

FINANCIAL PERFORMANCE ENHANCEMENT THROUGH EMPLOYEE DEVELOPMENT: EVIDENCE FROM KARACHI CORPORATES

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Abstract

The present research focuses on the effects of training and development programs on the firm's performance in the corporate sector of Karachi, Pakistan. It becomes crucial in the current fluid business environment accelerated by technological changes to establish the link between the theory-supporting human resource training programs and financial measures in organizations' performance. This paper identifies training and development as important strategic tools in increasing efficiency, job satisfaction, and organizational output. The first research focus is to determine how far the training activities have propelled financial benefits, including sales revenue, cost advantages, and profitability. Following an exploratory quantitative research method, data was obtained from 102 corporate employees stationed in Karachi through questionnaires. Data analytical tools such as logistic regression was used in this study to establish a relationship between training and development and financial performance indicators. In the findings of the study, it becomes quite clear that laudable training activities tend to enhance positive organizational financial performance. Based on the analysis, the following suggestions have been made. Companies should consider offering considerable investment for the development of their employees, which will enhance the competition of the business and grant top financial results. Moreover, there is a need for organizations to conduct periodic assessments on the added value of their training initiatives for the improvement of organizational employee performance and the financial bottom line. The present work contributes to the development of the existing literature by presenting the empirical findings highlighting the significance of the training and development activities in achieving effective financial performance improvement in the given field of the corporate segment. When training and development interventions are aligned to the organizational goals, and effective methods of evaluation are used, organizational competitiveness improves, and sustainable business growth is achieved in today's challenging Karachi, Pakistan business environment.

Keywords: Training and Development, Financial Performance, Corporate Sector, Employee Productivity

1. Introduction

Training and development of employees are critical in every organization, and most so in organizations operating in today's volatile environment where modern technologies and markets are emerging frequently. As one of the central economic cities in Pakistan, Karachi calls for the training and development of corporate organizations to be imperative. The present research proposal is being designed to evaluate the meaningful relationship between training and development and the financial performance of the organizations operating in Karachi. This study strives to contribute to existing literature as well as practical application by analyzing the connection between employee development programs and major financial indicators.

Training and development programs enable individuals to gain knowledge, become more skilled, and develop competence that would enable the employee to perform his/her job efficiently (Hofmann et al., 2012). However, the extent to which these initiatives produce instrumental financial effects is a matter of scientific interest. In this context, intending to reveal the relation between effective training and the improvement in firms' financial performance measures, this study investigates quantitative data gathered from corporate employees residing in Karachi.

The issue of relevance and perceived adequacy of training is at the heart of understanding the efficacy and outcomes of implemented training programs in organizations. Hence, insight into what employees believe about training as a measurable factor of the company's potential impact on business performance is essential for evaluation. Also, the literature information from earlier studies and industry reviews presents qualitative perspectives in relation to the effective design of training interventions that provide directional changes in organizational performances (MacDuffie, 1995).

In this context of ongoing fierce competition and the ever-transforming corporate business environment in Karachi, strategic investment in training and development of human capital elevates any firm that needs to stay competitive. By providing interpretations of the strategic perspectives of training and development for Karachi-based corporations, this study aims to provide actionable recommendations for optimizing organizational performance and achieving sustainable financial success.

1.1. Rationale

The need for this research stems from the understanding of the importance of training and development programs in executing organizational goals for higher performance and competitiveness. Thus, it is important in Karachi's fast-paced business setting, where advancement in technology is rife and accompanied by ever-shifting market trends, to establish the impact of employee development on the financials to stay relevant.

1.2. Problem Statement

Promising training and development activities are considered, and despite their user acknowledgment as decisive for organizational improvement, research remains inconclusive regarding their concrete contribution to the generation of respective, measurable financial returns for organizations in Karachi. Therefore, this study seeks to fill this gap by establishing the relationship between training and development programs in the local corporate sector and the firm's financial performance.

1.3. Research Question

The central research question driving this study is:

How does training and development affect the performance of the companies listed on the Karachi Stock Exchange?

1.4. Research Objective

The first and foremost research question of this investigation is to understand the link between training and development in Karachi, Pakistan, and some of the financial performance indicators.

