The Indian Economic Journal

JOURNAL OF THE INDIAN ECONOMIC ASSOCIATION

Volume - 5-C • Special Issue • December 2025

SOCIAL INCLUSION EMPLOYMENT AND HUMAN DEVELOPMENT

An Impact of Employee Training and Development on Organizational Performance with Reference to SDG 8 and SDG 17

R. Rajalakshmi

Abstract

Training and development of employees is a critical strategic role towards organizational excellence, productivity and sustainability. Against the backdrop of Sustainable Development Goals- SDG 8 (Decent Work and Economic Growth) and SDG 17 (Partnerships for the Goals), the present research focuses on effectiveness, relevance, and outcomes of training programs in the financial services sector. The descriptive research design was used, and primary data were gathered using a structured questionnaire of 100 employees. Statistical packages such as percentage analysis, mean, standard deviation and correlation were utilized. The results show that training has a great influence on improving employee performance, motivation, productivity and relationships at workplace. The paper ends with the recommendations on how the training can be more effective by means of better planning, constant reviewing, and alignment to SDGs.

Keywords: Sustainable Development Goals, Organizational Performance, Productivity Enhancement, Workplace Relationships

Introduction

In the modern business world where the world has become highly dynamic due to the fast-changing technology, the global competition and changing customer demands, human resource development should be the main strategic investment of organizations [1]. Training and development programs will help create a knowledgeable, skilled and flexible workforce, which will be able to help build the sustainability of the organization. SDG 8 focuses on the decent work and economic growth, whereas SDG 17 focuses on the importance of working with partners toward attaining sustainable development. The role of employee training in helping organizations to maintain these objectives is immense by improving the performance of employees, ethics, productivity, and retention of talents. In this study, the authors examine the impact of structured employee training programs on organizational effectiveness, employee satisfaction, and development of long-term sustainability in the financial services industry [2].

Objectives

To examine how such training programs are effective in improving employee skills and knowledge concerning the SDG 8 goals [3].

- To find out how the current training programs are lacking or what could be done better.
- To determine how much employee participation in training programs is correlated and their contribution to the achievement of SDG 8 goals.
- To determine the overall effects of employee training and development programs in enhancing quality education.

Research Supervisor and Assistant Professor, Department of Management Studies, Vels Institute of Science, Technology and Advanced Studies

- To establish the best practices and effective strategies that are used in employee training, which are in line with SDG 8 objectives.
- To suggest the ideas on how training programs can be better aligned with the SDG targets of SDG 8 and the way they can be maximized to benefit the field of financial sector.

1. Review of Literature

Training and development (T&D) of employees is a well-known strategic Hr function that increases human capital and positively affects the organizational performance. Classical human capital theory is the theory which postulates that investment in skills of employees enhances productivity and competitiveness of firms [4]. Modern research builds on this by correlating T&D with such organisational consequences like profitability, innovation, service quality, employee retention and firm responsiveness in the quick changing markets.

Empirical evidence. Quantitative research in manufacturing, service and public sectors reveal such positive correlations between T and D and productivity (output per worker, sales growth) and non-financial (customer satisfaction, product/service innovation) results. Longitudinal studies indicate that payoff of training is based on design (on-the-job training versus classroom training), alignment with business strategy and transfer mechanisms (supervisor support, follow-up coaching) [5]. The effect sizes of training on learning and behaviour change are moderate to strong, with weaker but significant effects on organizational performance, again, they become stronger when training is used in conjunction with other compatible HR practices (performance management, career pathways).

Mechanisms that are connecting T&D and performance. Training enhances abilities and roles of employees, role clarity and motivation -minimizing mistakes and maximizing discretional effort. The knowledge sharing and succession is aided by developing programs (leadership, cross-functional rotation) and is more likely to increase organizational resilience [6]. In addition, T&D as a continuous learning process (lifelong learning, continuous professional development) helps to promote a learning culture that will make innovations and process enhancement faster.

SDG 8 encourages productive employment, decent working conditions and sustainable development. T&D also makes a direct contribution in enhancing employability, job quality and upward mobility, which assists organizations to provide decent jobs, transferring skills [7]. Companies that invest in human resource development can spur the local economic growth by providing better wages, superior employment and increased efficiency. The policies that foster workforce skill enhancement, particularly, technology and green skills, resonate organizational objectives with the SDG 8 goals, as they foster sustainable economic productivity and inclusive labour markets.

These collaboration builds capacity, tailors the curriculum to the demands of the market and can mobilize resources to support sustainable development of the workforce. Organizations that enter into partnerships in the context of T&D do not only empower their talent pipelines but also help national and regional capacity-building objectives, as incorporated in SDG 17.

