

Training and Employee Engagement: An Impact Analysis

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ABSTRACT

Training and Employee engagement has generated a great deal of attention among many human resource practitioners, business entrepreneurs and academic researchers across the globe. Training for employee and engagement is very important for smooth functioning and survival of the business. This research aims to find out the “Effects of Training on Employee Engagement” in a famous Aluminum company of Government of India. The organisation is a Navratna group ‘A’ CPSE having integrated and diversified operations in mining, metal and power under Ministry of Mines, Government of India. The purpose of this research is aimed to study the impact of training on employee engagement. A survey of 143 employees via self-administered questionnaire with the help of simple random sampling technique is conducted. The data has been checked through statistical software SPSS 25.0 to perform the descriptive analysis, t-test and regression analysis through Structural Equation Modelling (SEM).

This study will be restoring further research and establish the significance of employee training and engagement and align them strategically for sustainability of the organization and retention of the employees.

Key Words: Employee, Training, Engagement, Sustainability, Organisation, Relationship.

INTRODUCTION

In this competitive world, training plays an important role in the competent and challenging format of business. Training is the nerve that suffices the need of fluent and smooth functioning of work which helps in enhancing the quality of work life of employees and organizational development too. Development is a process that leads to qualitative as well as quantitative advancements in the Organization, especially at the managerial level, it is less considered with physical skills and is more concerned with knowledge, values, attitudes and behavior in addition to specific skills. Hence, development can be said as a continuous process whereas training has specific areas and objectives. So, every organization needs to study the role, importance and advantages of training and its positive impact on development for the growth of the organization. Training implies constructive development in such organizational motives for optimum enhancement of quality of work life of the employees. Various types of training and development programs help in improving the employee behavior and attitude towards the job and also uplift their morale. Thus, employee training and development programs are important aspects which are needed to be studied and focused on as organization development and training are complementary to each other organization.

Training effectiveness is the degree to which trainees are able to learn and apply the knowledge and skills acquired in the training programme it's depends on the attitude, interests, values and expectation of the trainees and training environment. A training programme is likely to be more effective when the trainees intend to learn, get involves in their jobs and have career strategies. The right training and development can greatly enhance employee engagement by nurturing talent and helping people to learn new things and improve their performance. An engaged workforce who possess the necessary skills, knowledge and expertise is crucial for any organization who wants to achieve high levels of business success. In our current challenging and competitive business environment, training and development has been more important as a means to keep employees engaged and maintain that competitive advantage. Thriving organizations rely on their people to perform consistently well. This can only be achieved if they are feeling engaged and motivated. In order to harness the positive effects of training, employees have to see the link between where they are now and where they want to get to and how training is going to bridge this gap. Done efficiently, training and development will then provide the means to motivate and engage employees like never before. People will feel valued for their contribution and they will understand that the organisation supports them to be the best that they can be. Thus,

training helps not only in engagement of employees but also in individual as well as organizational development.

ORGANISATION OVERVIEW

National Aluminium Company Limited (NALCO) is a Navratna CPSE under Ministry of Mines. It was established on 7th January, 1981, with its registered office at Bhubaneswar. The Company is a group 'A' CPSE, having integrated and diversified operations in mining, metal and power. The Company registered a record net-profit of Rs 1732 crore in 2018-19, which is the highest in a decade and sales turnover of Rs 11386 crore in financial year 2018-19, which is the highest since inception. The export earnings have been recorded at 4,793 crore, also registering an impressive growth of 18 per cent over 2017-18. In matters of profitability, NALCO is ahead of its private sector peers by registering EBIDTA margin of 28 per cent. Presently, Government of India holds 51.5% equity of NALCO. NALCO is one of the largest integrated Bauxite-Alumina-Aluminium- Power Complex in the Country. Commissioned during 1985-87, NALCO has emerged to be a star performer in production and export of alumina and aluminium, and more significantly, in propelling a self-sustained growth. At Panchpatmali hills of Koraput district in Odisha, the company started its Bauxite Mines during November of the year 1985.

After a year, during September of the year 1986, in the picturesque valley of Damanjodi in Koraput district, the company formed the Alumina Refinery. Aluminium Smelter of the company at Angul in Orissa was came to existence since early 1987. The Company had commenced the Alumina export and Aluminium export in January and September respectively during the year 1988.