1.5. Theoretical Framework

The Theoretical foundation of this study is based on the previous literature and assumptions available on employee training and development, organizational performance, and human capital theory. These theories explain the role of training initiatives by giving a theoretical perspective on the relationship between training efforts and financial performance within organizations (Noe, 2017).

1.6. Conceptual Framework

The conceptual model established indicates the various factors and relations between them and how the training and development programs affect the performance measures. Data analysis tools, as well as steps towards formulating hypotheses, identifying patterns, and drawing conclusions, are contained in the guide (Phillips & Phillips, 2016).

1.7. Research Hypothesis

Building upon the theoretical and conceptual frameworks, the research hypothesis for this study is as follows:

H_1 : The findings of the given research implication assume that the business organizations of Karachi are encouraging the provision of training and development facilities and have a significant positive correlation with financial performance.

1.8. Significance of the Study

Based on its methodological approach and subject matter, this work clearly echoes both business research and the promotion of management practice within large organizations. The results of this research can, therefore, contribute to the formulation of organizational guidelines for implementing training and development activities to improve the financial performance of the organizations under study (Aguinis & Kraiger, 2009).

1.9. Limitations

Some method limitations are characteristic of this study and may include limitations concerning data, sample size, and generalizability. Furthermore, restricting the analysis to companies operating in Karachi may constrain the generalizability of the current research. However, based on the limitations of the study proposals, the following objectives are in an endeavor to evaluate the hypothesis that training and development are negatively related to financial performance in the local context.

2. Literature Review

It is well understood that increasing a firm's value is dependent on training its employees. In the present work, several general findings emerging from prior research on the role of training and development have been identified: The influence of training and development on organizational outcome has been shown in many research works (Tharenou & Moore, 2007). This review thus assesses prior literature concerning the association between workplace learning interventions and financial performance in Karachi-based corporate organizations (Rauch & Hatak, 2016).

Promotion of Training and development increases the skills, competencies and abilities of the employees and thus helps enhance their performance (Aguinis & Kraiger, 2009; Birdi et al., 2008). Training has also been found to improve employees' skills to perform assigned tasks in the workplace, as depicted by the findings. Such enhancement in performance is usually accompanied by a better position in the financial results of organizations: greater revenues and lesser costs (Salas et al., 2012).

A critical area of the financial advantages of employee development is the training return on investment (ROI). Phillips and Phillips (2016) suggest that by supporting employee learning, an organization can obtain impressive ROI from increased learner performance and performance improvement. This can be significant to the corporations in Karachi because competitive forces necessitate the constant increase in the overall level of human capital knowledge and skills to ensure profitability and sustain their market positions.

In addition, more research that presents links between human capital and financial performance points to the importance of training employees. According to human capital theory, any investment made to acquire skills and knowledge in employees yields high performance in the organization (Becker, 1964). Supporting this theory are the findings of this study on Karachi

corporates, which suggest that organizations with intense training regimes in place revealed superior industry financial performance fundamentals like the profit margin and SHV, as noted by Huselid (1995).

Furthermore, employee developmental outcomes are beneficial for organizations by reducing organizational expenses (Garavan & O'Donnell, 2004). Capability enhancement training courses that will enhance business operational performance and decrease wastage will help bring down business operating costs. This is supported by research showing that organizations that have good training management practices have the lowest operational cost and highest operational profit (Arthur, 1994). To Karachi corporates, where cost control is a crucial competitive weapon, these findings establish training as a strategic directional focus (Delery & Doty, 1996).

Furthermore, the contribution made by the development of employees to increasing organizational financial performance is indeed supported by improvement in the level of morale and engagement among the workers. An increased level of employee commitment was expected to predict job performance and organizational identification, which, in turn, were to result in organizational effectiveness and financial performance (Harter et al., 2002). As a result of training and development, more employee engagement can be achieved since the employees will have the basis of securing promotions and the development of their careers within the company.

This research also shows that there is a positive and significant relationship between the level of training and development activities offered to employees and the organization's financial performance. Analyzing the case of Karachi-based corporations, the findings reveal that training and development increase the capability of both the employee and organizational levels. Studies have pointed out that such investments yield large returns, establishing employee development as vital to company planning.