Limitations and gaps. Most of the literature draws on the short-term quantifiable outcomes; less research can reflect on the societal outcomes in the long term or the contribution of T&D towards the achievement of the macro-level SDG targets. Efforts to use evidence based on SMEs and situations in developing countries are also under-represented, where the limited availability of resources and informal labour markets alter the balance of training uptake and effectiveness [8]. Also, the interaction between the digitalization, automation, and training efficacy is a developing field that needs longitudinal and mixed-methods studies.

Practice and research implications. Organizations must identify training strategy to business priorities and SDG priorities- develop programs to create green and digital skills, to integrate social inclusion, and to exploit partnerships to reach wider [9]. The researchers ought to focus on longitudinal, context-specific research that can help understand the contribution of T&D to SDG indicators (employment quality, youth employment, institutional capacity) and explore scalable T&D partnership models that can SDG 17 operationalize.

Conclusion. The literature points towards the positive, conditional effect of training and development of employees in an organization on its performance. When T&D is framed in the context of SDG 8 and SDG 17, it is important to note that the definition of T&D is two-fold, to enhance both firm-level performance and help address broader societal objectives, through decent work and joint capacity-building. Further employment ought to bridge the evidence gaps on the long-term, system-wide effects and effective partnership models that maximize the benefits of training.

2. Research Methodology

The research design was descriptive in nature to determine how the employees perceive the effectiveness of training [10]. The research was done on a total workforce of 400 employees out of which 100 employees were chosen through simple random sampling method to achieve unbiased representation. The primary data was obtained with the help of a structured questionnaire with Likert scale questions in which trainees were able to speak about their degree of agreement with this or that feature of the training programs. Secondary data were also collected to supplement and prove the findings in the forms of industry reports, academic journals, and other organization documents. The proposed work was defined by fig.1.

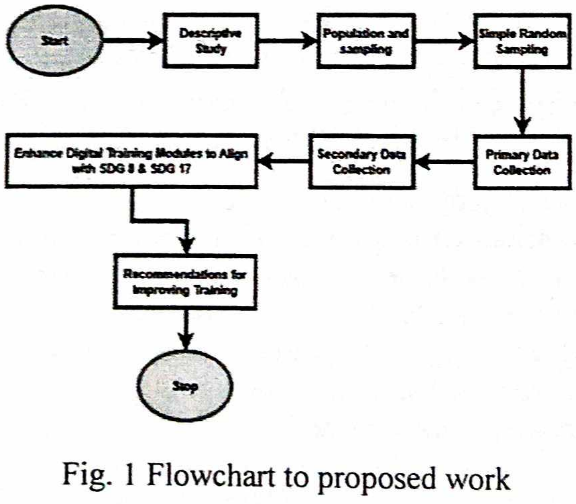

Fig. 1 Flowchart to proposed work

Financial services industry is a significant part of the development, stability, and operations of an economy of a country. This sector covers banking, insurance, asset management, investment services, micro finance, fintech and other related financial intermediaries which link individuals, businesses and governments to the financial system.

The research provides several recommendations to revise the efficiency of training programs among the employees [11]. Employees ought to be engaged in active means of determining their training requirements to make the programs relevant and focused. To set expectations, the Human Resources need to carry out pre training briefing and post training assessment of the learning outcomes. To promote holistic development organizations are urged to come up with value-added programs that facilitate time management, stress management and professional ethics. The measurement of knowledge transfer and the impact of the entire program is critical by carrying out the evaluation of trainee performance after each program. The training programs must also be geared towards the present industry needs and new technology to ensure the relevance of the workforce. The results of training can be connected to rewards, recognition, and career advancement;thus, it is possible to provide continual motivation. Training should be done regularly, and emphasis should be made to make them interactive and participative to increase the engagement. Also, the enhancement of the digital training modules will contribute to the alignment of the organizational activities with the goals of SDG 8 and SDG 17, which encourage sustainable development and international cooperation. In table 1, it shows the % of Employee Perceptions of Training.

