



Financial Implications Of HR Policies: Assessing The Value Of Employee Training And Development Programs

Prof. Dr. Prakash Divakaran^{1*}, Dr Saumya Vatsyayan², Dr Khadilkar Sujay Madhukar², Dr. Sabina A Nair³, Dr. Vandana Mishra Chaturvedi⁴

¹M.com, MBA, M. Phil, Ph. D. Pro-Vice Chancellor, Himalayan University, Itanagar, Arunachal Pradesh.

Email:- prakashtek@gmail.com Orcid - 0009-0001-7185-1326

²Assistant professor, Galgotias University, U.P, saumyavatsyayan@gmail.com

³Director, KIT's Institute of Management Education and Research, Gokul-Shirgaon, Kolhapur, Maharashtra 416234

Email:- Khadilkarsm@rediffmail.com

⁴Assistant Professor, Marketing, School of Management, IILM University, Knowledge Centre, 1, Golf Course Road, Gurugram.

Email:- nairsabina@gmail.com

⁵Vice-Chancellor, D Y Patil Deemed to be University, Sector -7, Vidya Nagar, Nerul, Navi Mumbai-400706

Email: vandanamishra.c@dypatil.edu

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ARTICLE INFO	ABSTRACT
	<p>It is centered on the costs and benefits of “the training programs implemented” by the IT companies of India in the last ten years. A cross-sectional study of 200 full-time workers is at the center of the study and they had participated in at least one of the formal work-related programs during the last two years. Information was collected by an online questionnaire which was closed ended and open ended, and included demographic items, training attended, skills obtained, task efficiency and satisfaction at the training. Besides the studied issue of budgeting and costs related to training programs were considered too. However, most subjects were male youths older than 20 years, and they had both up to 5 years of study and up to 10 years of job experience. The results of the training module evaluation revealed that for 40% of them, they responded to two different trainings that each lasted for eight hours. There were a total of 70% of the employees self-proclaimed to take part in training programs; their satisfaction level was 100%. The CAST study specifically relied on the statistical methods to process the quantitative information, whereas qualitative data processing (i.e survey responses) was thematically analyzed. In fact, 80% of staff were pleased with the training programs and had been to at least two training events. Though the asynchronous learning was said to be effective by 70% of the respondents, 30% of them however indicated that they would have preferred a face to face intensive multi-day training spaced over time. As long as these figures were the same and they consisted of 70% of employees, this rate of turnover could put staff retention and loyalty at risk. In general, the organization demonstrated a great need for the training of their staff, and this addition of relevant and appropriate training could radically improve the capabilities of the human resources to the main management’s benefits. The study design was supported by an ethics committee in the area and adhered to the main</p>

	ethical guidelines.
	Keywords: Training programs, IT companies, Employee satisfaction, Skills development, Staff retention

Introduction

Employee training and development programs form a very important part of human resources management. Such programs put the employees on the top, make the company competitive and enable it to defend itself in the tense modern business environment. The cost of such programs, therefore, implies that organizations must be accurate, as well as being in a position to quantify the value of the programs from the financial perspective (Noe, Hollenbeck, Gerhart & Wright, 2017). This enables human resources departments to waste no efforts in funding training initiatives for employees, which in turn makes them vertically aligned with other business goals such as profitability, productivity and sustainable growth.

Total cost of employee training is composed of direct costs related to course development plus delivery, and indirect costs associated with productivity drop, which occur when employees are temporarily taken from the workplace to participate in training. In 2019, Investment in employee training skyrocketed to a staggering figure at the US workplace- a whopping \$83 billion, statistics from the Association for Talent Development justifies (ATD Research Statistics, 2019). Training programs are not merely tracked by the expenditure but considering ROI which demonstrates the monetary benefit when performance improves, employee retention, customer service and innovation over time (Phillips & Phillips, 2021). Yielding ROI strategies causes the possibility of calculations of intangible, volume, remote returns versus training cost. When the aim is to take credit for the business performance that was largely caused by other factors, the problem becomes especially acute; those factors include leadership, environmental factors and the whole range of HR management practices (Tharenou, Saks and Moore, 2007). Equalizing the influence of such factors by controlling the variables is one of the tools that analysts use to create more precise financial results stemming from investments in talent development exclusively. However, researchers are also trying to reconcile the diverse frameworks applied by ROI across different contexts (Phillips & Phillips, 2021). Concern needs to focus on systems that make the connection between training investments and outcomes while embedded in overall talent management systems (Noe et al., 2017).