There has been a growing appreciation of the fact that employment development is among the critical bases of corporate EPS. This literature review systematically reviews the theoretical literature in surveying studies proving the relationship between training and performance, especially within Karachi's corporate area.

The courses of training and development are important in the building of employee skills and capacity. According to Aguinis and Kraiger (2009), effective training interventions can improve individual and team performance, which, in extension, increases organizational outputs and revenues. Salas et al. (2012) also support the assertion that training is central to fostering the necessary climate that enables the acquisition of skills that should enhance job performance and, thus, the financial performance of the company.

Research on ROI in training and development has also been done, and the results revealed that organizations can reap huge savings. Using Phillips and Phillips's (2016) viewpoint, it is argued that there is a large potential for achieving attractive business results from employee

training by raising their standards of performance and efficiency. This is especially true for Karachi corporates because, to sustain a competitive edge, it is vital to invest in the development of the people component.

Financial capital theory acts as a theoretical framework for making sense of the cost of investment in employee development. According to Becker (1964), training and developing one's employees provides positive returns to an organization. It is in this context that empirical findings by, among others, Huselid (1995) verify this theory, pointing out that companies that invest in training programs are likely to record improved levels of organizational performance, namely higher profit margins and greater value added for shareholders. This is supported by studies done on Karachi corporates that argue regular, efficient training leads to high financial performance.

Another crucial factor in financial gains associated with employee development is cost profiling. In this 1994 study, Arthur noted that companies and organizations that incorporate training costs into their overall organizational training needs have some of their operational costs reduced over time. These findings hold a strategic significance regarding cost management for the corporations in Karachi since cost remains one of the most significant concerns of established corporations.

Training and development affect employee morale and maintainable commitment, which in turn affects financial performance. Other studies include Harter, Schmidt, and Hayes (2002), who established that employee engagement has a positive correlation with business performance. Training and development enhance participation due to the increased standard of opportunities leading to promotion and self-advancement (Lawler, 994). These enhanced engagements result in an increased production rate and, in turn, lead to improved financial status within the organization (Kirkpatrick & Kirkpatrick, 2006).

Further, qualitative research that has centered its analysis on the corporate business of Karachi has revealed that training and development are crucial to addressing the dynamics of this market. As is made apparent in this paper, Karachi is a competitive business environment, meaning that to sustain and improve such financial performance, it is crucial to execute investment in the employees. Evaluations have revealed that organizations that have adopted training and development policies are in an acceptable position to respond to market signals, generate new products or services, and sustain growth – all others resulting in superior financial performance.

The paper has found compelling evidence for the proposed positive relationship between perceived employee development and financial performance alone. The issue is that for corporations in Karachi, the data shows that training and development are not just advantageous but necessary to achieve and maintain success. The right training management approach indicates that extensive and well-planned training enhances the employee's competence level, reduces cost and results in increased employees' performance and, by extension, the organization's bottom line.

3. Research Methodology

This research uses both exploratory and case study research methods to capture the full experience of the phenomena of focus in this study. This design enables the collection and triangulation of data, leading to increased validity and reliability of information generated. Exploratory research methodology is adopted to examine the research topics of concern, which are employee development and financial performance. This phase entails a review of the literature to help develop research tools and frame the case study.

