Training and Development is the Parallel Engine for Business Growth

Dr. Parul Garg

Assistant Professor, Greater Noida Institute of Management, Greater Noida

Abstract:Training and development (T&D) is a function of business ecosystem since long time. The rapid technological change is growing its importance significantly. Recognition is increased at this level; now, it is a parallel engine of the business growth. It is a direct contributor in profit making as well as declining the operational cost.

Keywords:Management, HRM, ROI, Training and Development, Framework, Growth, Approach, Technology, HRD, Business, Talent.

1. **Introduction**:A universal truth- "Necessity is the mother of invention". An invention becomes viable at the cost of un-measurable efforts. Invention gives birth to the new technology.

Though general society welcomes the technology open handed as it ease their life;on the other hand there may be some groups who suffer with anxiety for the implementation of new technology. This can be understood in below listed points:

- Domain of workers whose working style is expected to change slips into fear of Job loss
- Management worries -
    - Challenges for the adoption of technology by existing workforce
    - Availability of skilled talent in market*
    - Hiring cost of new talent**
    - Fitment of new talent into organizational culture
    - Surplus headcount as the migration is In-progress

[1] Talent shortage is the biggest hiring challenge today. In a recent Harris Poll of 515 U.S. human resources and business managers conducted for Glassdoor, 48 percent of respondents said they are unable to find enough qualified candidates to fill open positions, and 26 percent of respondents anticipate this to become a larger problem in the coming months.

[1] Cost is one of the biggest drawbacks of hiring new talent. Some studies suggest the cost of hiring new employees is even greater than Berkeley's research indicates. The Society for Human Research Management

estimates that the cost of directly replacing an employee can run as high as 50 to 60 percent of their annual salary, and total associated costs of turnover can rise to 90 to 200 percent.

2. **Approach**:To sort out the concern of new technology adoption, it is necessary to have a balanced approach which can ensure the actual implementation and prove economically viable. There is no substitute of hiring new talent but this should be limited to ensure the continuity of organizational culture and tocontrol the operational cost.

Hence, this is necessary to define a training and development framework which will ensure the adoption of new technology. Below are some key points to identify the parameters/factors which will contribute in designing of this framework:

3. **Proposed Framework for Training and Development:**This approach is illustrated using our component based framework:

Fig 1: Proposed Framework for Training and Development

3.1. **List out and prioritize the future technology:** This is very important to keep eyes on the on-going and next knocking technologies;prioritize themin training plan is also equally important. This ensures to have the right skills on time.

3.2. **Role based scoping of manpower to train:** All the employees do not require same type or level of trainings. Any Training may be necessary to all employees but the depth/ content may varies according employee's profile.

3.3. **Fix minimum training (man-hours/days):** Learning is a habit this cannot be developed on requirement basis. Hence, this should be mandatory to all employees to attain training for minimum time duration. This will develop learning habit in employees.

3.4. **Overall Return on Investment (ROI):** Business works on fact and figures. It is necessary to keep eye on the benefits of the program. ROI calculation will help to figure out the benefits and will also help to tune the training demands within budget. Overall benefit will be cost effective resource development.
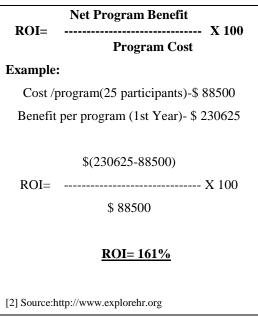
$$ROI = \frac{\text{Net Program Benefit}}{\text{Program Cost}} \times 100$$

Example:

Cost /program(25 participants)-$ 88500

Benefit per program (1st Year)- $ 230625

$$ROI = \frac{\$(230625-88500)}{\$\ 88500} \times 100$$

ROI= 161%

[2] Source:http://www.explorehr.org

Fig 2: ROI Example

4. **Conclusion**: Adoption of technology is must for the business sustainability. On arrival ofnew technology in the organization, hiring of all new talent is not feasible for an established business; this still may result in short of required talent. A well-defined and continuously examined training and development framework will be valuable in new technology adoption.

References:

[1]. https://fosteredu.pennfoster.edu/the-cost-of-hiring-the-perfect-candidate-vs.-training-an-existing-employee

[2]. http://www.explorehr.org/articles/HR_Powerpoint_Slides/Measuring_ROI_of_Training.html