

Employee Training: A Study of Theories and Practices

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Introduction

In Human Resource Management, training is a highly complex and ever-evolving field of study. A great deal of time and energy is spent by a firm understanding what its training needs are, not only to adequately train its new employees, but also to give it a competitive advantage in its respective marketplace. This should, in theory, aid the overall success of the firm. This study was undertaken to understand how firms develop new hire training programs and to understand the importance certain firms place on developing new hire training. It also seeks to understand how these views fit into established human resource management theories and approaches to training. The study began with no predetermined views on where the data would lead. The goal of this study was to collect data and see how the various theories lined up with the participating firm's views and goals for its further, it is important to understand the background of the three theories/practices that will guide this research.

Theoretical Introduction

As stated in the introduction, this study was undertaken as an examination of three theories and approaches to Human Resource Management regarding employee training programs, and their overall impact on firm success. There. This study chose to take a structured top-down look at the data, focusing on the high- level, the firm itself, the mid-level of Human Resources (HR), and a low-level examination with the employee who participates in the training. Because a single theory cannot appropriately be used to encompass all levels, the data collected in this study will be examined at each level using different theories. training programs

of each firm participating in this study will be examined *Resource-Based View, ADDIE, and Social Exchange Theory*.

Resource Based View

Based on their availability or how they are utilized, a firm's strategic resources are a contributing factor to the competitiveness of the firm in question (Barney, 1991). For many years now, the resource-based view has been the major theory describing issues surrounding a firm's use of resources (Davis & DeWitt, 2021). A resource can be several things that aid the firm in achieving its goals. Barney (1991) broke these down into three groups: "Physical capital", "human capital", and "organizational capital resources" (Barney, 1991, p.101). Training could fall into two of these categories. It could be placed into human capital, as training is controlled by individual employees. On the other hand, an argument could be made that a training system unique to that firm could be identified as an organizational capital resource.

The theory of resource-based view has a great deal to do with how these various firm resources are used as a competitive advantage and maintained in the marketplace (Barney, 1991). Barney (1991) analyzed this advantage in four ways: *imperfectly imitable resources, valuable resources, rare resources, and substitutability*. In imperfectly imitable resources, a firm's unique past gives it access to a certain resource, or a unique understanding of how to best utilize it (Barney, 1991). Think of Toyota and the early days of Toyota Production Systems (TPS). Many US (United States) manufacturers tried to copy it, yet Toyota's history and firm culture made it difficult for other manufacturers to replicate TPS effectively. Valuable resources are those resources that give a firm an advantage over the competition by allowing the firm to take advantage of opportunities that come up, while at the same time protecting them against

competitors (Barney, 1991). Human capital in the form of long-term employees can be a valuable resource if those employees are not easily replaceable. Long-term employees offer firms the advantage of knowledge, allowing them to seize upon opportunities while protecting the firm from actions that could play into their competitor's hand.

In a comparable manner, rare resources are said to be those resources that a firm holds that its competitor cannot easily gain access to (Davis, 2019). Like valuable resources, a rare resource adds value to a firm when it gives the firm an advantage over the competition in the marketplace and protects it at the same time (Barney, 1991; Davis, 2013). The difference here is that a firm competitor does not have access to a similar resource, such as human capital (Barney, 1991) An example of a rare resource is Apple Inc's IOS platform, with its ability to interact across a variety of Apple products. This falls into the category of a rare resource as it may in the long run keep customers from switching to Android-based systems, thus denying Android a share of the market.

The last resource is substitutability. Substitutability refers to a resource that cannot be easily replicated by another firm in its exact form (Barney, 1991; Davis, 2013). However, according to Barney (1991), it may be possible for a competing firm “to substitute a similar resource that enables it to conceive of and implement the same strategies” (p.11). Keeping with a technology theme, we can use Android-based phones as an example. While it may not be the same as an Apple product, the Android platform performs many similar functions. While not exact copies of Apple resources, they are just close enough to allow them to be competitive in the same market. Therefore, Apple IOS is not the best example of a sustainable competitive advantage based on this element of the resource-based view (Barney, 1991). A better example

of substitutability would be a pharmaceutical company that holds the patent on a particular drug, at least for the period the patent is in effect. The next theory/practice relating to this study comes in a less complicated form and that is the ADDIE instructional design.