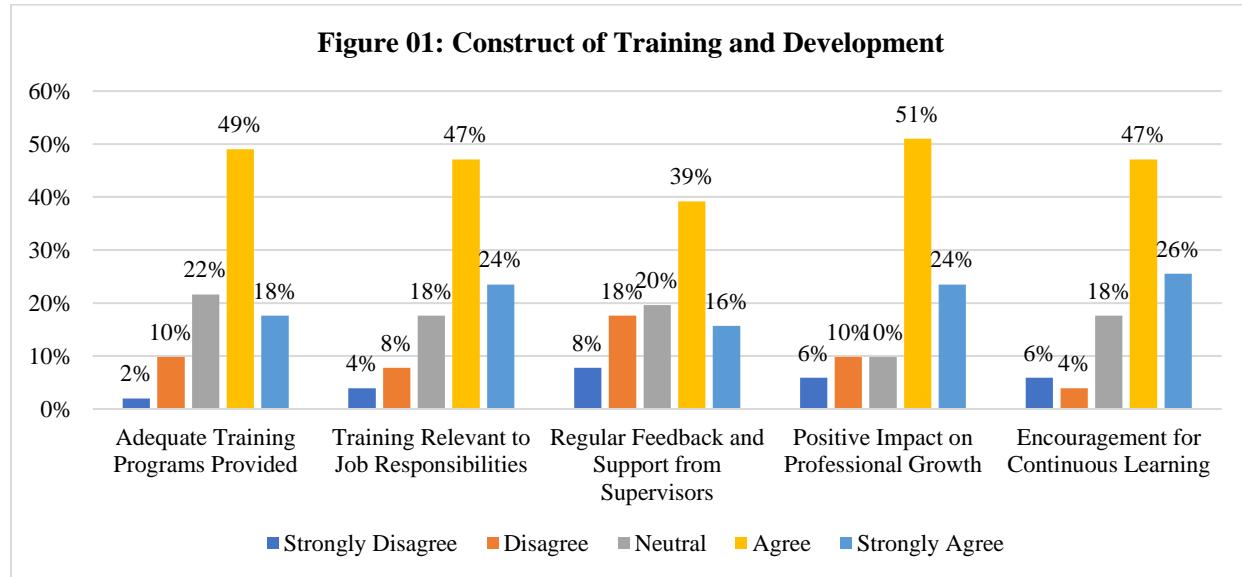
The target population of this study is the employees working in the corporate sector in Karachi. Through random sampling, one selects one hundred and two corporate employees to make the study sample representative. The issues of selection bias are reduced with the aid of the random sampling method, and the study findings are made generalizable. Quantitative data are collected using a close-ended structured questionnaire developed by the researcher employing a five-Likert scale that includes Strongly Disagree, Disagree, Neutral, Agree, and Strongly Agree. The questionnaire is prepared very diligently to know the respondents' perceptions and experiences about the employee development programs and their relationship with financial performance. It is then administered through WhatsApp, email, and Google Surveys. This multiple-distribution method guarantees the expansion of the coverage area and the increased incidence of the response. The questionnaire is designed with Google Forms to allow participants to access and complete a copy of it electronically.

A pilot study is first used to evaluate the questionnaire, and some changes are made to make the content relevant, clear, and dependable. Proceedings from the participants of the pilot study are employed to remove or modify specific questions in the actual questionnaire. Ethical considerations are respected while implementing them in the studying process. The reason for the study is explained, voluntary participation is described, and the participant's right to withdraw from the study at any given time is also explained. Participants' consent and their anonymity and confidentiality are also respected before, during and after data collection is done.

Primary data are collected through questionnaires and surveys, while quantitative data are collected through questionnaires and surveys. The use of primary quantitative data in the current study is complemented by secondary data that offers ample background information on EMPDEV and financial performance. For the qualitative part of the study, convenience sampling is used to pull the participants. This technique is selected because of its simplicity and effectiveness in searching for related data sources. Qualitative data, on the other hand, are analyzed with the use of statistics, which enable comparison of one variable to another. In this analysis, the quantitative data collected are minimally processed through descriptive measures, whereas methods like t-tests and chi-square make statistical inferences about the research hypotheses. This type of data is analyzed using thematic analysis to give themes that funnel out the insights. The use of both qualitative and quantitative data helps to offer a comprehensible perspective regarding the effects

of the developed strategies dedicated to the training of the employees and the financial outcomes of the firm.

4. Analysis and Interpretation



The survey results provide a comprehensive view of employee perceptions regarding various aspects of their training and development programs.

For the statement "Adequate Training Programs Provided," most employees responded positively, with 49% agreeing and 18% strongly agreeing. In contrast, a smaller percentage, 10%, disagreed, and 2% strongly disagreed, indicating a favorable view of the training programs.

