

Significance of Training Needs Analysis on Employee Training in Corporate Sector of Pakistan

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Abstract: *This study is to study the significance of Training Needs Analysis on employee Training in corporate sector of Pakistan. Training is one of the major aspects of Human Resource Management in which the KSA of employees are enhanced for achieving the goals and objectives of organization and is considered as an investment that organization does in its employees. Training is given to employees when its need is identified. The need of training and where it is required in the organization is identified through Training needs analysis. It is considered important as it provides organization with valuable information to design and implement strategic training programs which helps organization to bridge the gap. The Training Needs Analysis process is implemented properly in the organization and the outcome from each phase are monitored which helps organization to identify the issues that are stumbling block in organizational development of organization and helps in giving proper training to employees. This study is to understand that organizations in corporate sector of Pakistan are implementing the Training Needs Analysis process and its significance on employee training which direct in the employee development as well as organizational sustainability. This study provides the climax that Training Needs Analysis should be conducted in organizations to achieve the vision of organization. This study further illustrates that strategic training programs should be aligned with organizational strategy for achieving the desired set goals of the organization. Model is developed in this study consists of five independent variables and a dependent variable and their significance is determined. The data was collected using questionnaire and are carried out in the corporate sector of Pakistan. The data from the questionnaire is analyzed using SPSS software and mean, Regression Analysis and F-Test is conducted to determine the significance of independent and dependent variables. Moreover, this study helps to contribute to the knowledge by highlighting the significance of training needs analysis on employees in today's competitive world and its importance before giving training to employees which will help organizations not only to achieve the desired results but as well as competitive edge.*

Keywords: Training Needs Analysis, Employee Training, Significance

1. Introduction

Change is continuously occurring around the world and so does the change at the workplace which requires professional training of employees and is considered as one of the major aspects of Human Resource Management (Abbad. & Ferreira, 2013). Employees at organizations play an important role in the organizational development through achieving the set goals and objectives. In order to achieve the set goals and objectives of the organization, competitive, skilled and trained workforce is required (Koech & Nzulwa, 2017). Ghuffi, (2014) stated that training is given a lot of importance because it helps to enhance the skills, knowledge and abilities of employees required to perform the particular job. Akhter et al., (2015) identified in research that before giving training to employees, the process of Training Needs Analysis should be applied in order to achieve the better outcomes to know where the 'training need' is existing. Firdousi, (2011) described that Training Needs Analysis (TNA) is a process which collects the data and identify where and which type of training is required in order to enhance the performance of employees and overall performance of the organization. It identifies which significant area needs training which in return saves time and money and also increases the effectiveness of employees. Ahmed et al., (2015) designated that in order to manage training process there are steps that are required to implement as pre-requisite. The first step is identification of training needs, second step is to design a training plan that is suitable, the third step is the implementation of the training program and the last step is to determine the effectiveness of

the training program through feedback. Dahiya & Jha, (2011) mentioned to gain competitive advantage over its competitors, organizations should implement the proper and updated training needs analysis tool and techniques. Sherazi et al., (2011) stated that in 1961 first Training Needs Analysis model is developed by McGhee and Thayer. The model consists of three layers the first layer consists of the organizational analysis the second layer is the operational analysis and the third layer is the individual analysis. Sarkar (2013) stated that when Training Needs Analysis is applied it should be aligned with strategy of the organization in order to achieve the mission of the organization. Firdous & Razzak, (2012) described that the support from the top management and the senior staff for the Training Needs Analysis will motivate employees which results in the productive development of organization. Sherazi et al., (2011) mentioned because of the competition in the market every organization is trying to become more competitive and for which they need Training Needs Analysis which adds value to the organization to enhance the skills, knowledge and abilities of employees to perform their job. Manna et al., (2016) stated in the research that training given to employees after the implementation of Training Needs Analysis yields positive outcomes which means that there is significance relation between the employee training and Training Needs Analysis. Many researchers highlighted the fact that still there is a very little research is done on Training Needs Analysis specifically in Asian countries, both theoretically and empirically. The overall emphasis of this research is to identify the significance between training needs analysis and employee.