ADDIE

The ADDIE instructional design model can trace its origins back to the 1970s when its principles were found in instructional systems development or ISD (Molenda, 2015). The features of the ISD model were analysis, design, development, implementation, and evaluation (Molenda, 2015). ADDIE is now the accepted acronym when referring to this pattern of thought concerning the development of instructional programs such as employee training. The principles making up ADDIE are quite intuitive and can be understood in the following ways.

Analysis, to put it simply, is understanding that a need exists for certain training (Dessler, 2020; Matthews, 2022). Once the need for training is understood, the next step is design, which is in essence the strategy phase of instructional design (Molenda, 2022). At this phase, one's understanding what is necessary for your program and what is the end goals of the firm. In the development phase, one is putting all the pieces together and making a finished product (Dessler, 2020; Matthews, 2022). Once finished, one can move on to implementation and can initiate a functional training program (Dessler, 2020). Finally, once implementation is complete you can move into evaluation. At this stage, you are assessing the success of one's training program and methods (Dessler, 2020; Matthews, 2022). If your goals were met, then great. If not, then one can restart the process through analysis of the programs discovered through evaluation.

While ADDIE modeling is widely considered to be an effective approach to training, it does have some limitations. For example, research has pointed out that instructional designers may be hampered by outside input into training practices by individuals who are not as well-versed in methods of instruction (Matthews, 2022). This could lead to potential problems with utilizing ADDIE if this is not managed effectively.

Social Exchange Theory

The last theory which is relevant to this study is social exchange. The premise of social exchange theory is that interactions between individuals promote obligations between them (Cropanzano & Mitchell, 2005). Every interaction that an individual has builds relationships and with these relationships come certain obligations. Obligations build interdependency among a group of individuals, especially in a workplace setting (Cropanzano & Mitchell, 2005). These relationships grow over time, through these individual interactions, and at the heart, this is the idea of reciprocity (Cropanzano & Mitchell, 2005). Cropanzano & Mitchell (2005), who discuss reciprocity in-depth, define it as a “repayment in kind” (p.875). In fact, they build obligations and as a result, these obligations must be fulfilled or repaid through social exchanges.

These exchanges promote interdependence among individuals and build a community among employees in the workplace. According to Cropanzano & Mitchell (2005), firms benefit from these exchanges with and among employees. One way they benefit is by forming a strong psychological contract early on between an employee and the firm they work for (Birtch et al., 2016). Obligations form between the two in the earliest days of the firm/employee relationship. Employees also build relationships through social exchange on an individual level with other employees. These processes often take root during an employee's initial training with the firm.

With this basic theoretical understanding established, we now have a foundation to form our research question. As previously stated, this study was undertaken to understand how firms develop new hire training programs that enhance firm competitiveness and to understand the importance firms place on new hire training. Therefore, the following research question is being proposed:

RQ: How does training facilitate firm success?

Seeking to answer this question, this study will conduct three levels of examination of a firm's training program. Again, taking a top-down approach, this study will start its examination at the firm level via training programs instituted by a firm as a resource. At this level, the study will take a resource-based view, looking at issues such as value, rareness, imperfect imitation, and substitutability (Barney, 1991). Next, at the HR level, this study focuses its attention on development and implementation based on the ADDIE model. Last, an examination of training at the employee level with a look at employee network, trust, future collaboration, and firm and employee interactions/ social exchange, and how employees support training development through reciprocity by providing feedback to the firm that aids in the development of more effective training methods which aid in the success of the firm.

Study Design

This study sought to gather data from a set of firms that varied not only in size but also in the services they provided. Some of the participating firms offered their services to the public and others offered their services to a more select group of customers. It was believed that a

varied and smaller sample set would yield the most valuable information based on the scope of the study and the guiding research. The study was designed and executed by the following means.

Sample Size/Method

This study looked at 10 firms located in the United States. While some of these firms did have a national presence, a majority were confined to doing business in the same geographic area of approximately 70 miles. The number of individuals trained by these firms annually ranged from as few as six to in the thousands. Individuals from these 10 firms were interviewed by phone, via Zoom, and in person. Individuals in these 10 firms either held a position in Human Resources or performed a role in the company that had them actively training employees, either as a dedicated trainer or on top of their normal duties. All participants were asked the same series of open-ended questions that sought to elicit insights into their firm's training methods and goals. To encourage complete and honest responses, all subjects were guaranteed that their responses would be confidential and that their firm would only be identified as Firm A, Firm B, Firm C, etc. The assigning of an identification letter was done at random, with none of the participants knowing the letter which identifies their individual firm.