The Company made collaboration with various government agencies with aim of set up the facilities for extraction of gallium metal with an annual capacity of 950 kg at Damanjodi unit. During the year 1995, Smelter plant at Angul was undertaken with a capacity of 26000 TPY of strip casting facility, a special Alumina plant at Damanjodi was undertaken with a capacity of 20,000 TPY, a 10,000 TPY detergent grade Zeolite (Zeolite-A) plant at Damanjodi was undertaken and a 1000 Kg. per annum 5 N purity Gallium plant at Damanjodi based on indigenous technology was undertaken. The Company had explored the possibility of diversification during the year 1996 in terms of little other value added products such as special grade, alumina, Zeolite and aluminium cast wheel etc. in the year 1997, NALCO received the Niryat Shree award for two straight years, 2000-01 and 2001-02 from the Federation of Indian Export Organisation (FIEO) for excellence in exports.

The company, like most other public sector units, has been constantly striving for enhancing its competitiveness with focus on the core competencies of managing human resources (Training, career advancement, performance management, employee relations, etc.), customer satisfaction and profit making. The organization has succeeded in its endeavours. The findings of the study indicate that the prevalence of a positive work culture, which appeared to be largely dependent on the nature of the organizational climate prevailing in the organization is one of the most significant success ‘mantras’ of NALCO.

STATEMENT OF THE PROBLEM

Employees of the company must need to be trained to meet the challenges of the Aluminium industry. So, considering the preceding basis, the study is carried out to examine the improvement of employee engagement due to training. On the basis of above discussion of the statement of problem, this research can be observed as follows”

“To evaluate the impact of training on employee engagement”

RELEVANCE OF THE STUDY

During past two decades, employee engagement became a very popular managerial concept. Engaged employees are more committed towards their jobs and are loyal towards the organization. Engagement improves the satisfaction, motivation and psychological contacts of employees. On the other hand, it generates higher profit, productivity, customer satisfaction and loyalty. Organizations use different engagement building tools in order to stay competitive and improve performance. Training and Development is one of them which enhance employee engagement by nurturing talent and helping people to learn new things and improve their performance. Most people want to feel that they are doing a good job and that they are valued by their organization for the part they play. In addition, they prefer to have variety in their work and see development potential in their role. So organisations invest in their people through training and development initiatives are also viewed more favourably by employees than those in organizations who don't.

Thus, this study will be an attempt to contribute to the research regarding how training and development helps in employee engagement in order to improve the overall effectiveness of organisation. The study assumes immense importance as its findings will facilitate the sample of organization i.e., NALCO in modifying its training programmes to make them more effective in order to enhance the engagement of employees as well as organizational performance.

LITERATURE REVIEW

Training

In simplistic terms training can be defined as an activity that changes people's behaviour. According to Flippo (1984), training is the act of increasing the skills of an employee for doing a particular job. Goldstein (1993) defines training as a systematic acquisition of skills, rules, concepts or attitudes that results in improved performance in another environment. Chiaburu and Tekleab (2005) have defined training "as the planned intervention that is designed to enhance the determinants of individual job performance". Training is the area where organisational, industrial, and individual development can match, and where human resource and organisation growth get blended together (Sundarajan, 2007). It refers to a planned effort by a company to facilitate employees' learning of job-related competencies; these competencies include knowledge, skills, or behaviours that are critical for successful job performance (Noe, 2009).

Training and development help an organisation in optimising the utilisation of human resources, which further helps employees to achieve organizational goals, as well as their individual goals. Guzzo et al. (1985) expressed the view that training programme is the most powerful activity among many organisational interventions. The goal of training is to enable employees to master the knowledge, skills and behaviours emphasised in training programmes and to apply them to their day-to-day activities. Training serves to improve the performance of employees, which, in turn, provides a competitive edge to the organization (Schraeder, 2009).

According to Goldstein (1986), training is defined as "the systematic acquisition of skills, rules, concepts, or attitudes that result in improved performance". Individuals rely on training to improve their current skills and learn new skills (Mathieu et al., 1992). Organizations rely on training to enhance the productivity and performance of their employees (Hornsby and Williams, 1990; Tobias, 1991). Training has been a major area of research in human resource management and organizational psychology for many years. Unfortunately, most of the studies assess effectiveness at an individual level and there are a very few studies assessing effectiveness at the organizational level (Tharenou et al., 2007). According to Swieringa and Wierdsma (1992), training is said to be one of the most important interventions to nurture the learning process. For a company to cope with the rapid changing environment, it is necessary to invest in retraining, upgrading, updating and converting the skills of the existing workforce. Ward et al. (1994) and Agnew et al. (1997) have suggested that to promote organizational performance and industry competitiveness, workforce training and development is an important adjunct. Training needs are

important to a company to maintain its employees' skills and competence to meet the future challenges as well as achieve a better performance.