Employee abilities and skills constitute crucial assets for the firm's positioning and competitive edge within knowledge-based economies of today. Training courses which hone skills, impart crucial knowledge and advance expertise to a higher level form a vital need for innovating and overcoming change of any nature, be it disruptive (Baron & Armstrong, 2007). Identification and detailed calculations of organizational value added via these human capital developments enable HR managers to create a strategic focus of the interventions towards major capability gaps. It, in turn, contributes to the ability of staff members to make adjustments to the training and periodic training depending on the actual strengths and weaknesses and new emerging needs (Tharenou et al., 2007). Similarly, the skill to estimate precise ROI and believe their statements on ROI will establish a strong credibility for the HR staff among senior management, and signal how research-based talent management approach can indeed contribute to organizational effectiveness built on financial performance and shareholder value (Ulrich & Dulebohn, 2015).

This research is a review of the theoretical and practical views indicated by the academic and scientific publications on the examination of the financial results derived from the investments in the educational or training and development programs. ROI Calculation Methods and Tools is about synthesis. This is where companies learn the ways to show the bottom-line investments, performance addressed, and policies and practices are influenced by an evidence base. The study also depicts where such research needs are unresolved to aid in the deepening of understanding of the interconnection between human capital development initiatives to the monetary profits of the organization concerned. To help the HR managers lead this topic HR practitioners are able to get crucial insights from leading examples, emerging innovations and critical challenges which is around financial modeling of the talent management initiatives.

Objective of the study

- Quantify the return on investment (ROI) of employee training and development programs through financial analysis.
- Identify cost-effective strategies to enhance employee skills and productivity within HR policies.
- Evaluate the impact of employee training and development initiatives on organizational profitability and long-term financial performance.

Materials and Methods

Sample Area and Size

The selection of samples will be made from 5 large multinational corporations operating in the information technology sector in Bangalore city, India and the study will comprise 200 employees working in these 5 organizations. The companies will be selected via convenience sampling and out of these 40 employees will randomly be assigned to each company to take part in the study. The criteria for selection is to ensure only full-time employees who have already gone through at least one formal work-related training program delivered by their company in the past two years are the participants.

Data Collection

Studies will be performed based on both quantitative and qualitative data which will be collected through a survey on the internet. We will be using both closed-ended and open-ended questions in the surveys for statistical analysis purposes as well as to learn about what participants are feeling and experiencing. The survey questions will focus on collecting data on:

- Demographic aspects like age, gender, job roles, education qualification, work experiences etc.
- The kinds of training programs and how many of them I have gone through.
- Training is usually much more efficient, the fact that it is directly aimed at achieving specific goals.
- Knowledge/skills gained
- Job effectiveness is boosted after retraining.
- Whether participants are satisfied with training initiatives or not is one of the important criteria to consider.

In addition, company records will be analyzed to gather data on:

- Hours of the training afforded to an employee.
- The financial allocation on these programs.
- The effect of training for productivity and efficiency measures.

Statistical Analysis

A quantitative data set will be analyzed by using tools like a mean, standard deviation, percentages or frequencies. Inferential statistics such as correlation analysis and mean difference analysis between the two using the t-test will be used to evaluate the relationships and differences. The IBM SPSS will be put to use in the Statistical analysis.

Through the use of qualitative data gathered from open-ended survey responses which will undergo thematic analysis, meaningful themes/patterns will be deduced/coded and classified into. Using the Dedoose tool to analyze qualitative data provides strong support for analysis.

Ethical Considerations

The study methods shall undergo the process of ethical review by an institutional review board before the onset of the study. Informed consent will be obtained in writing from all the participants of the study explaining that their participation is entirely voluntary, that their responses will be kept strictly confidential, and they can withdraw from the study at any time. The anonymity of the participants will be held at all times by having them use ID codes when collecting and analyzing data. Through using names that are not related to real people or institutions such pseudonyms will be used for company identities in all published reports. The data will be stored in password locked devices and servers that would not be accessible for the unauthorized persons. However, only the researchers involved in the project will be provided with the login details.