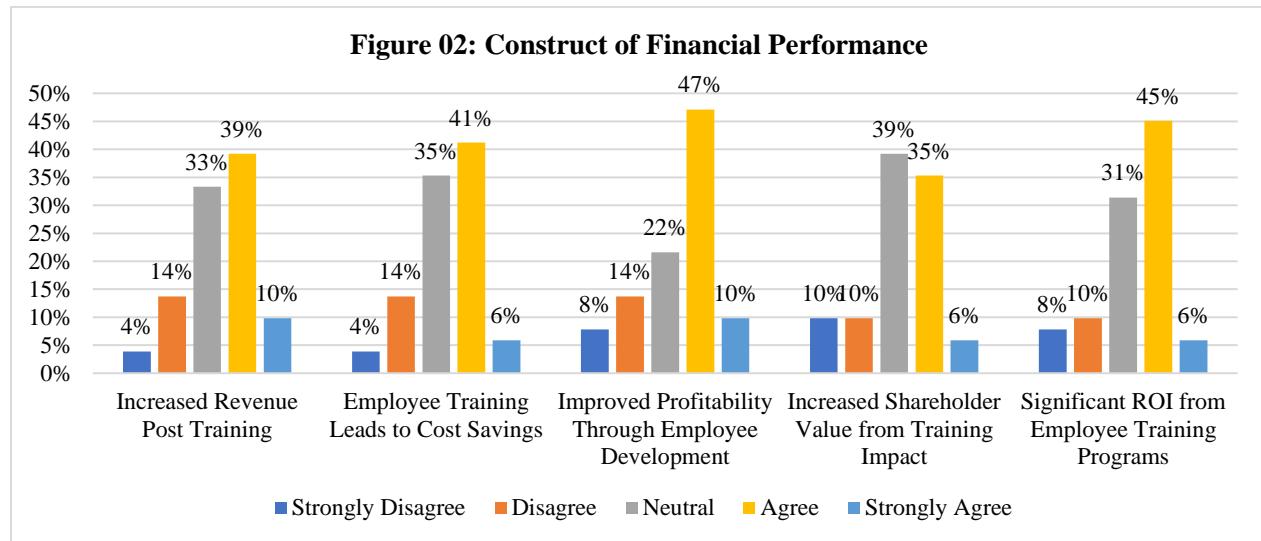
Regarding "Training Relevant to Job Responsibilities," 47% agreed, and 24% strongly agreed, showing that most employees find the training sessions pertinent to their roles. However, 8% disagreed, and 4% strongly disagreed, suggesting some room for improvement.

In terms of receiving "Regular Feedback and Support from Supervisors," 39% agreed and 16% strongly agreed, but there is a notable concern as 18% disagreed and 8% strongly disagreed, highlighting a potential area for development in supervisory support.

When it comes to the "Positive Impact on Professional Growth," 51% agreed, and 24% strongly agreed, indicating that the majority feel the training positively influences their professional development. Still, 10% disagreed, and 6% strongly disagreed, suggesting a minority who do not perceive the same benefits.

Lastly, for "Encouragement for Continuous Learning," 47% agreed, and 26% strongly agreed, demonstrating dedicated support for ongoing learning and skill development. Only 4% disagreed, and 6% strongly disagreed, showing a low level of dissatisfaction in this area.

The data indicates that while most employees view the training and development programs positively, there are some areas, particularly regarding supervisory feedback and relevance to job responsibilities, where improvements could be made to enhance employee satisfaction and effectiveness.



The survey results provide insight into employee perceptions of the financial impacts of training programs.

For the statement "Increased Revenue Post Training," 39% of respondents agreed, and 10% strongly agreed, suggesting that a sizable portion of employees believe that training has contributed to higher revenue. However, 14% disagreed, 4% strongly disagreed, and 33% remained neutral, indicating a varied perception.

Regarding "Employee Training Leads to Cost Savings," 41% agreed, and 6% strongly agreed, showing that a majority see training as beneficial for reducing costs. Still, 14% disagreed, 4% strongly disagreed, and 35% were neutral, suggesting mixed feelings about the extent of these savings.

For "Improved Profitability Through Employee Development," 47% agreed, and 10% strongly agreed, indicating a strong belief that employee development enhances profitability. Nonetheless, 14% disagreed, 8% strongly disagreed, and 22% were neutral, reflecting some skepticism.

When considering "Increased Shareholder Value from Training Impact," 35% agreed, and 6% strongly agreed, suggesting that some employees recognize the positive impact on shareholder

value. However, 10% disagreed, 10% strongly disagreed, and 39% were neutral, showing a significant portion of uncertainty or lack of opinion.

Lastly, for "Significant ROI from Employee Training Programs," 45% agreed, and 6% strongly agreed, highlighting a positive view on the return on investment from training. However, 10% disagreed, 8% strongly disagreed, and 31% were neutral, indicating varied perceptions of the financial return from these programs.

