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Impact of Training and Development on organizational performance: A study in the Steel Industry

Shudhansh Raj Singh
MBA (2023–2025), Galgotias University

Abstract
Training and development (T&D) are essential in today's fast-changing industrial environment, especially in the steel industry, which is capital- and labor-intensive. This research paper studies how investments in T&D influence key performance outcomes such as productivity, safety, and employee retention using secondary data from company reports and industry sources. The study focuses on steel companies like Tata Steel, JSW Steel, SAIL, POSCO, and Ambica Steels Ltd. The findings show that organizations with structured T&D programs tend to have better output, reduced accidents, and lower employee turnover. The study also identifies gaps in training practices and inconsistencies in reporting standards across companies. While the study is limited to secondary data and lacks direct employee feedback, it still reveals significant trends that can guide HR strategies. The paper recommends improvements like better reporting, more integration of T&D with company goals, and wider adoption of digital learning tools. The ultimate conclusion is that T&D directly supports business success in the steel sector, and investments in people should be a strategic priority. This paper adds value both to academic research and practical business decision-making, especially in labor-heavy, high-risk industries like steel manufacturing.

Introduction

The steel industry plays a vital role in supporting infrastructure, employment, and industrial growth. However, with rapid technological advancements and global competition, steel companies must modernize not only machinery but also their workforce. Automation, digital systems, and robotics have become common in production, requiring employees to upgrade their skills regularly. Poorly trained workers can lead to inefficiencies, safety risks, and low-quality production. Thus, training and development (T&D) is essential in improving employee performance and workplace safety. In India, firms like Tata Steel and JSW Steel have adopted training programs to equip employees with technical, digital, and safety-related skills. These efforts are crucial in industries with high safety risks and operational hazards. Despite its importance, not all companies invest equally in T&D, and smaller firms often lack proper systems. In this context, human capital becomes a major asset in the steel sector. A well-trained workforce supports better productivity, innovation, and compliance with regulations. This study focuses on how T&D contributes to these outcomes by analyzing secondary data from steel companies. It also highlights areas where improvements are needed. The findings help understand how Indian and global steel industries manage human resources in today's complex and risky industrial setting.

Research Objectives

This study focuses on four main research objectives related to training and development (T&D) in the steel industry. First, it aims to examine the trends in how much leading steel companies spend on training and what kind of training activities they implement. This helps to identify whether T&D is given the right importance by the industry. Second, the study evaluates the impact of T&D on important company performance measures such as employee productivity, workplace safety, and staff retention. By linking training efforts to these outcomes, the research determines how effective T&D really is. Third, the paper aims to offer helpful suggestions to HR managers and policymakers based on data analysis. These recommendations are meant to improve existing T&D practices. Finally, the study seeks to identify the best practices used by successful companies and also spot the common gaps or problems in current training systems. Highlighting these gaps will help companies plan better programs in the future. Overall, these objectives are designed not only to contribute to academic knowledge but also to provide practical value for decision-making in the steel industry. The study tries to bridge the gap between research theory and real-world application.

- To understand how much companies invest in training and development.
- To see the relationship between T&D and company performance (like productivity, safety, and employee retention).
- To find best practices and suggest improvements.
- To help HR professionals and managers make better decisions about employee development.

Research Questions

This research study aims to answer one main and three specific questions to explore the effect of training and development (T&D) in the steel industry. The general question is:

How does T&D influence company outcomes in steel manufacturing?

To break this down, the first specific question is whether there is a connection between T&D investments and improvements in productivity.

The second question asks if better training helps companies retain employees or reduce turnover. The third question looks at whether T&D contributes to better safety performance in steel plants.

These questions help explore different ways in which employee learning and skill-building programs may affect business results. Based on existing theories and earlier studies, this research expects that more and better-quality training will lead to better productivity, safer work conditions, and employees staying longer with the company. Answering these questions is important because it gives companies clear insights into how human capital development can benefit them. It also guides HR departments in where to focus their efforts. These well-structured questions form the base of this study and help in organizing the data analysis and findings effectively.