Generally, employees' knowledge, skills and abilities need to keep current to match with the requirement of the job. Hence, training and development program are essential to ensure the employees' competencies are updated. According to Aguinis and Kraiger (2009), training and development activities will bring positive effects toward organization and their personal goal. Moreover, better training and development may increase the confidence and self-efficacy among employees to perform well in the job (Wang, 2005).

As a whole, training is a tool which helps in individual as well as overall organization development and growth.

Employee Engagement

Employee engagement is the degree to which an employee is cognitively and emotionally attached to his work and organization. It reflects in the level of identification and commitment an employee has towards the organization and its values. An engaged employee is aware of the business context, and works as a team member to improve performance of the job for the benefit of the organization. Engaged employees are concerned about the future of the organization and are willing to invest discretionary efforts for the organization. Hewitt Associates (2006) defines employee engagement as those who say speak - positively about the organization, stay – desire to be an effective member and strive - continue to perform beyond minimal requirements for the organization. Engaged employees are more profitable, productive, focused, have fun and less likely to leave the company because they are engaged (Gallup Organization, USA, 1999). Employee engagement is closely linked to employee turnover, customer satisfaction, loyalty, productivity, safety and profitability criteria (Harter, Schmidt and Hayes 2002). Studies on Employee engagement (Tower Perrin, USA 2003, 2007) linked the same to customer impact and financial results. They suggested that there exists a close relationship between high levels of employee engagement and lower staff turn-over rates, higher customer satisfaction and loyalty, the need to create development and career growth opportunities, appropriate leadership styles and work – life balance were deemed important to attract, retain and engage employees. According to Corporate Leadership Council (2004), engaged employees are less likely to feel exhausted and express cynicism towards the organization. They are assets who will guarantee organizational success.

Training and Employee Engagement

According to Kahn (1990), employees are more likely to be engaged when they are clear about what is expected from them and well understand the opportunities ahead of them. Employees if, are trained and developed in a transparent manner aligning the needs of both ends, would result in enhanced engagement. Training and development is designed to fulfill the needs of self actualization of individuals and once they feel that they are provided with the opportunities to become what their full potential is, they exert their maximum endeavors towards their job performance. According to Paradise (2008), Training and development is an important factor for improving employee engagement. Training improves service inaccuracy and thereby impact service performance and employee engagement (Keaveney, 1995). When the employee undergoes training and learning development programmes, his confidence builds up on the area of training that motivates him to be more engaged in his job. Therefore, training and development are the basic tools to make employees engaged in their work and make them more productive.

Malik et al. (2013) stated that training and development is considered as a key element to raising employee engagement. They further noted that the improvement of fresh skills and knowledge will ultimately apply into their job performance to enhance employee engagement. In similar vein, Sahinidis & Bouris (2008) proved that when employees perceived that training and development is effective, it shows a strongly positive relationship with motivation, job commitment and job satisfaction. Employees who are able to enhance their knowledge and skills through training are most likely to be fully engage and adaptive to their work field, because of the satisfaction on completed the new assignment and increase their future employability (Lockwood, 2007).

Phillips (2008) studied the interaction of individual task characteristics and individual's ability to perform to determine the individual task engagement. The individual ability can be improved through training and development of the individual. Thus training and development has a positive effect on individual's ability to perform thus increase the task engagement of the individual. Proper training and performance rewards system can induce maximum employees' engagement in any organization (Kyani et al., 2011). Performance of engaged employees leads an organization towards maximum productivity (Khan et al, 2012; Bassi & Laurie, 2010).

SCOPE OF THE STUDY

The proposed study will be an analytical one and based on case study method. This study will be conducted in National Aluminum Company Limited (NALCO). The study will focus on

evaluating the impact of training on employee engagement. The present study will examine the nature and extent to which training can be an important tool for organization development. This systematic study will contribute towards the well-being of the employees and maintenance of healthy organizational climate for survival and sustainable development of the organizations. The findings of the study will be useful not only to the sample organization i.e., NALCO but to similar other organizations.

OBJECTIVES OF THE STUDY

The objectives of the study are:

- a) To study the perception of the employees regarding training and employee engagement.
- b) To analyse the impact of training on employee engagement.
- c) To offer suggestions for making training more effective thereby enhancing employee engagement.

HYPOTHESIS

On the basis of literature review and theoretical frame work, the following hypothesis is formulated for the purpose of this study.