Table 1 Employee Perceptions of Training

Statement / Metric	% of Employees Agreeing
Employees like to attend training sessions	99%
Training improves knowledge and skills	82%
Training is necessary for new and current employees	89%
Training plans are properly designed	96%
Training programs are conducted monthly	73%
Training leads to increased productivity & performance	97%
Coaching is the most widely used training technique	65%
Lack of interest is a major obstacle	48%
Training implementation lasts 2–3 months	77%
Training enhances employer–employee relations	89%
Training increases motivation	68%
Feedback is valuable for assessing results	95%

3. Results and discussion

The survey was able to identify some valuable facts concerning the effectiveness of the training programs at the organization. Most (99% of employees) of them said that they like to attend training sessions and 82% of employees said that training improves their knowledge and skills. Also, 89 percent believed that it is necessary to train new and current employees, and 96 percent thought that the plans are properly designed. Consistency was also apparent as 73% of them (affirmed that training programs are done monthly). When asked about their effectiveness, 97 percent said that training leads to increased productivity and performance overall, and 65 percent of the respondents identified coaching as the most widely used training technique. Nevertheless, a few difficulties were also observed: 48 percent of employees mentioned the lack of interest as one of the main obstacles to the successful involvement and 77 percent mentioned that the implementation of training usually lasts two three months. The research also established that 89 percent of the people are convinced that training enhances the relationship between employees and the employer, 68 percent is adamant that training increases motivation, and 95 percent highlighted the value of feedback in assessing the results of training. Correlation analysis also indicated a moderate positive correlation ($r = 0.12$), which indicates good communication among the employees and a strong positive correlation ($r = 0.61$), which indicates that the management listens to the suggestion of its employees. It discussed on Training Benefits in fig.2 and Employee training dataset for performance in fig.3.

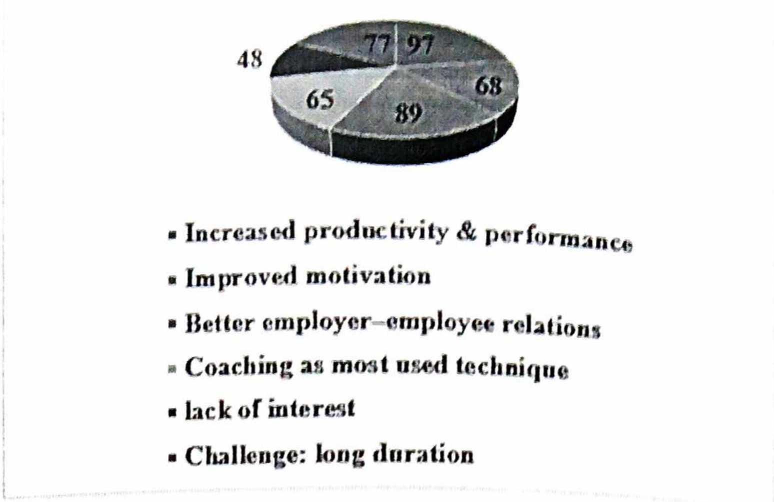

Fig. 2 Training Benefits

In general, the results reveal that the employees are very interested in training and consider it a necessity to improve their skills and realize the advantages of the properly organized and frequently implemented programs. The most suitable approach was coaching and training was reported to play a critical role in enhancing productivity, motivation and performance. In addition, it is positive towards employee-employer relations, and it is largely dependent on effective feedback systems. Regardless of these benefits, the absence of interest and the shortage of skilled trainers are still significant challenges to the optimisation of training programmes [12].