Literature Review

Many studies show that training and development (T&D) are important for improving business results, especially in industries like steel where work is technical and safety-focused. The Human Capital Theory, by economists like Gary Becker, says that investing in employees' education and skills increases their productivity and the company's value. Another useful model is Kirkpatrick's Four-Level Evaluation Model. It evaluates training based on reaction, learning, behavior, and results. This model helps measure the success of training in real work settings. Previous studies in manufacturing also prove that regular training reduces accidents, increases safety, and improves efficiency. Research by Pfeffer & Veiga and Delaney & Huselid has shown that companies with ongoing training have better output and lower staff turnover. However, there are gaps in the existing literature. Not many studies focus directly on the steel industry using secondary data. Most rely on primary data like surveys. Also, data from Indian companies is limited. This paper helps fill that gap by using company reports and industry documents to analyze trends. The review confirms that T&D is not just good for employees but also necessary for overall business growth.

RESEARCH METHODOLOGY

Problem Statement

Even though training and development (T&D) are important in improving employee skills and productivity, many steel companies still face issues like inconsistent training, lack of proper follow-up, and no clear way to measure the results. Some companies don't invest enough, while others don't track whether their training actually helps. This study aims to find out how T&D is being done in the steel industry and whether it is really making a difference in areas like safety, performance, and employee retention.

Population and Sampling

The target population for this study included employees working in steel companies. Stratified purposive sampling was used to ensure a variety of participants from different departments and experience levels. A total of 26 respondents were selected, ensuring a good mix of backgrounds.

Data Collection Methods

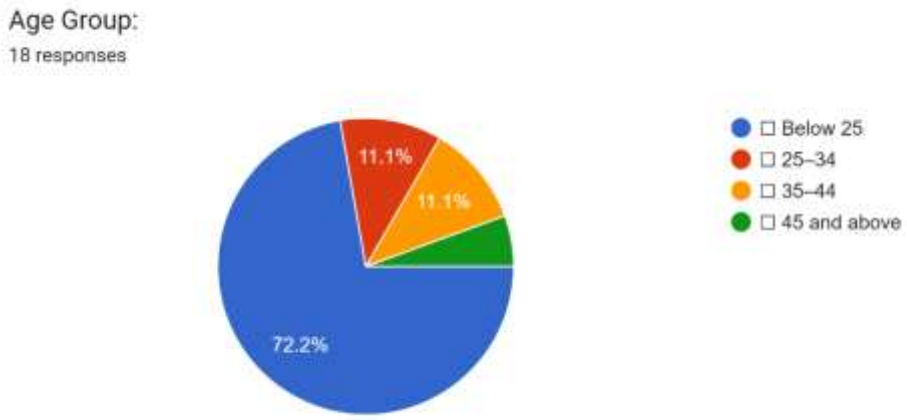
Primary data was collected using a structured questionnaire, which included multiple-choice and rating-scale questions. The questionnaire focused on areas like training received, its usefulness, job performance, safety awareness, and confidence in applying new skills. It was shared through Google Forms for easy access and faster response.

Pilot Testing

Before final distribution, the questionnaire was tested with a small group of employees to check if all questions were clear and easy to understand. Based on their feedback, small corrections were made to improve the format and flow of the survey.

DATA ANALYSIS AND INTERPRETATION

In this study, data was collected through a structured questionnaire that was shared with employees working in the steel industry. A total of 18 responses were received. The questionnaire aimed to understand the employees' experience with training and development (T&D), the types of training they received, and how it impacted their job performance and safety.