2. Literature Review

Since training is one of the major aspects of Human Resource Management; it is the process in which the skills, knowledge and abilities (KSA) of the employees are improved in order to enhance their performance and as well as in achieving the goals and objectives of an organization. The formal approach that organizations use in order to enhance employees job-related KSAs is training (*Theng and Md.Som 2011*). To remain successful and to achieve the desired results about the performance of employees, training is considered as one of the most significant factors (*Ghuffi 2014*). Employees and staff in an organization place an important position and play an imperative role in the development of an organization subsequently employees are the biggest assets to organizations. When new employees are hired in an organization, training is specified. It provides a good start (*Joeseph 2015*). *Nischithaa and Rao (2014)* maintained that training is the process which enhances the employee skill, abilities and knowledge that is required to fulfill their job within the standards and the systems that are defined by the management of the organization. To increase the performance of the employee training is given to them so that defined goals could be achieved. It is also said to be an investment that organization make sure of its employees. *Singh et al. (2016)* specified that there are many cases in which organizations test their current employees through training which shows that providing training to the existing employees is more beneficial than hiring new employees because current employees are already well-aware of the culture of the organization. They possess more potential to comprehend the working patterns and their colleagues, and tend to adjust with the new job requirements after training. *Koech and Nzulwa (2017)* mentioned a term that is used by the training providers is the systematic training cycle (STC) which is the basis for the implementation of the training needs analysis (TNA); since exploring the area and nature of gaps existing to accomplish the desired results and objectives is crucial pre-requisite of training itself.

The most important thing is how we know that there is a training need in the organization. Mostly the behavior of employees towards their performance, the attitude towards their work, lack of knowledge or because of the change that is continuously occurring in the environment are the main causes (*Elnaga& Imran, 2013*). The training process comprises of four phases. The first phase is to identified training needs. The second step is to plan; third is implementing training, whereas the fourth one is evaluating training. *Devi & Shaik (2012)* cited *Goldstein & Ford (2002)* and *Noe (2002)* and elaborated that training evaluation is a systematic process in order to collect data to conclude if training is effective. They further referred to *Brown , Kenneth & Gerhardt (2002)* that evaluation should comprise on measures that safeguard configuration of a training commotion with the organizational strategy. This phase of training evaluation further provides the data to analyze the performance gaps existing among employee. Hence, this training process is also known as the training cycle (*Akhter et al 2015*). *Firdousi (2011)* stated that training is given when first its need is highlighted then it will be more effective. Therefore, to support employees with the intention of overcoming their weaknesses in their

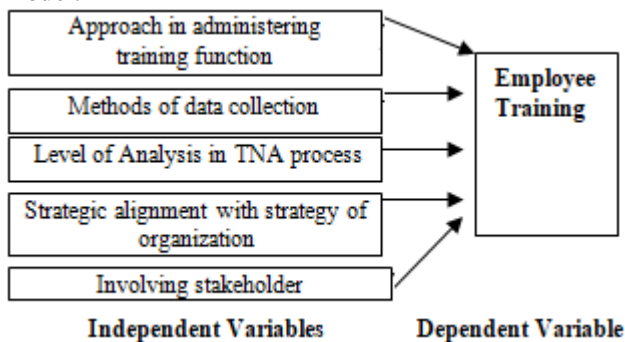
knowledge, skills and abilities, training need analysis is beneficial. In order to fulfill the needs and requirements of the employee, organization should select proper and updated training need analysis tool and techniques to gain the competitive advantage as well. *Abbad and Ferreira (2013)* stated that training needs analysis is considered as the process of an organization for collecting the data and also analyzing which will then supports in making the decision when to training should be given to employees in order to enhance the performance of the employees. *Sherazi et al (2011)* maintained that there are very few studies that have been conducted in this field of training, especially in TNA (training need assessment). *Chang, J., Chiand, T & Kun yi, C. (2012)* referred to the first model of TNA which was developed by *McGhee and Thayer (1961)*. They explained the demand for the skilled and competent employees is increased in both the private and public organizations. Employees are competent or non-competent it depends on the organization because organization has to set its objectives and goals and as well as of the individuals in order to make itself competitively strong from its competitors. *Dahiya and Jha (2011)* mentioned that after training needs are analyzed, the needs that are identified are then interpreted into the objectives that act as a guide in the training process Furthermore, the term Training Needs Analysis describes that the need of the training is identified through the gap that is shown in the actual performance and the performance that is required and to fill that gap training is arranged. *Nischithaa and Rao, (2014)* described that Training Needs Analysis plays the key role in the educational and industrial institutes in reshaping the CPD programs known as Continuing Professional Development. It also determines that whether Training Needs Analysis exists in the organization or not and if exists it suggests which training is required to fill that gap. *Akhtar et al (2015)* mentioned the three levels of training needs analysis; organizational analysis, operational analysis and individual analysis. *Nolan (2016)* has described the five stage process of Training Needs Analysis. The first step is to set TNA within the proper context which means the focus should be set applying it to one single department or the whole organization. The second step includes the explore and examine the require KSA's followed by the third step which is identifying the training needs starting from the business unit level and coming down to the individual level. The fourth step is examining the current level of the KSA's. After that the last step is assembling of the material which means that you have to assemble the material collected from each level sub-units or individual employees which tells that either whole of the unit, sub-unit or individual employee needs training or a single department. *Ahmed (2015)* stated that when limited budget is available then those training areas should be preferred which tends to produce more effective outcomes for the organization. According to the researcher not only employees but also the managers should also have training in order to better understand themselves where they need improvement which helps them in making better understanding for achieving the future goals and objectives of an organization. *Sarkar (2013)* described that the employees are the one that enables the organization to achieve its set objectives and goals. For having employees that are competent and that can make organization not only to achieve its goals but also to achieve