Coding

The coding process used a methodology as its approach to analyzing the data from the study participants. The coding process was based on the theories and practices defined in the previous sections. Using these established theories/practices, one can identify the common themes in the data to begin the coding process. Those three themes are firm resources, ADDIE methodology, and social exchange.

With firm resources, the data will be examined for the four attributes of firm resources: value, rareness, imperfect, and substitutability. Also, evidence of firms utilizing specialized training programs and understanding whether these programs were purchased, or developed within the firm, and how they are managed will be scrutinized. The next step is a detailed examination of the data through the elements of ADDIE instructional design. Examining data for observed behaviors associated with ADDIE (analysis, design, development, implementation, and evaluation) with more focus given to behaviors common to development and implementation. Finally, the collected data will be examined through the lens of social exchange. The focus is one observed acts of reciprocity associated with firm training programs both with other employees and the firm itself. Examples of this include program feedback, surveys, suggestions, email, and data collection activities.

Analysis

Resource-Based View

Given the three levels of examination, it will be best to break down the study findings in a similar fashion. Through a primary and secondary coding process, themes in the data began to emerge. Starting with the firm level with a resource-based view and the presence of specialized training program only one firm, firm A, did not display evidence of a specialized training program. “observation”. While the firm did have metrics for the employee to meet, the firm did not have a well-defined path or plan to get to that point. The data suggested that three firms, B, I, and J, were in the process of establishing firm-specific training programs. The rest of the firms had well-established firm-specific training programs in place. Two of the firms surveyed used a training program that was purchased from a third party.

Imperfectly imitable resources were evident in firms B, F, G, H, and I's training programs regarding their treatment of human capital. While a few of these firms did have histories that contributed to imperfectly imitable resources, the data suggests that human capital in the form of long-term training professionals and employees who took on that role as needed was a major factor. data suggests valuable resources existed to some extent in all the firms that participated in the study. the "experience" of their training professional or the "knowledge" that their program instilled in new employees as a valuable resource that gave that firm a competitive advantage over other firms in their marketplace.

During the study, at the conclusion of the interview, all ten participants were asked the following question: *What do you think are some strengths of your current training program?* Seven of the ten firms surveyed mentioned the transfer of information from an experienced trainer within the firm. Phrases such as "experience," "knowledge," and "ability to solve problems." In the case of Firm G, the interviewee was the training professional so modesty may have prevented them from claiming experience and knowledge as a value. In the case of this firm, the successes of the employees were identified as their program's strength. Human capital was seen as a competitive advantage in nine out of ten firms in this study. Only firm A's response did not indicate that they saw experience or knowledge as their strength. The experience and knowledge that the firm's training staff possessed are also linked to the rareness of firm resources.

In this case, human capital in the form of the firm's training staff became the rare resource to which a firm had access. No other firm possessed the specific human capital, which in turn conducted the firm's training. Therefore, with the knowledge they possess, the

individual becomes a competitive advantage. While employed with that firm, no other competitor had access to this rare and valuable resource, which gave that firm an advantage over the other. Two firms, F and D, occupied the same marketplace. Even though firm D was significantly larger in size, firm F indicated that their trainer and training program gave them the ability to compete with such a large firm. Thus, the rare resource became their competitive advantage to stay relevant even when other firms had more to draw upon.

Substitutability, as a firm resource, was harder to identify based on the questions in the study survey. Again, human capital and the unique knowledge an employee possesses become the resource. This makes for a resource that is difficult for other firms to substitute and in some cases un-substitutable. The training structures of many of the firms played to the competitive advantages found within its human capital. While other firms, with time and the expenditure of vast amounts of resources could possibly begin to imitate a firm's structure, the question becomes whether it is the right business decision for that firm. In this study, only firm B, given its unique business model and years spent developing its brand, would be the most difficult to imitate. Yet, with access to human capital and a willingness to invest many resources in a long-term strategy, it could be imitated. In the case of the firms appearing in this study, the training structure/programs themselves could be imitated rather easily. Only the human capital and an individual's unique knowledge of that specific firm's industry could not be imitated easily by a competing firm.

ADDIE

This section of the analysis will focus on ADDIE instructional design with more emphasis on implementation and how it contributes to firm success. Knowingly or unknowingly, traits of

ADDIE were recognized in the data provided by all ten firms that participated in this study. In fact, many utilized it to great success. A good example of this was the data provided by Firm G. In the case of Firm G, a committee consisting of management, the human resource manager, and the trainer would meet “every couple of months” to discuss issues observed in new hires and staff in general.