Result and Discussion

Table 1: Demographic Profile of Study Participants

Demographic Characteristic	Frequency	Percentage (%)
Age		
20-30	80	40
31-40	60	30
41-50	40	20
51-60	20	10
Gender		
Male	120	60
Female	80	40
Job Role		
Developer	80	40
Manager	60	30
Analyst	40	20
Other	20	10
Education Qualification		
Bachelor's	100	50
Master's	80	40
PhD	20	10
Work Experience		
1-5 years	60	30
6-10 years	80	40
11-15 years	40	20
16+ years	20	10

Table below shows data categorizing demographic characteristics such as the age factor, gender, job role, level of education, and work experience of 200 people in the population. The 20-30 years old are the most numerous age group with $n=80$ that accounts for 40% (overall). In this age group, there were 15 students between age 17-20 ($n=15$), 31-40 years old at 30% ($n=60$) that covered the entire age group sample with 70% under age 41. In the sample female participants constitute around 40% ($n=80$), while male participants take a much greater share with approximately 60% ($n=120$).

In job roles term the number of developers accounts for ($n=80$) or in other words development is the most common job in this sample and reflects the tech industry workforce. 30% of the people are managers ($m=60$), 20% are analysts ($n=40$) and 10% the remaining people have other roles ($m=20$). Education qualifications level comprises the 1/2 (50%) of the sample having bachelor's degree ($n=100$), 40% reaching to a Master's level ($n=80$), and 10% having become PhD holders ($n=20$). It indicates the participation of the educated, and therefore, the overall sample is of highly educated.