H1: There is a significant relationship between employee training and employee engagement

METHODOLOGY

Methodology of the study includes the research problem, formulation of hypothesis, collection of data, correlation of these data, and projection of the outcomes of the study.

a) Research Design

The proposed study is an exploratory one which is purely based on primary and secondary information collected from sample organization.

b) Sources of Data

Information has been collected from both primary and secondary sources for analysis and interpretation, and to justify the relevance of the study.

c) Sampling

The simple random sampling method has been followed to select the respondents for the purpose of this study and attempt will be made for proper representation of respondents from the universe

d) Methods of Collection of Data

The primary data has been collected through the methods like structured interview schedule, focused group discussion, etc. and the secondary data has been collected from different sources like official documents, records, files, brochures and annual reports.

e) Data Analysis

In order to analyze the data, the descriptive analysis such as mean, percentage, standard deviations, reliability coefficients and inferential analyses such as structural equation model have been used. All variables were tested for outlier, missing data and normality.

Profile of the sample

The primary data is obtained through a well framed questionnaire circulated among the staff of NALCO. The questionnaire comprises of personal and organizational details to be filled by the respondents. In particular the study ascertains the age, education, current position in the organization, years of experience, age and current position in the organisation.

Particulars	Frequency	Percent	Cumulative Percent
Gender			
Male	109	76.2	76.2
Female	34	23.8	100
Total	143	100	
Educational & Professional Qualification			
Certificate / ITI	3	2.1	2.1
Diploma	13	9.1	11.2
Graduate	32	22.4	33.6
B. Tech	75	52.4	86
Post graduate (Masters/PhD)	20	14	100
Total	143	100	
Current position in the organisation			
Supervisory	13	9.1	9.1
Assistant manager	33	23.1	32.2
Deputy Manager	47	32.9	65.1
Manager	43	30	95.1
Others specify	7	4.9	100
Total	143	100	
Tenure with the current organisation			
Less than 1 year	7	4.9	4.9
1 to 3 yrs	36	25.2	30.1
4 to 7 yrs	57	39.9	70
8 to 14 yrs	32	22.3	92.3
Above 15 yrs	11	7.7	100
Total	143	100	
Age groups			
Below 30 yrs	43	30.1	30.1
30 to 40 yrs	57	39.9	70
40 to 50 yrs	32	22.3	92.3
50 yrs and more	11	7.7	100
Total	143	100	
Nature of the current job			
Causal	12	8.4	8.4
Contractual	33	23.1	31.5
Permanent	98	68.5	100
Others	0	0	100
Total	143	100	

Table 1: Demographic Profile of the respondents (N = 143)

Source: developed from the survey data

The above table shows the demographic profile of the different respondents. All together 143 valid respondents have been taken for the data analysis. Out of the total respondents, 76.20 percent are male and 23.80 percent are females. In educational qualification, majority are having B. Tech degree (52.40 percent), then 22.40 percent are graduates, 14 percent respondents are post graduates and rest 9.10 percent are diploma holders.

Further, regarding position in the organization majority of the respondents (32.90 percent) are deputy managers, then 30 percent are managers, 23.10 percent respondents are assistant manager and rest 9.10 percent are at supervisory level. With respect to the number of years in the organization, 39.90 percent respondents are having 4 to 7 years, 25.20 percent with 1 to 3 years and 22.30 percent are having 8 to 14 years association.

Similarly, 39.90 percent of respondents are in the age group of 30 to 40 years, 30.10 percent of respondents come below 30 years. Few of the employees (22.30 per cent) are in the age group of 40 to 50 years whereas 7.70 per cent are in the age of 50 years and more.

Further in nature of the current job, majority of the employees (68.5 per cent) are permanent whereas 23.10 percent and 8.40 per cent respondents are contractual and casual in nature respectively.

Training attended in the last 12 months

Table-2 shows that 100% of respondents had undergone training in the last 12 months.

Table 2: Training attended in the last 12 months by the employees

Training participation in last 12 months	No. of respondents	Total population	Formula for calculation	Percentage (%)
Yes	143	143	$143/143 = 1$	100%
No	0	143	$0/143 = 0$	0%

Source: developed from the survey data

Reliability Analysis

Cronbach's Alpha was calculated to understand how much the items are positively correlated to one another in any given set of questions and to check the reliability of the items included in the questionnaire. After reviewing Table 3, it can be concluded that the items used in

the questionnaire are internally homogenous and consistent (Cronbach's alpha value >0.8). At the same time, all items that validated the questionnaire were good. Therefore, all the factors and variables in the questionnaire are significant for the study.

