



A Study of Training Practices in Small and Medium Sized Enterprises in Mysore and Bangalore Region

KEYWORDS

Political Empowerment, local self-government, gender inequality, patriarchy, taboo,

Ravi K. S

Research Scholar, Associate Professor, Department of Mechanical Engineering, Vidyavardhaka College of Engineering, 3rd stage, Gokulam, Mysore – 570002, Karnataka, India

Dr. SantoshKumar A. N

Professor, Department of Mechanical Engineering, Sri Jayachamarajendra College of Engineering, Mysore – 570006, Karnataka, India

ABSTRACT Every organization small or large, old or newly started should provide training to all employees irrespective of their qualification, skill, appropriateness for the job etc. Training is not something that is done to new employees, but it should be an ongoing process in every organization. Further technological changes, automation, require up-dating the skills and knowledge. Training plays a significant role in increasing productivity and in turn enhances the organizational performance. The questionnaire was developed and measured by using a five point Likert scales ranging from strongly disagree to strongly agree. Chi-square test was used to examine relationship between training practices and organizational performance. The results revealed that there is an association between those organizations who adopt formal or informal training practices with financial and non-financial performances of small and medium sized enterprises.

INTRODUCTION

Every organization needs to have well trained and experienced people to perform the activities that have to be done. If the present or probable job occupant can meet this requirement, training is not important. However, when that is not the case, then it is essential to increase the skill levels and the adaptability of employees. As the job becomes more complex, it is important for an organization to train the employees 'and maintain a suitable and knowledgeable work force. An organization can have a better corporate model in the world and the best system, but if the people cannot handle the growth, it can be concluded that the organization do not have a good training

program and it is a part of their culture. In other words meaning of training is, it improves, changes, shapes the employees' knowledge, skills, behavior, aptitude and attitude towards the requirement of the job and the organization. Training refers to the teaching and learning activities carried on for the primary purpose of helping the member of an organization, to acquire and apply the knowledge, skills, abilities and attitude needed by a particular job and the organization [1][2].

Training is important as it constitute significant part of management control. Methods of training include on –the-job methods and off- the- job methods. Training should be imparted by qualified trainers on the job to reorient skills, attitude and expected behavior to perform the job effectively. In certain businesses job rotation, specialized training or management development training is also considered necessary [3].

Review of Literature

Ibrahim et. al., [4] reveals that training increases the survival rate of small firms. They reveal that training includes more budget and small firms fear that employees would either leave or be discontented once trained.

Bernice Kotey and Alison Sheridan [5] explored human resource management practices in micro, small and medium firms in Queensland, Australia. On- the- job training meth-

od is followed in the firms. As the firm size increases training responsibility is transferred to supervisors.

Timothy Bartram [6] studied the adoption of human resource management practices in Australian small firms. His findings show that relative to medium and large firms, small firms in Australia follow informal training practices. Less training is given in terms of employee relations.

Kotey and Slade [7] discussed the relationship between the size of the firm and adoption of human resource management practices. They explored that the firms involuntarily adopt training as the size of the firm grows up.

Dearden, Lorraine, Reed and Van Reenen [8] examined the impact of training on productivity. Their research was on the generality of training to organizational performance and revealed that only off-the-job (general) training improves the performance whereas on the job training does not.

King- Kauanui, Ngoc and Ashley-Cotleaur [9] studied human resource management in small and medium sized enterprises (SME's) in Vietnam. They explored the importance of training on the overall performance of SME's. There results indicate that firm's performance increases by best training practices.

Abang Azlan Mohamad et. al., [10] examined human resource practices and organizational performance with incentives as moderator. They found that training have direct impact on organizational performance.

Islam and Siengthai [11] explored that training and development have positive impact on firm performance. Their observation implies that firms should invest more in HRM to enhance their performance.

Chandrakantan Subramanian et. al., [12] studied relationship between human resource and organizational performance. They concluded that Training and development improves organizational necessary skill and knowledge en-

hances work performance of employees and organizational performance.

Adnan, Abdullah and Ahmad [13] found that training and development practice has negative influence on financial performance.