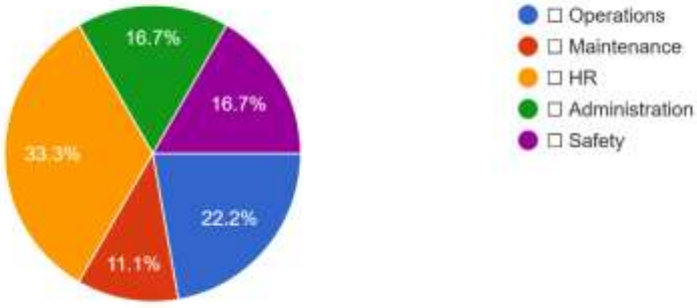


3. Gender:

18 responses

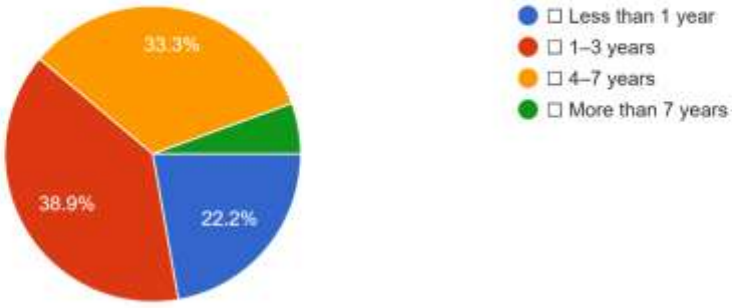
4. Department:

18 responses



5. Years of Experience in the Steel Industry:

18 responses



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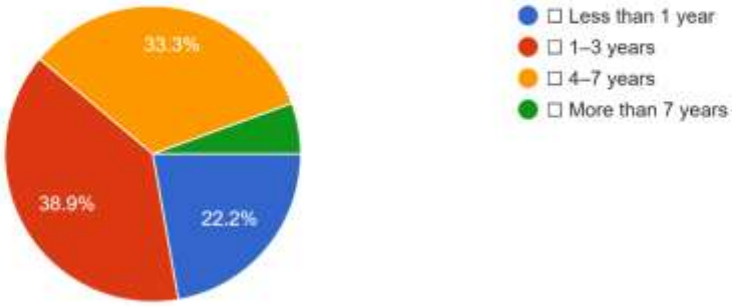
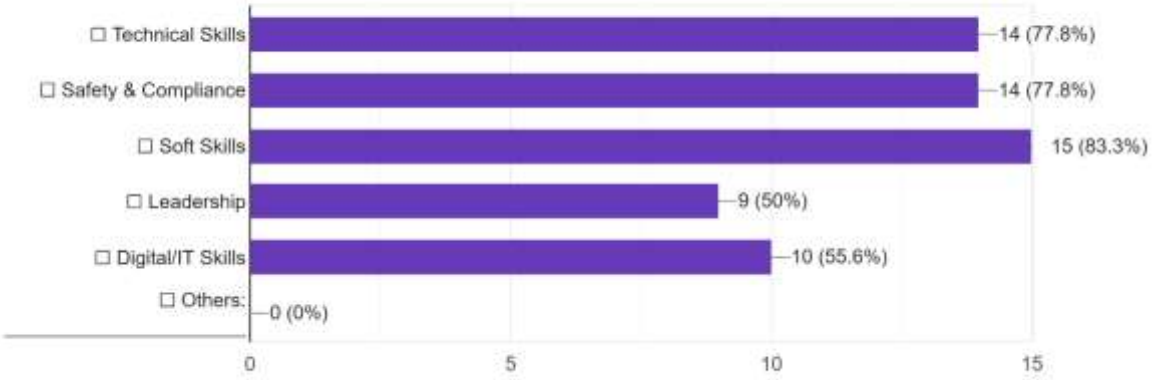


