A COMPARATIVE STUDY ON CORPORATE TRAINING PROGRAMS ACROSS MNC’s AND INDIAN ORGANIZATION

Neha Tare

Abstract

The study aims at identifying the prevalence of corporate training programs in Multinational organizations and Indian organizations. Employees training help companies as well as employees to improve their performance. Hence, keeping these in mind, the companies are eager to conduct the training programs for their employees and as a researcher the research is conducted to do a comparative study on corporate training program across MNC’s and Indian organization. These training programs will result in skill enhancement, improved efficiency and productivity and growth opportunities for employees. Employees become efficient after undergoing training. Efficient employees contribute to the growth of the organization which in turn leads to achievement of organizational goals and objectives. Growth also renders stability to the workforce. This paper attempts to make a comparative study about corporate training and development programs in the MNC’s and Indian organization, to know the level of satisfaction of employees after attending the training program and, to identify the employee’s preference on training method and duration of training. In this research, data was collected from over 180 respondents through a structured e-questionnaire (Google Form). The findings clearly revealed that the employees have positive attitude towards the corporate training and development program in both the organization.

INTRODUCTION

Talent management is an organization's commitment to recruit, retain, and develop the most talented and superior employees available in the job market. So, talent management is an important term which describes an organization's commitment to hire, manage, develop, and retain talented employees. It comprises all the work processes and systems that are related to retaining and developing a superior workforce. The new age economy requires retention of human capital that has placed a heavy demand on today’s HR professionals. Today HR is expected to identify potential talent and implement relevant strategies to contribute effectively to achieve organizational objectives. Hence a serious concern of every HR manager to survive the “War for Talent” is to fight against a limited and diminishing pool of qualified available candidates and difficulty to attract, motivate and retain the best employees in an organization.

Corporate Training is treated as a mandatory agenda for any corporate thereby, it is no more confined to large business houses nor is it treated as a only a form of motivation and change. In
present times, corporate training is seen as an essential catalyst that not only enables the corporate to understand the psychology of their employees but also brings about changes in their behavior and attitude. One of the most important aspects of corporate training is soft skill training and Team Building. Team building ensures not only smooth functioning of any organization, but it also takes a step forward and strengthens the relationship with the clients.

Investment in Training and Development is generally regarded as good management practice to maintain appropriate expertise now and in the future. Recently, MNCs are the major players in the practice of human resources, which has been shaped tremendously by the impact of globalization. Only those MNCs willing to adapt their human resources practices to the change will be able to attract and retain high performing employees. Companies with the ability to foresee their business needs and their workforce needs, especially for high skills, will gain the decisive competitive advantage. The present study attempts to make a comparative analysis of Training and Development practices between the MNCs and Indian organization. The present study believes that the training and development program will increase the overall pool of knowledge in management.

**RESEARCH OBJECTIVE**

The primary objective of the research is to evaluate a comparative study on corporate training program across MNC’s and Indian organization.

The secondary objective of the Research would include:
To understand how employees perceive training in both type of organization.
To measure the adequacy of training for improving skills in both type of organization.
To review how effective is the training function in both type of organization.

**The following are the Proposed Hypothesis:**

Ha1: Less than 30% of the respondents are completely satisfied with corporate training programs

Ha2: More than 70% of the domestic organizations provide corporate training program

Ha3: The corporate training program is NOT independent of type of organization

Ha4: The corporate training program is NOT independent of type of sector

Ha5: On an average the satisfaction level of the respondents is not 4 with the corporate training program in the current organization

Ha6: On an average the satisfaction level of respondents in the MNC's is not 3 with corporate training program
LITERATURE REVIEW

This paper has compared and reviewed the Corporate Training Programs across MNC’s and Indian organization considering the factors such as training practices, measurement and evaluation of training effectiveness in terms of various outcomes such as satisfaction level; reaction and feedback of participants; and change in performance and behavior.

Olga et al (2001) is concerned with how MNCs differ from Indian organization in relation to their training needs. The MNC’s adopt hybrid form of localization (the process of organizing a business or industry that its main activities happen in local areas rather than nationally or internationally). In this process MNCs adopt their practices to accommodate national differences but these adaptations have not been widely successful. The study also indicates that the MNCs are selective in the training practices that are adopted.

Whereas on contrast as per Yadapadithaya (2001) who studied the current practices of evaluating training and development programs in the Indian corporate, says Indian organization includes High pressure for increased quality, innovation, and productivity acting as a major driving force for the Indian corporate training and development programs. Most of the key result areas of training and development function are related to the measurement and evaluation of training effectiveness.