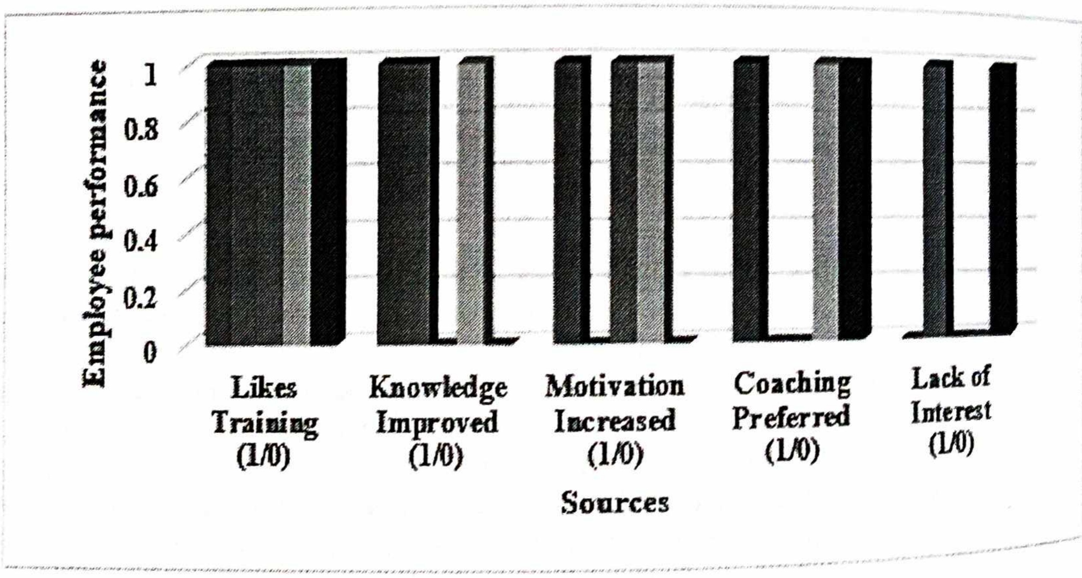

Fig. 3 Employee training dataset for performance

Financial services industry is the supporting force in the economic activity since it provides effective financial intermediation. It offers services that are necessary like payment processing, facilitation of credit, wealth management, insurance protection, and advisory services on investments [13]. The sector helps in growth of business, household financial stability and government financing through these functions.

The industry is marked by strict control, ongoing innovation and fast digitalization. The stable environment is guaranteed by regulatory bodies, like the Reserve Bank of India (RBI) and the Securities and Exchange Board of India (SEBI) and the Insurance Regulatory and Development Authority (IRDAI). Simultaneously, the technological progress is transforming the environment of the functioning of financial institutions, including artificial intelligence, blockchain, mobile banking, and automated trading. The importance of training in this field is because compliance requirements, online platforms, trading systems and customer service expectations are changed fast. The statistical analysis was calculated in table 2.

Table 2 Correlation Values

Variable Relationship	Correlation Value (r)	Sample Size (n)
Communication among employees	0.12	100
Management listens to employee suggestions	0.61	100

4. Conclusion

The researcher concludes that training and development of employees plays a great part in enhancing organizational performance, satisfaction of employees and in long-term organizational growth. Training assists in developing a well-informed workforce who can adjust to the fast changes in the industry and thus observe goal 8 SDG of decent work and economic growth.

Moreover, when employees participate in training design and evaluation, better communication, improved relations, and motivational levels will be attained. When training processes are aligned to sustainability principles, organizations can boost their productivity and at the same time bring benefit to the larger population. In general, systematic, properly planned, and constantly evaluated training systems are an impetus towards excellence and sustainable growth of the organization.

References

Mahadevan, A. (2021). Performance in a Direct Selling Organisation in Malaysia. 2(1), 25-35.

Shafiq, S. (2018). Effect of Training and Development on Employee Performance in a Private Company, Malaysia. 4(2), 45-58.

Otuko, A. H. (2016). Effect of Training Dimension on Employee Performance in Mumias Sugar Company, Kenya. 10(3), 112-125.

Singh, T. (2016). Impact of Training and Development Programs on Employees' Efficiency at Bharat Heavy Electricals Ltd. (BHEL). 8(4), 75-88.

Ampomah, P. (2016). Effect of Training and Development on Employee Performance in a Private Tertiary Institution in Ghana. 15(2), 150-165.

Baldwin, J., & Ford, L. (2018). Importance of Employee Training and Development Programs in Organizational Performance Enhancement. 20(1), 5-18.

UNESCO. (2019). Role of Education and Training in Achieving Sustainable Development. 25(3), 200-215.

Arthur. (2012). Meta-analysis of Training Initiatives on Organizational Performance Outcomes. 30(4), 300-315.

Deloitte. (2022). Role of Employee Training and Development Programs in Addressing Skills Gaps within Industries. 12(2), 80-95.

generation and supply. *Frontiers in Energy Research*, *9*. https://doi.org/10.3389/fenrg.2021.743114

Settembre-Blundo, D., González-Sánchez, R., Medina-Salgado, S., & García-Muiña, F. E. (2021). Flexibility and resilience in corporate decision making: A new Sustainability-Based Risk Management System in uncertain times. Global Journal of Flexible Systems Management, 22(S2), 107–132. https://doi.org/10.1007/s40171-021-00277-7

Mukhuty, S., Upadhyay, A., & Rothwell, H. (2022). Strategic sustainable development of Industry 4.0 through the lens of social responsibility: The role of human resource practices. Business Strategy and the Environment, 31(5), 2068–2081. https://doi.org/10.1002/bse.3008

Pizzi, S., Del Baldo, M., Caputo, F., & Venturelli, A. (2021). Voluntary disclosure of Sustainable Development Goals in mandatory non-financial reports: The moderating role of cultural dimension. *Journal of International Financial Management and Accounting*, *33*(1), 83–106. https://doi.org/10.1111/jifm.12139