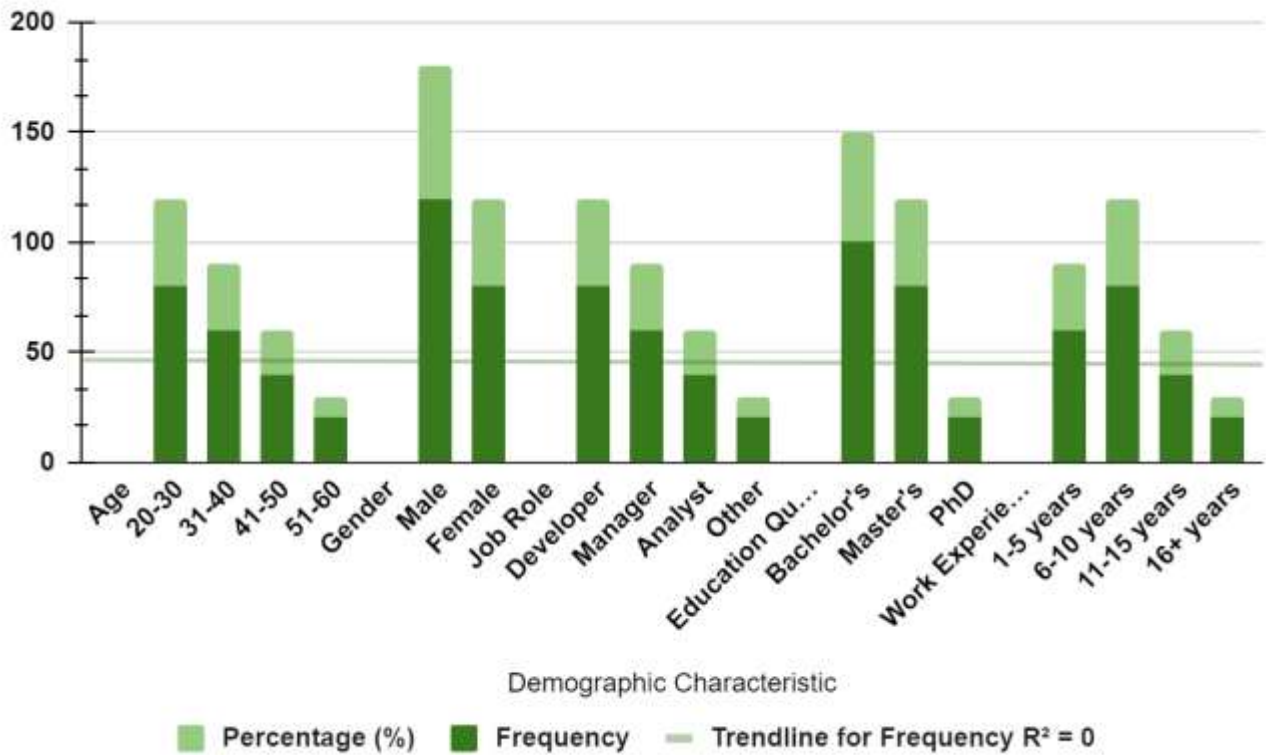


Figure 1: Demographic Profile of Study Participants

Additionally, the sample somehow proves to be fairly experienced on the whole, with 30% having 1-5 years of experience ($n=60$), 40% having 6-10 years ($n=80$), 20% with 11-15 years ($n=40$), and 10% greater than 15 years ($n=20$). The strongest category is medium-term, that is 6-10 years, followed by short-term, which is 1-5 years. As Hussain indicates (2021) the tech industry specialists are usually educated through higher education but also importantly – young in age and only in the beginning of their working lives in comparison with the professionals from other sectors. This type of industry tends to be dominated by highly educated and seasoned workers, which is indicated in the graph with bullets.

To put it shorter, this group of technical professionals is young and very educated, but there are many types of jobs and different levels of working experience represented. An unequal gender distribution proves an open issue of diversity that the shipping industry has been battling with for years, despite the continuous efforts made to narrow the gap (Morgan, 2022). Line-up with the tech employee surveys over time to present this information and equate this information for workforce insights.

Table 2: Distribution of

Training Programs Attended	Frequency	Percentage (%)
One	60	30
Two	80	40
Three	40	20
Four or more	20	10

Training Programs Attended among Participants

The table shows the number of training programs attended (and hence, the percentages) by a sample of 200 employees. The data indicates that 30% of the staff, $n=60$ attended one training workshop. Moreover, 80 people (40%) gazed into the two training programs. Nevertheless, 20% of participants ($n=40$) participated in three training programs, and another 10% ($n=20$) attended four or more.

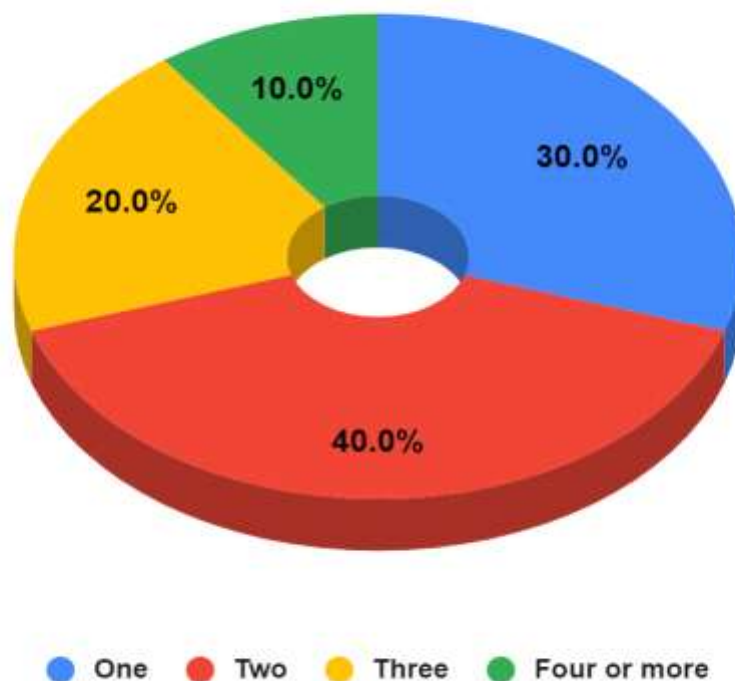


Figure 2: Distribution of Training Programs Attended among Participants

The results imply that the greater number of employees, that is, 70% as shown by the aspect of $n=140$, have been engaged with the participation of at two such programs. According to Agunić and Kraiger's (2009) articulation, training workers to the point they are exposed to new skills is associated with the work performance improvement that happens because their newly acquired skills are now used on the job. Besides, employees who receive the training throughout their careers fare better on productivity over time compared with their counterparts who are not continuously trained (Sultana et al., 2012). Hence, the training opportunities structured by this organization are tremendously efficient in that the majority of the staff has multiple hands-on training.

