



Development and Learning in Organizations

India needs to improve training image: Multinationals doing better than local-origin firms

Article information:

To cite this document:

, (2015), "India needs to improve training image", Development and Learning in Organizations, Vol. 29 Iss 2 pp. 26 - 28

Permanent link to this document:

<http://dx.doi.org/10.1108/DLO-01-2015-0006>

Downloaded on: 07 November 2016, At: 20:00 (PT)

References: this document contains references to 1 other documents.

To copy this document: permissions@emeraldinsight.com

The fulltext of this document has been downloaded 124 times since 2015*

Users who downloaded this article also downloaded:

(2015), "Return on Investment (ROI) training evaluation in Malaysian SMEs: factors influencing the adoption process", Development and Learning in Organizations: An International Journal, Vol. 29 Iss 2 pp. 18-21 <http://dx.doi.org/10.1108/DLO-05-2014-0035>

(2015), "Trainees pick up important signals: How discretion helps in leader behavior", Development and Learning in Organizations: An International Journal, Vol. 29 Iss 2 pp. 32-34 <http://dx.doi.org/10.1108/DLO-01-2015-0005>

Access to this document was granted through an Emerald subscription provided by emerald-srm:563821 []

For Authors

If you would like to write for this, or any other Emerald publication, then please use our Emerald for Authors service information about how to choose which publication to write for and submission guidelines are available for all. Please visit www.emeraldinsight.com/authors for more information.

About Emerald www.emeraldinsight.com

Emerald is a global publisher linking research and practice to the benefit of society. The company manages a portfolio of more than 290 journals and over 2,350 books and book series volumes, as well as providing an extensive range of online products and additional customer resources and services.

Emerald is both COUNTER 4 and TRANSFER compliant. The organization is a partner of the Committee on Publication Ethics (COPE) and also works with Portico and the LOCKSS initiative for digital archive preservation.

*Related content and download information correct at time of download.

India needs to improve training image

Multinationals doing better than local-origin firms

Think India and you think of a business powerhouse, relentlessly on track to emerge – along with China – as one of the world's dominant economies. The UN predicts it to grow by 6.4 per cent in 2015, and some economists say it is on course to overtake China as the fastest-growing big economy within two years.

So is it full marks all round to India's business leaders? Well, not quite, because some of them stand accused of not giving due importance to training. Training is recognized as an integral part of work and development if an organization is to be successful, with the USA spending billions of dollars on employee training and development. However, look closely at large and important companies in emerging markets, including India and China, and it can be seen that, in spite of enormous business opportunities, many of them are still falling short of their operational and revenue goals.

What they ought to be doing to improve their performance is rethink their priorities and better tailor their talent and HR management strategy by placing more emphasis on training, non-monetary rewards and career opportunities. Many Indian companies do not have separate training departments, while for others, the training function is part of a general personnel and administration operation. In the organizations which do not have a separate training department, the training responsibility is taken by managers in charge of industrial relations, recruitment, manpower planning, etc.

However, there appears to be a growing recognition in India of training as an organizational tool – an investment rather than an expense – and the subject is getting more attention in boardroom discussions. Although commitment to employee training and development has increased, so too has pressure to demonstrate its contributions to the bottom line. In the past, managers relied on “having faith” that investing more in training would produce improved financial results.

But now there are increasingly evidence-based indications to demonstrate that companies which invest more in training will show better results in terms of, for example, higher net sales per employee and gross profits per employee. Indian organizations appear more willing than they once were to adopt a more strategic approach in the management of training as a critical resource.

Comparison of training attitudes in different sectors

There are likely to be differences in terms of the perceived importance of managerial training in multinational companies (MNCs) and those of Indian origin, and between the country's service and manufacturing companies. In an effort to find out, Dr Harsh Sharma of the Hyderabad-based Administrative Staff College of India undertook a comparison of the importance and performance of managerial training in India among the different

industrial sectors. He concluded that it is incumbent on firms to develop better training strategies and also to work on building a better image for training.

The training function in MNCs in India was perceived to be more important by the stakeholders compared with Indian-origin organizations, implying that training managers in the latter companies have to improve their practices as well as focusing more on communicating with other stakeholders about their initiatives and to take credible feedback. A lack of perceived importance of the training function in an Indian-origin company is a matter of great concern in a highly competitive environment.

There did not appear to be any significant difference between service and manufacturing organizations on the importance of the training function. However, service company's employees and stakeholders had a better opinion about the performance of training compared with those of manufacturing companies. Training professionals were perceived to be equally important in MNCs and Indian-origin organizations.

Outside stakeholders, like other functional managers, top managers and consultants played a more important role in an MNC. Dr Sharma discovered that MNCs in India are able to transfer some of their home-country practices to Indian subsidiaries. More importance for managerial training is presumed in MNCs than in Indian-origin organizations. The performance of the training function is perceived more favorably in MNCs than in Indian-origin organizations.

More emphasis placed on credible business results

The importance and performance of training is manifested in different ways in various types of organizations. Tradition and the nature of business and training activities play a part in these differences. However, in today's competitive global business environment, it is incumbent upon firms to develop better training strategies and also to work on building a better training image.

It seems that Indian-origin organizations have to concentrate on connecting with various stakeholders to improve the image of the training function. In an era of globalization, they cannot be unmindful of this important source of competitive advantage. Further, it is clear that training departments in Indian-origin organizations are more isolated outlets with little involvement from other functional managers and stakeholders. This clearly adds to the department's poor image.

Service companies in India have accepted better managerial training practices. Their employees do not have different views about the importance of training. However, in comparison to manufacturing companies, they believe that training has performed better in their organizations. Interestingly, service companies have put more emphasis on credible business results, which reflect the nature of their business and training activities. Direct customer interaction and a clear link between training and visible business results – such as customer satisfaction – leads to more pressure on training professionals to demonstrate the impact of training on organizational performance.

More importance is presumed in multinational companies for managerial training compared to Indian-origin organizations.

It is incumbent on firms to develop better training strategies and also to work on building a better image for training.

Keywords:

Performance,
India,
Training,
Management development,
Training effectiveness

Comment

This review is based on “Importance and performance of managerial training in Indian companies – an empirical study” by Harsh Sharma. Dr Sharma compares the importance and performance of managerial training in India among different industrial sectors – multinational and Indian-origin, and service and manufacturing. He concludes that Indian-origin organizations fall short in terms of the importance given and performance of the training function compared to multinational companies.

Reference

Sharma, H. (2014), “Importance and performance of managerial training in Indian companies – an empirical study”, *Journal of Management Development*, Vol. 33 No. 2, pp. 75-89.

For instructions on how to order reprints of this article, please visit our website:

www.emeraldgrouppublishing.com/licensing/reprints.htm

Or contact us for further details: permissions@emeraldinsight.com