Nearly 6 per cent of the private sector, 81 per cent of the public sector, and all the MNCs evaluate the effectiveness of training in one way or the other. The major purpose of evaluation is to determine the effectiveness of the various components of a training and development program. Organizations rely mostly on the participants’ reactions to monitor the effectiveness of training. An overwhelming majority of the organizations use “questionnaires” as an instrument to gather relevant data for evaluation. In most of the cases, evaluation was done immediately after the training. Majority of private and public sector organizations use one –shot program design and more than half of the MNCs also use post-test design for evaluating the effectiveness of training and development program. Indian Corporate sector is currently facing the challenge of designing and developing more valid, reliable and operational measures to evaluate the effectiveness of training and development.
RESEARCH METHODOLOGY

The initial phase of the study consisted of exploratory research. The research is a Quantitative Research. The secondary data was collected through internet based sources. Further the study was conducted through a questionnaire (Google Form). This e-form was sent out to general population wherein the responses were recorded in Google spreadsheet. A total of 177 responses were received. For this purpose Non Probabilistic Sampling Techniques (Judgement sampling) were used to identify potential respondents. The data collected was analyzed using statistical test i.e. Test of Proportion, Test of Independence and Test of Means.
DATA ANALYSIS

TESTING OF HYPOTHESIS

Hypothesis 1: Test of Proportion

Ho: More than 30% of the respondents are completely satisfied with corporate training programs
Ha: Less than 30% of the respondents are completely satisfied with corporate training programs

Ho: \( p > 30\% \)
Ha: \( p < 30\% \)
Test of Proportion
Left Tailed Test
Alpha = 0.1
Probability = 0.1

Critical Value = (1.28)
Calculating the Observed-Value
\[ x = 44 \]
\[ n = 176 \]
\[ p' = 25\% \]
\[ p = 30\% \]
\[ q = 70\% \]
\[ p' - p = -5\% \]
\[ \sqrt{p'q}/n = 0.03 \]
\[ p' - p = (1.45) \]

\[ \sqrt{p'q}/n \]

**Observed** = -1.45
\[ P \text{ – value} = 0.07 \]
\[ Alpha = 0.1 \]

0.07 < 0.1, \( p \)-value < alpha

Insights

By training your employees, you are creating a workplace that is flexible and ready for change. Training programs must be evaluated regularly to adapt to industry trends and changing behaviors in order to truly be effective. Hence following should be done to enhance corporate training programs:

- The combination of online and classroom-based training provides employees with more flexibility which in turn leads to more engaged participants and greater retention.
- Align training with management’s goals e.g. Marketing and sales might support training that promotes quality and consistency.
- Reward performing employee. This will help the employee to perform well and achieve the target.
Hypothesis 2: Test of Proportion

<table>
<thead>
<tr>
<th>Ho:</th>
<th>Less than 70% of the domestic organizations provide corporate training program</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ha:</td>
<td>More than 70% of the domestic organizations provide corporate training program</td>
</tr>
</tbody>
</table>

Ho: p < 70%
Ha: p > 70%
Test of Proportion

Right tail test
Alpha = 0.1
Probability = 0.9

Critical Value = 1.28

\[ x = 92 \]
\[ n = 116 \]
\[ p' = 79\% \]
\[ P = 70\% \]
\[ q = 30\% \]
\[ p' - p = 9\% \]
\[ \sqrt{p \times q} / n = 0.04 \]
\[ p' - p / \sqrt{p \times q} / n = 2.19 \]

Observed = 2.19

Observation: We reject the Null. Therefore, we can say that more than 70% of the domestic organizations provide corporate training program

<table>
<thead>
<tr>
<th>Insights</th>
</tr>
</thead>
<tbody>
<tr>
<td>Corporate training programs are provided in both companies</td>
</tr>
<tr>
<td>But the proportion of domestic organization providing corporate training is higher than the MNC's</td>
</tr>
<tr>
<td>Out of the total domestic organization more than 70% provide corporate training program</td>
</tr>
<tr>
<td>Reasons for providing corporate training programs in domestic organization</td>
</tr>
<tr>
<td>It helps the employees to become continually more competent</td>
</tr>
<tr>
<td>It increases their knowledge and can expose them to new ideas which in turn improves their own effectiveness it gives them one more reason to stay with the organization</td>
</tr>
</tbody>
</table>
Hypothesis 3: Test of Independence (Chi-squared test)

Ho  The corporate training program is independent of type of organization  
Ha  The corporate training program is NOT independent of type of organization