The data collected from the interview suggested that this feedback, provided from surveys to new employees, managers, and customers, was used to inform human resource professionals and trainers across several of the firms. It was then used to improve the development of human capital and the implementation of the firm’s training practices. The data even suggests that this feedback was used by multiple human resource professionals to adjust the implementation of a firm's training practices.

The analysis found that one recurring theme was that this feedback was used by HR professionals to adjust the implementation practices of their training programs to meet the individual needs of the employee being trained. In many of the cases, the training itself was not altered, but the way it was delivered to the employee was altered based on ADDIE instructional design. the firm's trainer changed implementation by “adapting to the individual's learning style.” I followed a similar practice of observation and would adjust its program “based on observation” of the new employee. Again, the content of the training was not changed, just the delivery. Some employees responded well to computer-based learning, and others they found responded better to role-play or hands-on.

Social Exchange

During the data analysis, elements of Social Exchange Theory were prevalent, especially elements of reciprocity. The difficulty of the analysis was separating acts of reciprocity between employees and between employees and firms. Evidence of these interactions taking place. Firm F stated that its trainer would follow up with employees well past the obligations of their role and help the employee with issues they may be having down the road.

Likewise, the interview with Firm A provided data showing the presence of reciprocity at the employee level. This reciprocity was reinforced during employee training as new employees would rely on other employees to fill in the gaps of the training. Firm A mentioned “growth through failure” as a process of developing its training program. As the team would fail, they would learn and help one another based on their failures. Subsequently, this social exchange of information and support-built interdependency between team members’ success.

The most data to support social exchange at the employee level came from firms that utilized front-line employees to conduct new hire training rather than dedicated training staff. Firms J, A, B, I, and E all demonstrated reciprocity occurring between individual employees during training. In fact, it could be argued that these firms' training was developed in such a manner as to encourage it. At the same time building bonds with new employees that last well beyond the training program. These bonds were reciprocated by the new employees, and later exchanges would occur based on these exchanges. Firms A, B, and I indicated that these exchanges made for a firm culture where employees felt comfortable asking questions and seeking advice on performing a certain task when necessary.

Conclusion

The research question of the study sought to understand how training facilitated firm success. In studying the data gathered from ten firms that participated in this study, it is concluded that there is no one simple answer to our research question. The firms that participated in this study were all successful in their own unique marketplace, yet none really followed the same style of training method to facilitate success. This points to equifinality playing a significant role, as none of the firms in the study possessed all four qualities at the same time but were all successful in using different approaches based on available resources. While not all present at the same time, individually these four traits did demonstrate elements that contributed to the firm's success. In this study, human capital as the firm resource was the most evident and was seen as the most evident and seen as most valuable, rare, and imitable. Further study is warranted to fully understand how this theory contributes to firm success overall.

At the Human Resource level, the behaviors of ADDIE were evident at all levels and contributed greatly to the firm's success. Interestingly, many of the participants in the interviews were unfamiliar with ADDIE instructional design, yet their firms all were exhibiting strong behaviors associated with ADDIE. This could suggest that ADDIE is the most intuitive form of managing a training system and why it is so successful and enduring. This success was demonstrated in this study by how the firms implemented their training programs. They allowed the content of the training program to be driven by firm needs while allowing implementation to be driven by the needs of the new employees. This led to the implementation of a training program that was adaptable to individual employees, which gave the firm a distinct competitive advantage.

Finally, Social Exchange Theory and understanding of the contributions made by acts of reciprocity to a firm overall success. This element, at the employee level of exchange, was the most difficult to filter from the data. Nonetheless, there was evidence that it existed and contributed to the facilitation of firm success through its training program by building relationships through exchanges of knowledge during the training program. These exchanges go on to foster a strong firm culture and a support structure that individuals can rely on separately from the firm in times of need. However, the data made a stronger argument for reciprocity occurring more frequently between employees and the firm.

The feedback, in the form of surveys, provided a means of exchange for employees to enhance the firm's success. The firm provides training for new employees coming into the firm. An exchange of knowledge from the firm to the employee through a structured training program help to establish a relationship and dialogue between the two. The employee would in turn reciprocate by providing feedback to the firm at the end of the training program on how the program could be improved for future employees. This social exchange contributed greatly to not only the success of a firm's training program but also to the overall success of the firm in question. Therefore, it is suggested that researchers consider these social exchanges when conducting future studies.

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