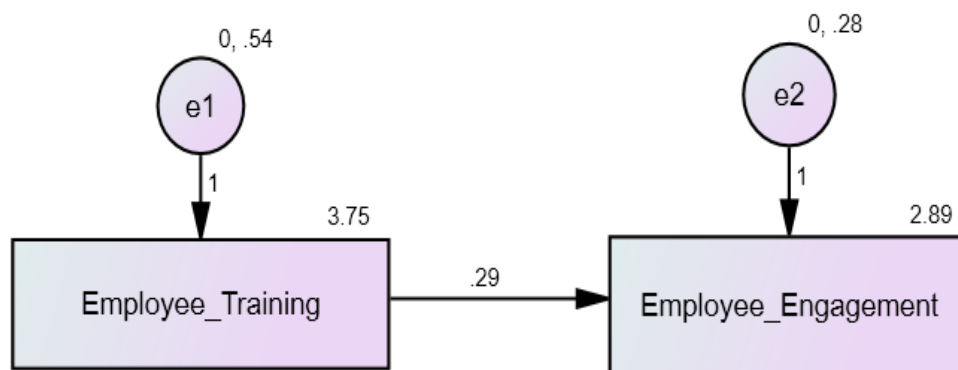
Table 3: Reliability Analysis of Training and Employee Engagement

Sl.	Particulars	Mean	SD	Cronbach's Alpha	N of Items
1	Employee Training	4.56	0.21	0.839	23
2	Employee Engagement	4.77	0.25	0.857	24

Source: developed from the survey data

Further, the combined Cronbach's Alpha values of both employee training and employee engagement are above 0.80, which indicates good consistency among the items used in the questionnaire.

Impact Analysis (Training on Employee Engagement)



Source: developed from the primary data

Fig.1: SEM of Employee Training and Employee Engagement

SEM: Structural Equation Modeling

Table 4: SEM results of Employee Training and Employee Engagement

Particulars	CFI	RMSEA	GFI	NFI
Chi-square = 2.15	0.901	0.112	0.898	0.879
Degrees of freedom = 0.00				
Probability level = 0.000				

Source: developed from the primary data

CFI: Confirmatory factor index; **RMSEA:** Root Mean Square Error of Approximation; **GFI:** Goodness of Fit Index, **NFI:** Normative Fit Index

For construct adequacy and discriminate validity of the test of employee's perception towards training and employee engagement in NALCO, a Confirmatory factor analysis through AMOS was used. The fit of the model was examined and verified, that indicator (Training) loaded significantly with its intended construct (Engagement). In the model, Chi-square = 2.15, df = 0.0, $p < 0.001$, CFI=0.901, GFI=0.898, NFI=0.879, RMSEA=0.112, provided a good fit to the data (Browne and Cudek, 1993; Hu and Bentler, 1999). So, employee training loaded significantly with its intended construct (employee) engagement, as evidenced by the p-values less than 1 per cent ($p < .01$).

Regression Analysis (Employee Training on Employee Engagement)

Regression analysis has been used to study the influence of training on employee engagement.

Table 5: Influence (path coefficient) of Training on Employee Engagement (N=143)

Particulars		Estimate	S.E.	C.R. (t-test)	P Label
Employee Engagement	<--- Employee Training	0.292	0.060	4.869	***

Source: developed from the primary data; **S.E.:** Standard Error; **C.R.:** Critical Ratio

The path coefficient of the SEM of employees training on employee engagement is coming positive (0.292~0.29). This shows that training has positive impact on employee

engagement. This proves the hypothesis that *'There is a significant relationship between employee training and employee engagement'*.

Table 6: Regression coefficient of Impact analysis (N=143)

Particulars	Estimate	S.E.	C.R.	P Label
Employee Training	3.748	0.062	60.894	***
Employee Engagement	2.890	0.229	12.601	***

S.E.: Standard Error; **C.R.:** Critical Ratio

Source: developed from the primary data

The above table shows the multiple regression coefficients output derived by SEM. Both the factors i.e. employees training and employees engagement are significant as the p-label of C.R. (Critical ratio) is coming *** (0.0000). Further, the contribution of employee training is higher (3.748) than employee engagement (2.890).

CONCLUSION

The present study was designed to evaluate the impact of training on employee engagement by assessing trainees' reaction to it and their satisfaction with various aspects of the same. For this purpose, a research has undertaken in NALCO-a reputed aluminum company. Analysis of data on reaction of trainees has revealed that training influence the employee engagement of the organization. So many training modules has been developed in NALCO on the basis of Training need assessment and accordingly training has imparted to different groups on the basis of training objectives. Further, periodic review of assessment has been made and found effectiveness of engagement is coming out and employees are become enriched in their delivery and performance.

. Most of the employees were engaged and satisfied to the organisaiton. Therefore, the employees have gained good changed on their performance for engagement after being trained.

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