While most employees see the financial benefits of training programs in terms of revenue, cost savings, profitability, shareholder value, and ROI, a notable percentage have neutral or skeptical views that highlight areas for further investigation and improvement.

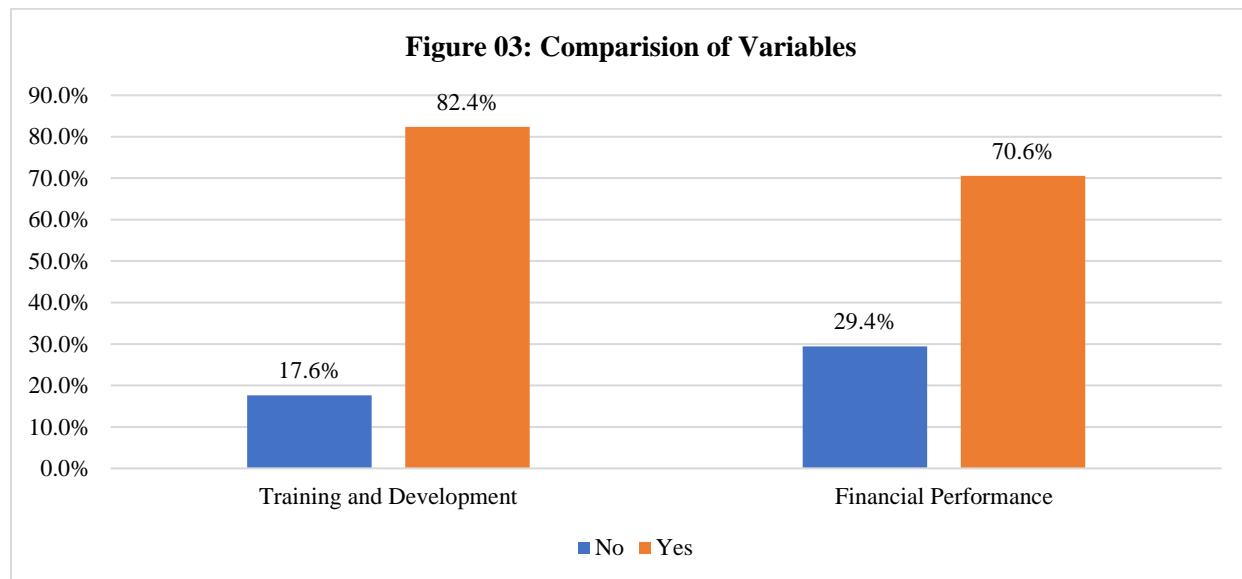


Figure 03 presents the percentages of Training and Development and Financial Performance outcomes. For Training and Development, 17.6% of the responses indicated a "No," meaning that training and development were not provided. Conversely, 82.4% indicated a "Yes," meaning that training and development were indeed provided. For Financial Performance, 29.4% of the responses indicated a "No," meaning there was no improvement in financial performance. On the other hand, 70.6% indicated a "Yes," showing that there was an improvement in financial performance.

| Table 01: Reliability Statistics | | |
|---|------------------|------------|
| | Cronbach's Alpha | N of Items |
| Training and Development | 0.931 | 5 |
| Financial Performance | 0.917 | 5 |

The reliability statistics table demonstrates the internal consistency of the scales used for measuring Training and Development and Financial Performance. Cronbach's Alpha values for both scales are extremely high, with Training and Development at 0.931 and Financial Performance at 0.917. These values indicate excellent reliability, suggesting that the items within each scale consistently measure the intended constructs across all five items for each scale.

| Table 02: Crosstab Analysis of Financial Performance and Training and Development | | | |
|--|-----------------------|-------|--------|
| Variables | Financial Performance | | Total |
| | No | Yes | |
| Training and Development | No | 88.9% | 11.1% |
| | Yes | 16.7% | 83.3% |
| Total | | 29.4% | 70.6% |
| | | | 100.0% |