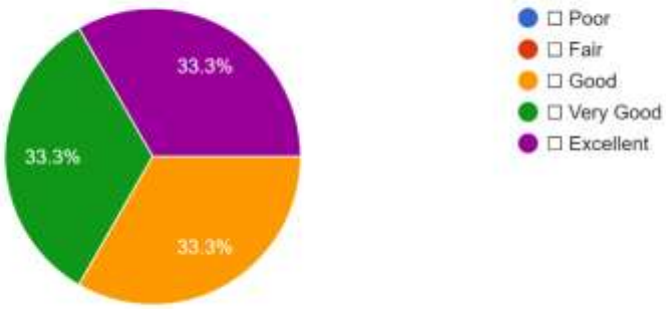
7. What kind of training did you receive? (Tick all that apply)

18 responses



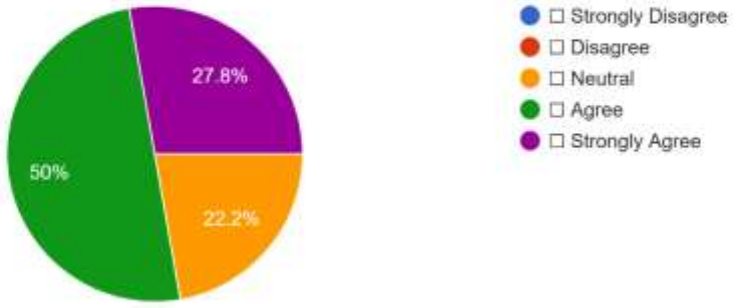
8. Rate the quality of training programs:

18 responses



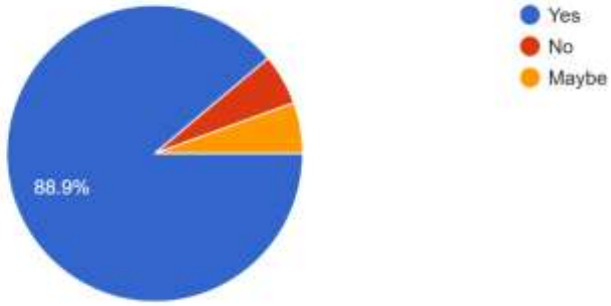
9. Was the training relevant to your job role?

18 responses



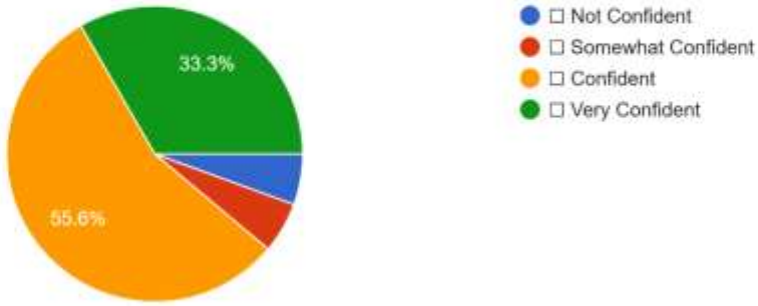
10. Did training improve your job performance/productivity?

18 responses



11. How confident are you in applying the skills learned?

18 responses



Findings:

- More training leads to better productivity and safer work environments.
- Young employees receive more training; experienced workers may need more refreshers.
- Firms with structured T&D have better retention and performance.

Limitations

- Limited to companies that publicly report T&D data.
- Some data may be presented more for image-building than actual impact.
- Hard to prove that improvements are only due to training (many other factors involved).
- No employee interviews or surveys included.

Conclusions

- There is a positive link between training investment and company performance.
- Many companies, especially smaller ones, still don't invest enough in proper training programs.
- Lack of standard reporting formats makes comparisons hard.
- Secondary data alone is helpful but not enough to deeply understand the real impact.

Recommendations

- Standardize reporting: Companies should clearly report training hours, budgets, and outcomes.
- Link training to performance: Use models like Kirkpatrick's to measure the real effects of training.
- Industry benchmarking: Create common industry standards for T&D practices.
- Future research: Include employee feedback through surveys or interviews.
- Use of technology: Adopt e-learning, VR tools, and mobile apps to make training more effective and cost-efficient.

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