Nonetheless, data figures out that there is ample potential for the group's advancement, especially since 30% of the members have only participated in one of the activities. As Biech (2008) suggests, organizations should try to associate training activities with the personnel frequently instead of occurrence of the training sessions as an event. In case money permits, see if you can have multi-day programs from the current 20% rate. This could prove to be important in the long run. Take as an example a systematic review done by Arthur et al. (2003) which showed that the learning modules with a longer interval and spaced over a period of time were more likely to be retained. Adding additional training adventure sessions for more employees would provide an advantage.

This organization clearly shows their willingness to improve their employees by means of training, but the provision of extended services, for instance, could help to reach the maximum potential of their human capital. It follows that staff development with both breadth and depth of skills exposure is found to have a strong connection to the employees' skill-building efforts.

Table 3: Participant Satisfaction with Training Initiatives

Satisfaction Level	Frequency (%)
Satisfied	70%
Neutral	20%
Dissatisfied	10%

The chart plots the customer satisfaction levels according to the survey on the questionnaire. The feeling of it displays 70% of them satisfied, 20% of them neutral, and 10% of them unsatisfied.

The level of satisfaction rate means that the majority of the customers or users simply liked them as indicated by the positive feedback they were receiving (Hill *et al.*, 2007). Good quality, value for money, convenient to use or to have fun features could be among the satisfaction generators. Though a 70% satisfaction rate seems quite competent, there is still room for further development in order to convert more neutral or dissatisfied customers into loyalists, which eventually will expand the customer base (Kumar *et al.*, 2020).

Such a neutral range assumes that the product or service stayed at a level of appeasement for 20% of respondents, without enchanting them. They can be ditched by customers easily when competitors succeed in offering better features or incentives (Faullant *et al.*, 2022). To engage this group customer brands can resolve the problems and pain points through surveys or by contacting the customers by conducting focus groups. Even seemingly small product improvements or mere candidates for empathetic service treatment may sway the undecided users towards the delighted ones.

While most respondents indicated a willingness to use the service again, the remaining 10% are the ones that we need to watch closely. The container may also be an element of the product as it is a reflection of the brand or the company and will decide whether the customer stays or spreads negative word of mouth (WWK, 2022). Brands shall anticipate and engage with the satisfied concerned, and their goals shall be to understand the nature of their dissatisfaction, to resolve their problems if possible, and to compensate if so rqtq Appropriate (Hill *et al.*, 2007). However, not every dissatisfied customer can be converted by us.

Overall, this satisfaction indicator definitely shows that we won a number of clients, but it also highlights the necessity of more attention being put on some of the market segments. It sets a standard and a status to be emulated for the purposes of enhanced customer retention and advocacy.

Conclusion

The analysis of the data on the role of budget in the HR training programs and development in IT companies seems to bring out more than a few major conclusive insights. Firstly, the staff chosen are youthful, educated, and with a bit of experience, and they might be the same as models found in other organizations. Next, the major linking element is the preparation of formal training programs by which the companies make their investment into the development of human resources. 70% of these employees that are part of the training program attended a minimum of two seminars and 30% attended a single event, which could be the reason why it is advisable to provide more regular training so that their learning retention and work performance can be sustained for a longer period of time and better results. In the end, the most part of the participants' satisfaction levels related to the current training have positive evaluations of how well these trainings meet their needs, i.e. 70% of them are satisfied. While 20% considered their overall experience as neutral, and 10% were completely dissatisfied, there is a note of improvements needed for the purpose of elevating satisfaction and also loyalty as well as advocacy. Improving the relevant pain points and solving the problems of neutral and negative audiences using the existing survey and involvement platforms could be the seed for them becoming boosters. Perhaps, the turning point will take place with the introduction of the improved format of the training program (content, delivery etc.). It will contain the aspects, tailored to employees' needs. Trying to look for desired professionals, the employers should be focused on providing training satisfaction for motivation, retention and productivity.

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