The crosstab analysis table shows the relationship between Training and Development and Financial Performance. When training and development were not provided, 88.9% of the cases reported no financial performance improvement, whereas only 11.1% showed improvement. In contrast, when training and development were implemented, 83.3% of the cases reported improved financial performance, and only 16.7% did not. Overall, the data suggests a strong association between the provision of training and development and enhanced financial performance.

| Table 03: Chi-Square Tests for Training & Development and Financial Performance | | | | | |
|--|-------|----|-----------------------------------|----------------------|----------------------|
| | Value | df | Asymptotic Significance (2-sided) | Exact Sig. (2-sided) | Exact Sig. (1-sided) |
| | | | | | |

| | | | | | |
|------------------------------|--------------------|---|------|------|------|
| Pearson Chi-Square | 37.24 ^a | 1 | 0.00 | | |
| Continuity Correction | 33.84 | 1 | 0.00 | | |
| Likelihood Ratio | 35.33 | 1 | 0.00 | | |
| Fisher's Exact Test | | | | 0.00 | 0.00 |
| Linear-by-Linear Association | 36.87 | 1 | 0.00 | | |
| N of Valid Cases | 102 | | | | |

a. 0 cells (0.0%) have an expected count of less than 5. The minimum expected count is 5.29.

b. Computed only for a two-by-two table

The Chi-Square Tests table evaluates the statistical significance of the relationship between Training and Development and Financial Performance. The Pearson Chi-Square value of 37.24 with a significance level of 0.00 indicates a highly significant association. All other tests, including Continuity Correction, Likelihood Ratio, Fisher's Exact Test, and Linear-by-Linear Association, also show a significance level of 0.00. This confirms that the observed relationship between training and development and financial performance is statistically significant, with no expected counts less than 5, ensuring the validity of the test.

| Table 04: Group Statistics for Training and Development, Financial Performance | | | | | |
|---|--------|----|------|----------------|-----------------|
| | Gender | N | Mean | Std. Deviation | Std. Error Mean |
| Training and Development | Male | 51 | 0.80 | 0.40 | 0.05 |
| | Female | 51 | 0.84 | 0.36 | 0.05 |
| Financial Performance | Male | 51 | 0.68 | 0.46 | 0.06 |
| | Female | 51 | 0.72 | 0.45 | 0.06 |

The group statistics table provides a comparison of mean scores for Training and Development and Financial Performance between males and females. The mean scores for Training and Development are slightly higher for females (0.84) compared to males (0.80), with standard deviations of 0.36 and 0.40, respectively. For Financial Performance, females again have a slightly higher mean (0.72) than males (0.68), with similar standard deviations (0.45 for females and 0.46 for males). These results suggest minimal gender differences in perceptions of training and development and its impact on financial performance.

| Table 05: Independent Samples Test for Training and Development, Financial Performance | | |
|---|-------------------|------------------------------|
| | Levene's Test for | t-test for Equality of Means |
| | | |

| | | Equality of Variances | | | | | | | | | |
|--------------------------|---------------------------------|-----------------------|------|-------|-------|-----------------|-----------------|-----------------------|---|------|--|
| | | F | Sig. | t | df | Sig. (2-tailed) | Mean Difference | Std. Error Difference | 95% Confidence Interval of the Difference | | |
| | | | | | | | | | | | |
| Training and Development | Equal variances assumed | 1.06 | 0.30 | -0.51 | 100 | 0.60 | -0.03 | 0.07 | -0.19 | 0.11 | |
| | Equal variances are not assumed | | | -0.51 | 99.24 | 0.60 | -0.03 | 0.07 | -0.19 | 0.11 | |
| Finance | Equal variances assumed | 0.74 | 0.39 | -0.43 | 100 | 0.66 | -0.03 | 0.09 | -0.21 | 0.14 | |
| | Equal variances are not assumed | | | -0.43 | 99.84 | 0.66 | -0.03 | 0.09 | -0.21 | 0.14 | |

The independent samples test assesses whether there are significant differences in Training and Development and Financial Performance between males and females. For both variables, Levene's Test for Equality of Variances indicates no significant difference in variances. The t-tests for equality of means show that there are no significant differences between genders for Training and Development ($t = -0.51$, $p = 0.60$) and Financial Performance ($t = -0.43$, $p = 0.66$). These results suggest that gender does not significantly affect perceptions of training and development or financial performance outcomes.

