

The Impact of Training and Its Integration in Firm Strategies on Firms' Competitiveness: A Top Management Perspective

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In the knowledge-based economy, U.S. firms become more and more dependent on the skills and knowledge of their workers. Workforce education and training have become one of the solutions for U.S. firms to compete in the global knowledge-based economy. The purpose of this study was to investigate the relationship between training and its integration in various firm strategies and various measures of firms' competitiveness in the U.S. Fortune 500 companies.

Keywords: Training, Strategies, Competitiveness

The United States is operating in the innovation-based economy, and U.S. firms are the key drivers of the U.S. national economy and competitiveness. In the knowledge-based economy, U.S. firms become more and more dependent on the skills and knowledge of their workers. The United States, however, is facing a shortage of highly skilled workers to compete in the global knowledge-based economy, and workforce education and training have become one of the solutions for U.S. firms to compete in the global knowledge-based economy. The purpose of this study was to investigate the relationship between training and its integration in various firm strategies and various measures of firms' competitiveness in the U.S. Fortune 500 companies.

Problem Statement

There is a strong consensus among policy makers, practitioners, academicians and researchers alike that training is one of the solutions for firms to compete in the global knowledge-based economy. However, there are few studies addressing the relationship between training and its integration in various firm strategies and various measures of firms' competitiveness. Therefore, a study to investigate the impact of training and its integration in firm strategies on firms' competitiveness is needed.

Theoretical Framework

These studies (Caldeira, 2001; Fawcett & Myers, 2001; Hollis, 2002; Keep & Mayhew; 1996; Maurer, 2001; Morton, 2002; NCVET, 2002; Whitney, 2005) showed and documented the training impact on firms' competitiveness. Several recent studies have documented the impact of training and its integration in firms' strategy on firms' competitiveness (Baird & Henderson, 2001; Dockery, 2001; NCVET, 2002; Nikandrou & Papalexandris, 2007; Turcotte, 2002). The conceptual framework is displayed in Figure 1 below.

Research Hypotheses

Hypothesis 1a: Training helps firms respond easily and quickly to new opportunities and threats. Hypothesis 1b: There is a correlation between the integration of training in firm business strategies and the extent that training helps firms respond easily and quickly to new opportunities and threats. Hypothesis 2a: Training increases firms' productivity. Hypothesis 2b: There is a correlation between the integration of training in firm business strategies and the extent that training increase firms' productivity. Hypothesis 3a: Training increases firms' efficiency. Hypothesis 3b: There is a correlation between the integration of training in firm business strategies and the extent that training increases firms' efficiency. Hypothesis 4a: Training helps firms differentiate themselves in the marketplace. Hypothesis 4b: There is a correlation between the integration of training in firm business strategies and the extent that training helps firms differentiate themselves in the marketplace. Hypothesis 5a: There is a positive relationship between training and firms' innovation. Hypothesis 5b: There is a correlation between the integration of training in firm business strategies and firms' innovation.

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Contributions to Human Resource Development

The results of this study emphasize the important role of training in corporations as companies seek to remain competitive in the market place. In addition, the findings of this study increase the credibility to human resource development (HRD) professionals. Finally, this study also contributes to training and development, human resource management, and strategic human resource management literature.

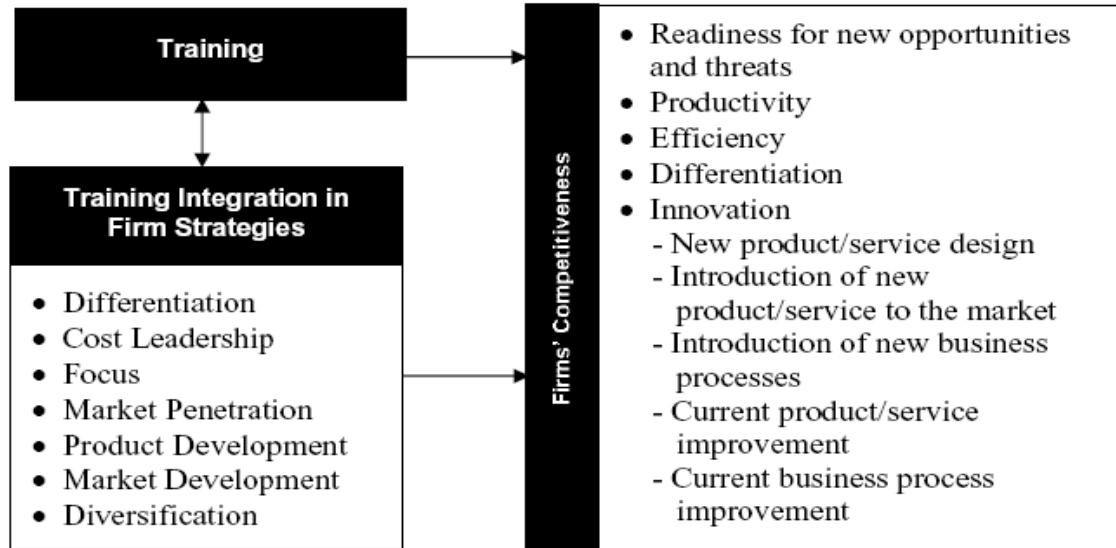


Figure 1. Training and its integration in firm strategies on firms' competitiveness.

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