Talent management Practices

<table>
<thead>
<tr>
<th>Observed</th>
<th>No</th>
<th>Yes</th>
<th>Total</th>
<th>Proportion</th>
</tr>
</thead>
<tbody>
<tr>
<td>Domestic</td>
<td>24</td>
<td>92</td>
<td>116</td>
<td>67%</td>
</tr>
<tr>
<td>MNC</td>
<td>6</td>
<td>50</td>
<td>56</td>
<td>33%</td>
</tr>
<tr>
<td></td>
<td>30</td>
<td>142</td>
<td>172</td>
<td></td>
</tr>
</tbody>
</table>

Chi- squared test
Right tail test
Alpha = 0.1 
Probability = 0.1

Critical value = 2.71

Observed value = 2.61

P value = 0.11
Alpha = 0.1
0.11 > 0.1, p value > alpha

<table>
<thead>
<tr>
<th>Expected</th>
<th>No</th>
<th>Yes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Domestic</td>
<td>20.23</td>
<td>95.77</td>
</tr>
<tr>
<td>MNC</td>
<td>9.77</td>
<td>46.23</td>
</tr>
<tr>
<td></td>
<td>30.00</td>
<td>142.00</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>(fo-fe)^2/fe</th>
<th>No</th>
<th>Yes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Domestic</td>
<td>0.70</td>
<td>0.15</td>
</tr>
<tr>
<td>MNC</td>
<td>1.45</td>
<td>0.31</td>
</tr>
<tr>
<td></td>
<td>2.15</td>
<td>0.46</td>
</tr>
</tbody>
</table>

2.61 Observed
**Observation** We fail to reject the Null. Therefore, we can say that the corporate training program is independent of type of organization.

**Insights**

Corporate training program is different for different type of organization.

In MNC’s corporate training program result incorporate cooperation, development of skills, collective decision making, influence corporate culture and ability to see new opportunities.

Whereas in domestic companies it will lead to employee growth, improvement in productivity and job satisfaction.
Hypothesis 4: Test of Independence (Chi-squared test)

Ho: The corporate training program is independent of type of sector
Ha: The corporate training program is NOT independent of type of sector

<table>
<thead>
<tr>
<th>Corporate training programs</th>
<th>OBSERVED</th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>NO</td>
<td>YES</td>
<td>TOTAL</td>
<td>PROPORTION</td>
</tr>
<tr>
<td>Banking</td>
<td>5.00</td>
<td>24.00</td>
<td>29.00</td>
<td>16%</td>
</tr>
<tr>
<td>BPOs/KPOs</td>
<td>4.00</td>
<td>14.00</td>
<td>18.00</td>
<td>10%</td>
</tr>
<tr>
<td>Infrastructure</td>
<td>1.00</td>
<td>3.00</td>
<td>4.00</td>
<td>2%</td>
</tr>
<tr>
<td>Insurance &amp; Finance Services</td>
<td>4.00</td>
<td>23.00</td>
<td>27.00</td>
<td>15%</td>
</tr>
<tr>
<td>IT</td>
<td>3.00</td>
<td>22.00</td>
<td>25.00</td>
<td>14%</td>
</tr>
<tr>
<td>Manufacturing</td>
<td>3.00</td>
<td>16.00</td>
<td>19.00</td>
<td>11%</td>
</tr>
<tr>
<td>Others</td>
<td>10.00</td>
<td>44.00</td>
<td>54.00</td>
<td>31%</td>
</tr>
<tr>
<td></td>
<td>30.00</td>
<td>146.00</td>
<td>176.00</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>EXPECTED</th>
<th>NO</th>
<th>YES</th>
</tr>
</thead>
<tbody>
<tr>
<td>Banking</td>
<td>4.94</td>
<td>24.06</td>
</tr>
<tr>
<td>BPOs/KPOs</td>
<td>3.07</td>
<td>14.93</td>
</tr>
<tr>
<td>Infrastructure</td>
<td>0.68</td>
<td>3.32</td>
</tr>
<tr>
<td>Insurance &amp; Finance Services</td>
<td>4.60</td>
<td>22.40</td>
</tr>
<tr>
<td>IT</td>
<td>4.26</td>
<td>20.74</td>
</tr>
<tr>
<td>Manufacturing</td>
<td>3.24</td>
<td>15.76</td>
</tr>
<tr>
<td>Others</td>
<td>9.20</td>
<td>44.80</td>
</tr>
<tr>
<td></td>
<td>30.00</td>
<td>146.00</td>
</tr>
<tr>
<td>(Fo-Fe)^2/Fe</td>
<td>NO</td>
<td>YES</td>
</tr>
<tr>
<td>--------------</td>
<td>-----</td>
<td>-----</td>
</tr>
<tr>
<td>Banking</td>
<td>0.00</td>
<td>0.00</td>
</tr>
<tr>
<td>BPOs/KPOs</td>
<td>0.28</td>
<td>0.06</td>
</tr>
<tr>
<td>Infrastructure</td>
<td>0.15</td>
<td>0.03</td>
</tr>
<tr>
<td>Insurance &amp; Finance Services</td>
<td>0.08</td>
<td>0.02</td>
</tr>
<tr>
<td>IT</td>
<td>0.37</td>
<td>0.08</td>
</tr>
<tr>
<td>Manufacturing</td>
<td>0.02</td>
<td>0.00</td>
</tr>
<tr>
<td>Others</td>
<td>0.07</td>
<td>0.01</td>
</tr>
</tbody>
</table>

