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## **Factors influencing Employee Training and Development in Kenyan Organisations**

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### **Abstract:**

*Employee training and development are inevitable in modern organizations that have to grapple with a rapidly changing operational environment. Kenyan employees pursue additional training and development programs for various reasons. Some of the factors that may influence staff training and development in Kenya include: a changing political environment, economic forces, socio-cultural imperatives, shifting technological environments and emerging legal regimes. These factors may impact the individual employee or the organization to foster enhanced training and development. Organizations are required to continuously monitor their operating environments for a shift in these factors with as stated earlier; have a significant impact on the viability and competitiveness of organizations. It is expected that versatile organization would align their employee training and development targets with the emerging trends in the political, socio-cultural, technological and legal environments for sustained productivity.*

**Keywords:** *Employee, training, development, organization*

### **1. Introduction**

Training is as a deliberate effort to teach specific skills, knowledge, and attitudes to serve a specific purpose (Archive, 2008). Training can be said to be a planned systematic modification of behavior through learning, events, programs and instructions which enable individuals to achieve the levels of knowledge, skills and competence needed to carry out their work efficiently (Armstrong, 2006). On the other hand, staff development tends to focus on job-related skills. These skills contribute directly to the functioning of organizations. To offer staff development, you must identify areas of your operation where productivity or efficiency needs to be improved. Therefore, training and development are not only aimed at improving the employee's knowledge and skills with regard to his or her functional and administrative duties, but also the acquisition of certain integrity, loyalty and responsibility (Dabale et, al. 2014, Mwaura 1999). Training and development therefore, not only improves the overall performance of the employees to effectively perform their current jobs, but also enhances the knowledge, skills and attitude of the workers, which is necessary for the future job assignments and thus contributes to superior organizational performance.

Training and development are a crucial human resource management function in both Public and Private Organizations. In the USA for instance, organizations spent over one hundred and thirty-four billion dollars annually on training employees (Noe, 2012). Staff training and development is an important and integral part of human resource development and is crucial to organizational effectiveness. Training and development helps employees to prepare for change, to face emerging challenges, and acquire competencies necessary to achieve organizational objectives. It also improves the overall capabilities of an organization (Thakore, 2013). Therefore, training and development plays an important role in the effectiveness of people at work.

Developing human resource continues to be of great importance to the well being of contemporary organizations. Companies seem to realize that a well-trained workforce is the key to competitiveness, the more organizations seek excellence the more employee's training becomes inevitable (Ndivo, 2001). However, training invested in people should be such that will enable them to perform better as well as empower them to get the best out of their natural abilities for the effectiveness and efficiency of the organization (Babaita, 2010).

It is envisaged that, organizations should always be on the lookout to identify any changes in their environment and therefore be able to use strategies that would enable them deal positively with the business environmental forces. This is in consistent with the views of Eisenhardt and Brown, 1998 that, an organization should remember that it's not for the environment to change in its favour, but it's up to the management of the organization to update their operations in line with the environment changes, otherwise they will be pushed out of business.

Staff training and development can be considered as a strategy that can help the organization deal with the changes in the business environment, therefore, in order to succeed and achieve organizational objectives, business organizations must develop strategies that align training and development activities with the business environment for them to survive in the market (Dauda and Ismaila 2013).

### *1.1. Theories Governing Employee Training and Development*

#### 1.1.1. Resource Based View Theory (RBV)

The RBV theory was propounded by Penrose (1959) and developed into a more robust theory by Barney (1991). The basic assumption of this theory as explained by Penrose (1959) and Barney (1991) is that organizations can gain competitive advantage by concentrating on their internal resources namely; - abilities, skills, knowledge, capabilities and competencies. According to Barney (2001), RBV suggest that firms should develop and maintain those resources that are core to the business. The RBV theory states that, a firm develops competitive advantage by not only acquiring but also developing, combining and effectively deploying its physical human and organizational resources in ways that add unique value and are difficult for competitors to imitate (Barney, 1991).

The RBV theory indicates that Human Resource Management systems can be used to create sustained and competitive advantage and organizations can attain and achieve a sustained competitive advantage through their employees (Barney, 1991). This can be realized when a firm has a human resource pool that cannot be imitated or substituted by its rivals or competitors. Therefore, RBV theory as a basis of competitive advantage lies primarily in the application of the bundle of valuable resources at the disposal of the firm. The firm has to identify the key potential resources which should fulfill the criteria of being valuable, rare, in-imitable and non-substitutable by the firms' competitors in the area in which the firm operates (Galbreath, 2005).