competitive edge over its competitors is the big asset for an organization in today's continuously changing environment

Scope of the Study

The study will help to understand inevitable role of Training Needs Analysis to organize effective training of employees in today's competitive world. It tends to provide competitive advantage to organizations in terms of human capital. It is advantageous for organizations and eventually to individuals to understand where and which type of training is required according to the job requirements and when training should be conducted. Since in developing countries like Pakistan, significance of systematic TNA is not very much recognized, the study is an effort to fill up this gap.

Model:



Source: Akhtar.S. et al (2015)

Variables:

The literature review and past studies indicate that multiple factors and variables play an important role in enhancing the importance of TNA. The present study has focused on 5 variables that enhance and assure the effectiveness of TNA in an organization. The five main factors are: 1) Approach in administering training function. 2) Methods of data collection. 3) Level of Analysis in TNA process. 4) Strategic alignment with strategy of organization. 5) Involving stakeholder.

Hypothesis:

- H1: There is no impact of Training Needs Analysis on employee Training
- H01: There is an impact of Training Needs Analysis on employee Training

Methodology:

This chapter is about research methodology, in which the researcher has discussed the research design, population, and procedure and data analysis method. The main purpose of this chapter is to develop strategies and methods for measuring impact of Training Needs Analysis on Employee Training in corporate sector of Pakistan.

Research design:

The focus of the research is to measure the impact of the training needs analysis on employee training in corporate sector of Pakistan. For this purpose the descriptive research is being used.

Population:

As mentioned above, measuring impact of Training Needs Analysis on employee training in corporate sector of

because those employees have the tendency to cope with change in environment by having training.

Pakistan is the aim of the study. As sample 20 companies has been selected because there were 20 companies in corporate festival. HR employees from the corporate companies were treated as the population of this study. Survey was conducted using Likert scale questionnaire.

Data collection

The respondents were asked to fill out the questionnaires based on their perception and experiences of Training Needs Analysis. From which 30 questionnaires were distributed and 18 were returned back with full information while the rest of the 12 questionnaires consists of incomplete information.

Measures:

As an instrument questionnaire was used for this study. The first part of the questionnaire consists of the year of the age, occupation and gender. The questionnaire was based on the Likert scale, respondents responded to pre-coded responses with five point scale.

Data analysis method:

The data analysis of this research will be based on the quantitative manner. It has been mentioned earlier that, the data will be gathered by survey. SPSS has been selected for the data analysis of this research project.

Regression Analysis & F-Test:

Regression analysis is used to predict one variable on the basis of one or more variables. This study used regression analysis by using the SPSS software version 21. To perform the regression analysis this study used Employee Training as Dependent variable and Training function, Methods of data collection, Level of analysis in TNA, Strategic alignment with organizational strategy and Involving stakeholder as Independent variables. Therefore, the regression model used for this study is:

$$Y = \alpha + \beta X_1 + \beta X_2 + \beta X_3 + \beta X_4 + \beta X_5 + e$$

Where Y is the dependent variable which is employee training and X1, X2, X3, X4 and X5 are the independent variables that signifies the factors of Training Needs Analysis and e represents the error term.