1.17 OBSERVED

**CHI SQUARE TEST**

**RIGHT TAIL TEST**
alpha = 0.1
Probability = 0.1

**Critical value = 10.64**
Observed = 1.17
P-value = 0.98
0.98 > 0.1, p-value > alpha
**Observation** We fail to reject the Null. Therefore, we can say that the corporate training program is independent of type of sector

**Insights**

The corporate training program is not influence by the type of sector. Whether a financial institution or an IT firm training is mandatory

Corporate training and development program in any type of sector will only lead to

- Overall growth and development of employee
- Achievement of organizational objective
- Less employee turnover
Hypothesis 5: Test of Means

<table>
<thead>
<tr>
<th>Ho</th>
<th>Ha</th>
</tr>
</thead>
<tbody>
<tr>
<td>$\mu = 4$</td>
<td>$\mu \neq 4$</td>
</tr>
</tbody>
</table>

T test  
Two tail test  
Alpha = 0.10  
Probability = 0.05  
**T-critical** = (1.65)  
Calculating $t$ observed 
$x' = 3.29$  
$\mu = 4$  
$x' - \mu = (0.71)$  
$S = 1.49$  
$N = 176$  
$\frac{x' - \mu}{s/\sqrt{n}} = (6.32)$  
$T_{ob} = -6.32$

**Observation** we reject the Null. Therefore, we can say that **on an average the satisfaction level of the respondents is not 4 with the corporate training program in the current organization**

**Insights**  
The above hypothesis conclude that on an average the employees are only partially satisfied with the corporate Training program provided  
The reasons employees are only partially satisfied with the corporate training programs  
The employees are not given opportunity to speak their mind  
It is important to not only to accept the input of the employee but also act on it to make the workplace better  
Lesser commitment on part of the employer can also contribute to employee perception
Hypothesis 6: Test of Means

<table>
<thead>
<tr>
<th>Ho</th>
<th>On an average the satisfaction level of respondents in the MNC's is 3 with corporate training program</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ha</td>
<td>On an average the satisfaction level of respondents in the MNC's is not 3 with corporate training program</td>
</tr>
</tbody>
</table>

Ho $\mu = 3$
Ha $\mu \neq 3$
T test
Two tail test
Alpha = 0.1
Probability = 0.1

\[ T\text{-critical} = 1.65 \]

$x' = 3.34$
$\mu = 3$
$x' - \mu = 0.34$
$S = 1.49$
$N = 176$

\[ \frac{x' - \mu}{s/\sqrt{n}} \]

\[ T_{ob} = 3.02 \]

**Observation** we reject the Null. Therefore, we can say that on an average the satisfaction level of respondents in the MNC's is not neutral with corporate training program.

**Insights**

From the above hypothesis the satisfaction level of the employees in the MNC's is not neutral, they can be either Partially satisfied or completely satisfied with current corporate training program
MNC's have a competitive advantage over other organization due to their global presence
MNC's invest significantly in the corporate training because of the following reasons
To emphasize on managerial and professional staff development
For career advancement of employees due to changing work environment
Also due to changes in technology, economy and other forces there is a requirement for continuous training
CONCLUSION

The study summarizes effectiveness of Corporate Training Program across MNC’s and Indian organization. The MNC’s have a competitive advantage over the Indian organization due to their global presence. Therefore the management in the Indian organization can redesign and develop new modules in the training and development program, so that ultimately the resources of employees are utilized at optimum level. From quantitative analysis it is observed that majority of the respondents’ exhibit high level of positive attitude towards training and development program in both the organization. The MNC’s follow a selective and rigorous approach towards training and development program whereas the Indian organization follow a traditional approach. Therefore the domestic organization should create awareness about the objectives of training and development program so that it can be effective

LIMITATIONS

The data collection was carried only through e-forms. Hence the respondents sample may not be a true representation of the population.

Most of the study was conducted through online forms so offline user responses were not part of the research.

Since we opted to survey a sample rather than the entire population our conclusion may not be accurate.

REFERENCES

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