#### 1.1.2. Human Capital Theory (HCT)

The human capital theory (HCT) to explain the drivers of employee training and development was advocated by Becker (1964) and Schultz (1961). Human capital has been given various definitions by various scholars; Bohlander et al. (2001) defined human capital as "knowledge, skills and capabilities of individual that have economic value to an organization. The organization for Economic Cooperation and Development (OECD) (2001) describes human capital as the knowledge, skills, competencies and attributes embodied in individuals that facilitate the creation of personal, social and economic well being. On his part, Goode (1959) defines human capital as knowledge, skills attitudes, aptitudes and other acquired traits contributing to production.

According to Becker (1964) HCT suggests that education or training imparts useful knowledge and skills to workers which in turn increase their productivity and income. In addition, an investment in training and development to increase one's human capital was as important and measurable as an investment on other forms of capital (Becker, 1975). However, according to Galor & Moav (2001) a significant aspect of the HCT theory is that the investment in knowledge, skills and health would not only benefit the individual; it could also increase employers or country's human capital resource pool and potential productivity.

Furthermore, organizations require a number of things to be effective but the factor that is most likely to provide potential competitive advantage are human resources and how these resources are managed (Fisher et al. 2003). Therefore, accumulation of one's human capital on education, training and development investment largely affects the growth of individuals wage, firm's productivity and national economy (Denison, 1962 and Schultz, 1961). In his study on the impact of Human capital and human capital investments on company's performance, Hanson (1996) found that training provided by firms for employees is not characterized by being general or specific but by what is needed to stay ahead of competitors.

In summary, Marimuthu, et al., (2009) and Fisher et al., (2003) have emphasized that production, technology, financing and marketing can all be copied by other competitors but the strategy that is harder to copy is the unique ways an organization optimizes its workforce through comprehensive human capital development towards the realization of the organization goals, long term survival and sustainability.

#### 1.1.3. Knowledge Based View Theory (KBV)

Grant (1996) proposed the knowledge Based View (KBV) theory to explain why organisations train and develop their human resources. The KBV theory defines knowledge as a strategic resource that does not depreciate in the same way traditional economic productive factors do, since it has the capacity to generate increasing returns (Wang et al., 2009). Patton (2007) indicates that, according to the KBV of an organization, knowledge and information have become the underlying sources of competitive advantage. In the last few years, the KBV has slowly emerged as a credible and legitimate theoretical lens to aid our understanding of how firms survive and compete in today's economy (Eisenhardt & Santos 2002, Choi & Lee, 1997). In addition, competitive success is governed by the capability of organizations to develop new knowledge based assets that create core competencies (Pemberton & Stonehouse 2002).

Fundamental to the KBV is the assumption that the critical input in production and primary source value is knowledge. Material resources decrease when used in the organization; whereas, knowledge assets increase with use;

therefore, knowledge is the most important organizational resource (Grant, 1996). If we were to resurrect a single factor of theory of value, then the only defensible approach would be a KBV theory of value on the grounds that all human productivity is knowledge dependent and machines are simply embodiments of knowledge (Grant, 1996).

Organizational knowledge is divided into three categories; core knowledge, advanced knowledge and innovative knowledge. Core knowledge is the basic knowledge that enables a firm to survive in the market in the short term. Advanced knowledge provides the firm with similar knowledge as its rivals and allows the firm to actively compete in the short term. Innovative knowledge on the other hand, gives the firm its competitive position over its rivals. Therefore, the firm's innovative knowledge is able to introduce innovative products or services and potentially helping it become a market leader (Zack, 1999).

#### 1.1.4. The Open Systems Theory (OST)

OST was initially developed by Ludwig Von Bertalanffy (1965). OST defines a concept of a system where all systems are characterized by an assemblage or combination of parts whose relations make them interdependent. In his work on the general systems theory Bertalanffy (1969) indicated that a system has a boundary that separates it from the environment and allows inputs to the system and outputs from it. He further explained that, in most cases, real world systems are open systems which interact with and are often influenced by their external environment, thus acquiring new quality which allows them to evolve.

OST theory may explain how staff training and development in organizations is strongly influenced by their environment. Scotts (2004) indicated that OST theory view organization as embedded in an environment and thus part of a system which includes other organizations as well as political, economic, social and cultural institutions. In addition, Scott, (2003) regarded organizations as capable of continuous changing their structural form to respond to the environment.