So,

$$ET = \alpha + \beta TF + \beta MDC + \beta LTNA + \beta SAOS + \beta IS + e$$

Where:

ET= Employee Training

TF= Training Function

MDC= Methods of Data Collection

LTNA= Level of analysis in TNA

SAOS= Strategic alignment with Organizational Strategy

IS= Involving Stakeholder

Table 1

Descriptive Statistics					
	N	Minimum	Maximum	Mean	Std. Deviation
Employee training	10	3.47	4.06	3.7235	.17549
Training function	10	3.06	4.24	3.8823	.32927
Methods of data collection	10	3.59	4.29	3.8529	.22569
Level of analysis in TNA process	10	3.71	4.29	4.0000	.22012
Strategic alignment with organizational strategy	10	3.82	4.47	4.0518	.25602
Involving stakeholder	10	3.24	4.40	3.8518	.31418
Valid N (list wise)	10				

The data show the mean and Standard Deviations. According to the information related to table the high mean is of Strategic Alignment with organizational strategy is 4.0518 and the lowest is of employee training 3.7235. The highest standard deviation is of Involving stakeholder which is 0.31418 and the lowest is of employee training which is 0.17549.

Table 2

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.811 ^a	.657	.228	.15416

a. Predictors: (Constant), involving stakeholder, strategic alignment with organizational strategy, training function, level of analysis in TNA process, methods of data collection

The value of R is 0.811 and the value of R square is 0.657 showing that Training Needs Analysis has 81.1% impact on Employee training.

Table 3

Co efficient ^a						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	5.922	4.209		1.407	0.232
	Training function	-0.093	0.35	-0.174	-0.265	0.804
	Methods of data collection	-0.484	0.643	-0.623	-0.753	0.493
	Level of analysis In TNA process	0.416	0.261	0.522	1.596	0.186
	Strategic alignment with organizational strategy	-0.261	0.362	-0.38	-0.72	0.511
	Involving stakeholder	-0.151	0.274	-0.27	-0.549	0.612

Dependent Variable: employee training

Co-efficient:

The Beta values of standardized coefficients are; Training function is -0.174, methods of Data collection -0.623, level of analysis in TNA process is 0.522, strategic alignment with organizational strategy is -0.380 and involving stakeholder is -0.270.

Table 4

No	Hypothesis	Conclusion
H1	There is no impact of TNA on Employee Training	Rejected
H0	There is an impact of TNA on Employee Training	Accepted

The above Table 1 illustrates the conclusion of the hypothesis testing in which H1 hypothesis which is there is no impact on Training Needs Analysis and Employee Training is rejected through the statistical analysis and the null hypothesis which is H0 is accepted which is there is an impact on Training Needs Analysis and Employee Training.

Table: 5

ANOVA ^a						
	Model	Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	0.182	5	0.036	1.532	.350 ^b
	Residual	0.095	4	0.024		
	Total	0.277	9			

a. Dependent Variable: employee training
 b. Predictors: (Constant), involving stakeholder, strategic alignment with organizational strategy, training function, level of analysis in TNA process, methods of data collection

ANOVA:

The significance level is greater than 0.05 which shows that the null hypothesis is accepted and the alternate hypothesis is rejected which shows that there is an impact on Training Needs Analysis and Employee training.

Interpretation

From the regression analysis it shows that there is an impact on Training Needs Analysis on Employee Training. The five factors of Training Needs Analysis training function, methods of data collection, level of analysis in TNA process, strategic alignment with organizational strategy and involving stakeholders. The value of R shows that Training Needs Analysis has 81.1% impact on employee training.

3. Conclusion

This research study indicates that Training Needs Analysis plays an important role in organization most importantly when giving training to employees. Training is becoming the most important part of organizations to become successful. Identifying training needs and where it is required before giving training to employees yields better results. This study intends to find the significance of Training Needs Analysis on employees training in corporate sector of Pakistan which proves to be true through statistical analysis. The right adoption of Training Needs Analysis process will help organizations to save money, cost and time and increase its effectiveness. The most important investment organizations made is investing in its employees and when investment is made carefully and through proper process it helps organizations to achieve organizational goals and objectives.

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