and employers were able to share the benefits from training. Barrett and O'Connell (2001) further concurred that general training has positive impact on firm performance. Ooko *et al.* (2016) study on talent management strategies on employees' productivity found out that talent development strategy has a positive and significant relationship on employees' productivity. The elements of talent development strategy highlighted by the study included; career management, succession planning and training and development.

Nankervis, Compton and McCarthy (1999) study found out that there is positive relationship between employee development and organizational performance. It was noted that effective training equipped employee with knowledge and skills needed to accomplish jobs and helping in achievement of organization overall objectives by contributing to satisfaction and productivity of employee. Training and development influences corporate performance because by developing human capital through continuing training results to an increase in each employees productive output either through improvement in job satisfaction, morale skill level (Dessler, 2003; Mondy, 2008).

Studies conducted by Aycan (2003); House *et al.* (2004) and Javidan (2004) concluded that there is positive relationships between training and development strategies on organizational performances. They also observed that organization that train and developed their employees attains high performance due to employees' job satisfaction. Ideally, the more employees are trained and developed and are satisfied with their environmental conditions and daily work, the more they are likely to enhance their organizations performance. Trained and developed employees contribute to high achievements of organization leading to better performance (Niazi, 2011).

### 5. Critique of the literature

As per the literature, it is evident that training and development are inseparable component because training precedes development although most of the researchers have researched extensively on training definition, little is known about development despite the fact that they are inseparable. Drummond (2000) differentiated training and development to be separate entities. In defining strategic training and development, there seems to be inadequate literature because most of the studies reviewed on dwelled with training and development leaving the strategic part of it (Collins *et al.*, 2003; Leigh, Watkins, Plat and Kaufmann, 2000; Noe, 2000).

On relevance of strategic training and development, the reviewed literature is inadequate in that it deals majorly on the relevance of training and development and little is known about the relevance of strategic training and development (Mullins, 2007; Quartey, 2012; Lynton and Pareek, 2000; Bowen and Ostroff, 2004; Armstrong, 2010; McNamara, 2008). All these studies assert that training and development is of relevance to the organization. Further research is inevitable to find out the benefit of strategic training and development.

Finally, regarding relationship between strategic training and organization performance, there is inadequate literature if any because most of the emphasis is placed on the relationship between training and employees performance or organization performance. Some studies also dwelled with combined effect of training and development on organization performance with no emphasis on strategic training and development. For instance; Conti (2005); Dearden (2006); Ballot, Gerard, Fakhfakh, and Taymaz, (2006) majored on the relationship between training and organization performance, Nankervis, Compton and McCarthy (1999) capitalized on the effect of development on organization performance, Ooko *et al.* (2016) analyzed relationship between talent development and employees' productivity while Niazi (2011) studied the effect of training and development on organization achievement. All these studies fall short of relating strategic training and development to organization performance thus a further study to fill this gap is inevitable.

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