Chinnam reddy and Puja bhatt [14] examined human resource management practices in selected Indian SMEs. They found that on -the -job training improves the productivity hence the performance of the companies.

Rohan Singh and Madhumita Mohanty [15] identified that training practices in automobile and agricultural industries plays a significant role on productivity. Productivity of these types of industries can be enhanced through rigorous training.

Moses N Oginda et. al., [16] explored the influence of adoption of human resource management practices on the performance of SMEs. They found that training and development practices play a significant role in the performance of the SMEs.

Catherine cassell et. al., [17] examined human resource management (HRM) practices in European SMEs. Their findings suggest that some practices helps in achieving organization objectives and some firms use more HRM practices than others. Training activities are common in all firms and less training is given in the firm's.

Methodology

The objective of the research is to find the association of formal or informal adoption of training practices with financial and non-financial performance of SMEs.

Research hypothesis: The following null hypothesis is formulated and tested.

- a) There is no significant association between those organizations who adopt formal training practices and those organizations who do not adopt formal training practices and their financial performance.
- b) There is no significant association between those organizations who adopt formal training practices and those organizations who do not adopt formal training practices and their non-financial performance.

Sample

The data was collected through a specially designed questionnaire administered to the owners/managers of 600 manufacturing SMEs located in Mysore and Bangalore region. The number of questionnaires received back is 408. Out of 408 questionnaires 384 were found to be valid, appropriate and used for final analysis. The responses of remaining 24 are rejected because of incomplete data.

Research instrument

Questionnaire consists of two important sections. The first section of the questionnaire consists of the owners/managers demographic details such as gender, designation, age, length of service in the organization. Whereas the later section of the questionnaire covers questions on training practices and organizational performance in terms of financial and non-financial measures. All the questions framed were closed ended type with a five point Likert scales ranging from strongly disagree to strongly agree.

Results and discussions

Chi-square test was conducted to check the association of training practices with financial and non-financial performances of the manufacturing SMEs in Mysore and Bangalore region. Table-1 and table-2 shows the results.

Training Practices	Financial Performance					Total
	Strongly Disagree	Disagree	Neither Agree nor Disagree	Agree	Strongly Agree	
Formal adoption	0 (8.3)	0 (21.8)	5 (9.5)	14 (5.7)	57 (30.7)	76
Informal adoption	42 (33.7)	110 (88.2)	43 (38.5)	15 (23.3)	98 (124.3)	308
Total	42	110	48	29	155	384

Table -1 Association between Training Practices and Financial Performance of SMEs

Source: Primary data *Significant at 5 %

The Expected frequencies are given in the parenthesis of the above table.

Chi-Square Value: 83.146* D.F:4 p = 0.002

As the ² value is statistically significant, the null hypothesis of no association between the two attributes is rejected and hence there is a significant association between those organizations who adopt formal training practices and those organizations who do not adopt formal training practices and their financial performance.

Table -2 Association between Training Practices and Non - Financial Performance of SMEs

Training Practices	Non - Financial Performance					Total
	Strongly Disagree	Disagree	Neither Agree nor Disagree	Agree	Strongly Agree	
Formal adoption	1 (7.5)	0 (26.9)	5 (6.7)	25 (8.3)	45 (26.5)	76
Informal adoption	37 (30.5)	136 (109.1)	29 (27.3)	17 (33.7)	89 (107.5)	308
Total	38	136	34	42	134	384

Source: Primary data *Significant at 5 %

The expected frequencies are given in the parenthesis of the above table.

Chi-Square Value: 98.981* D.F: 4 p = 0.002

As the ² value is statistically significant, the null hypothesis of no association between the two attributes is rejected and hence there is a significant association between those organizations who adopt formal training practices and those organizations who do not adopt formal training practices and their non-financial performance.

Conclusions

Every organization needs to have well trained and experienced people to perform the activities that have to be done. After an employee is selected, placed and introduced, one must be provided with training facilities. Training helps to increase the knowledge and skill of an employee for doing a particular job. Training bridges the difference between job requirement and employees' present specification. The Chi-square test reveals that there

is an association between those organizations who adopt formal training practices and those organizations who do not adopt formal training practices and their financial and non-financial performance.

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