Cole (2002) indicated that, organizations are open systems that exchange with the environment. The environment consists of other organization that exerts various forces of an economic, political or social nature. The environment also provides key resources that sustain the organization and lead to change and survival (Micheal, 2004). Therefore, the external environment can be considered as one of the influential factors that determines survival of a system (Hanna, 2000). In addition, every business organization has to interact and transact with its environment, hence the business environment has a direct relation with the business organization. It is the environment that is likely to determine to a great extent the success or otherwise of business (Shaikh, 2010).

#### *1.2. Criticism of the Theories*

The RBV theory has been criticized in various ways. Priem and Butler (2001); while criticizing RBV theory, indicates that it lacks substantial managerial implications or operational validity. In support of this, Miller (2003) further explains that RBV theory seems to require the manager to develop and obtain valuable, rare, inimitable and non-substitutable resources required to maintain the competitive advantage of an organization, but does not address the practicality of achieving this. Another criticism of RBV theory is that its applicability is too limited. This critique concerns the generalizability of the RBV. While commenting on this critique, Gibbert (2006) argues that the notion of resource uniqueness the melding of heterogeneity and immobility denies the RBV any potential of generalization that is, one cannot generalize about uniqueness.

One of the critical weaknesses of KBT is the ambiguity in the definition of the main construct -knowledge. First there is disagreement about the level of analysis at which knowledge is a valid concept. Grant (1996) for example postulates that knowledge exclusively resides in individuals. However, March and Simons (1958) as well as Levitt and March (1988) contend that organizations accumulate knowledge beyond that which is embodied in individuals through organization learning.

On the other hand, the HCT is based on the assumption that education improves productivity and thus could explain higher wages. How true is this assumption? The theorists clearly did not take into account the transfer of learning. Does the duration of education and training really increase productivity? Certainly, this notion is ideal but questionable. A higher productivity indeed does increase wages; however, many other factors do influence the productivity.

The OST has been criticized in a number of ways. According to Yoon and Kuchinke (2005), the systems model does not specify when and how collaboration with the organization needs to take place, nor what to do when the analysis suggests that there are existing or potential conflicts between the organizational environment, work environment, work, and the structure of the organization. These are issues that relate to uncertainty and thus challenge the organization to identify appropriate responses. Furthermore, in a rapidly changing environment where tasks and group compositions become intermingled, OST does not provide immediate answers to how organizations need to address such complex situations (Clippinger, 1999). Consequently, the open-systems model needs to be modified in situations in which the velocity and range of choices overpower stability and predictability (Sullivan, 2004).

An integration of these theories may explain the complex interaction of factors that drive employee training and development in Kenya. All organizations, whether for profit or non-profit, private or public, large or small operate within the environment that exhibit different levels of turbulence and complexity (Njeri, 2012). After a close examination of the external environment, Dauda and Ismaila (2013) assert that, businesses depend on their environment to get input resources such as information, ideas, raw materials, finance and labour among others, and for the consumption of finished goods and services. This implies that, organizational business activities are influenced and shaped by environmental forces such as social, economic, technological, legal or regulatory forces among others. Inevitably, Kenyan organisations have experienced several

changes including; inventions and innovations of new ways in providing health services to people, new technology in the health sector, advancement in technology, change in government policies, new requirements by respective professional bodies, new demands by trade unions, new demands from customers, changes in working styles and recently devolution of health service to the county government, which have affected employees in their places of work. These changes have created demand for training employees in order to align their skills with the changes in the operating environment. Therefore, the following research questions need to be answered:

1. How does the political environment influence training and development in organisations?
2. How does the economic environment influence training and development in organisations?
3. How does the socio-cultural environment influence training and development in organisations?
4. How does the technological environment influence training and development in organisations?
5. How does the legal environment influence training and development in organisations?

## 2. Conceptual Framework Governing Employee Training and Development

A conceptual framework is a design that identifies the variables and their interactions. It helps the reader to quickly identify the relationship between the predictor variables and the outcome. In this case the relationship between predictor factors and employee training and development. In my view: economic, political, social – cultural and the technological factors have a significant impact of employee training and development as illustrated below.

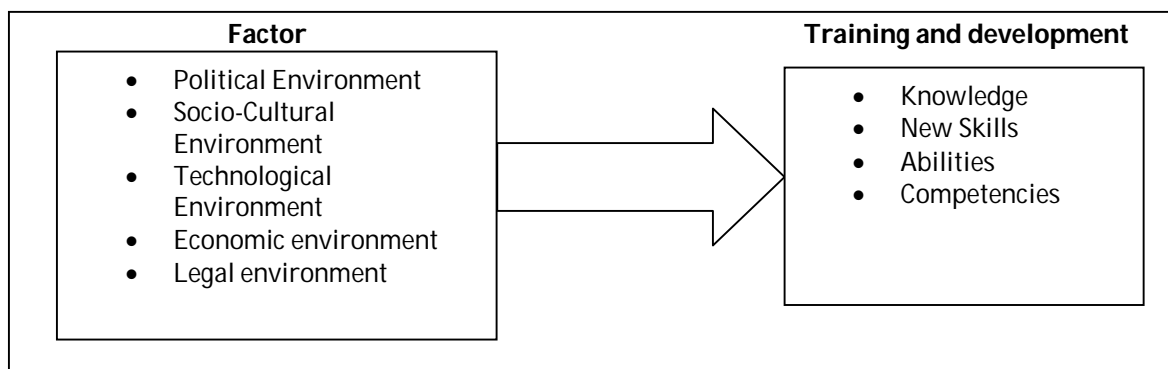


Figure 1: Factors influencing employee training and development in organizations

## 3. Factors Influencing Training and Development

The political environment which is determined by the government policies on training, devolution, professional associations and trade unions have a significant influence on employee training. For instance, the government dedicates significant funds to cater for training and development of public servants annually. These trainings are usually mandatory prerequisite for qualification for promotion within the service. On the other hand, recently the system of governance in Kenya shifted to devolved units from the previous centralized government. This shift in governance implied a need for retraining of public servants to align them with the new system of public administration. Furthermore, devolution of government services has also impacted the private sector needs for training and development of their personnel. The critical services that were sought by the private sector from the central government have now been devolved. This implies that the private sector has to learn how to obtain these services from the devolved units.

Professional bodies are a significant driver of employee training and development. These bodies require certain minimum qualifications from their membership. In addition, professional bodies provide opportunities for continuous professional education for their membership. These training opportunities are aimed at improving the knowledge and skills of the membership to grapple with emerging professional challenges in their respective fields. In this way, professional bodies are driving the training and development agenda of employees in Kenya. Finally, trade unions are critical in enhancing employee training and development. Trade unions participate in agitation for employee welfare through provision of training and development initiatives by the employers and hence play a significant role in fostering employee training and development.

Social-cultural factors such as: - age, gender, education levels and peer pressure, are critical drivers of employee training and development. Typically, younger employees are more inclined to pursue additional training and development to enhance their career prospects. On the contrary, aged workers are averse to additional training as they are usually set in their ways. For this reason, younger employees are more versatile and adaptable to training and development goals of organizations. The impact of gender differences in training and development needs of individuals and organizations is inconclusive. Future studies should examine whether there exists a gender bias in the training and development requirements of individuals as well as organizations. With respect to education levels; a cursory observation indicates that the more educated individuals tend to seek further opportunities for training and development compared to the lesser educated ones. Therefore, it is expected that individuals in professions requiring higher education and skills certification would be significantly inclined to pursue additional training and development. Moreover, peer pressure may induce a need for

additional training and development. For instance, where such training is prestigious; individuals may pursue this training purely as a status symbol and this may be a central motivator that drives individuals to pursue certain forms of training and development programs.

Economic forces play a critical role on employee training and development. Usually, organizations facing turbulent economic scenarios as manifested in declining incomes tend to divert resources dedicated for employee training and development to other critical areas of the organization. For this reason, employee training and development is one of the first casualties during organizational restructuring to cope with unfavorable economic environments. On the other hand, individuals pursue further training and development opportunities with the understanding completion of these programs will translate into enhanced personal incomes. This is a principal reason why individuals pursue further training and development in spite of a hostile economic environment. Therefore, sometimes the needs for training and development of the individual and the organization may be synergistic during a favorable economic environment but antagonistic during hostile economic times.

Technological factors reflected here by advancement in technology, evolution of novel service delivery systems, information technology and communication together with inventions and innovations in the organization may require that employee undergo additional training and development. These training and development would be envisaged to equip the workers with new knowledge and skills to cope with emerging technological trends in the organization.

Finally, legal or statutory requirements may govern employee training and development. For instance, there are several regulatory bodies that have a legally enforceable mandate to ensure that certain practitioners meet satisfy the criteria spelt out for legitimate practice. This implies that certain legal regimes may influence requirements for employee training and development.

#### 4. Conclusion

Several extraneous factors may have a significant impact on the need to train and develop staff in an organization if it is to remain viable and competitive. These factors are: the political, economic, socio-cultural, technological and legal. Organizations need to continually monitor the impact of these factors on the operations of the organization with a view of optimizing employee training and development with a view of pursuing excellence in organizational outputs.

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