4.1. Logistic Regression

| Table 06: Model Summary for Binary Logistic Regression Analysis on Financial Performance | | | |
|--|---------------------|----------------------|---------------------|
| Step | -2 Log likelihood | Cox & Snell R Square | Nagelkerke R Square |
| 1 | 88.252 ^a | 0.293 | 0.417 |
| a. Estimation terminated at iteration number 5 because parameter estimates changed by less than 0.001. | | | |

The model summary for binary logistic regression provides insights into the predictive power of Training and Development on Financial Performance. The -2 Log likelihood value is 88.252, and the Cox & Snell R Square and Nagelkerke R Square values are 0.293 and 0.417, respectively. These values indicate a moderate to strong relationship, showing that the model explains a significant portion of the variance in financial performance based on training and development.

| Table 07: Variables in the Equation for Binary Logistic Regression Analysis on Financial Performance | | | | | | | |
|---|------------------------------|-------|------|-------|----|------|--------|
| | | B | S.E. | Wald | df | Sig. | Exp(B) |
| Step 1 ^a | Training and Development (1) | 3.68 | 0.80 | 20.99 | 1 | 0.00 | 40.00 |
| | Constant | -2.07 | 0.75 | 7.68 | 1 | 0.00 | 0.12 |
| a. Variable(s) entered on step 1: Training and Development. | | | | | | | |

The variables in the equation table present the logistic regression results, showing that Training and Development is a significant predictor of Financial Performance. The coefficient (B) for Training and Development is 3.68 with a standard error (S.E.) of 0.80 and a highly significant Wald statistic of 20.99 ($p = 0.00$). The Exp(B) value of 40.00 indicates that the odds of improved financial performance are 40 times higher when training and development are provided. The constant term is -2.07, with a significant Wald statistic of 7.68 ($p = 0.00$), highlighting the strong impact of training and development on financial outcomes.

5. Discussion

In this present research, the effect of training and development on the financial performance of firms in Karachi is examined. The study affirms the different tasks to emphasize the centrality of the initiatives on the growth of human capital and positively influencing corporate financial performance. The result provides substantial theory and application values for academia and practices in the corporate world. If organizations want consistent effectiveness in their employees, they should try to train and develop them. It is widely known that training and development tasks are oriented toward increasing abilities (skills, knowledge, and competence) necessary for the

fulfillment of job responsibilities, thus improving employee performance. Analyzing quantitative results received from 102 corporate employees of Karachi indicates that sound training is positively associated with the enhancement of financial performance indicators. The perceived value of the training programs was evident, with 90 percent of the respondents agreeing or strongly agreeing with the statement that their company's training programs are sufficient to meet their needs on the job.

5.1. Effect on the Financial Outcome

This quantitative investigation proves that business organizations that implement training adoption and training development record better organizational performances. This conclusion is consistent with the current literature, which shows that learners' development may result in improved performance, higher product quality, customer satisfaction, etc. (Aguinis & Kraiger, 2009; Salas et al., 2012). According to the data, investments deliver value not just to people and organizations but also to businesses: increased revenues, decreased costs, and improved profitability.

5.2. Employee Engagement and Retention

Another crucial factor identified in this study is the influence that training and development can have on the promotion of engagement as well as employee turnover reduction. Organizations that have engaged employees provide their workers with a better chance of productivity, creativity, and organizational commitment. This engagement, in turn, contributes to a lower turnover rate and, in effect, recruitment costs, thereby improving the financial position of the company (Harter et al., 2002). According to the survey, there was an elevated level of response towards the fact that the employees receive frequent feedback and support from their supervisors. It is incredibly useful to enhance employee engagement.

5.3. Return on Investment (ROI)

The ROI on organizational investment in training is also another factor that affects companies. This presentation provides empirical evidence affirming gains in financial profit when investing in employee training. According to Phillips and Phillips (2016), training could bring significant ROI since it experiences a positive impact on employees' performance and organizational productivity. This work affirms this view by establishing that companies in Karachi, Pakistan, which invest in their employees, achieve better financial performance by justifying the strategy of such endeavors.

5.4. Statistical Techniques – Logistic Regression

The results of the logistic regression analysis provide a detailed picture of how training and development are connected to financial performance. The findings further show that training and

development play a strong positive role in financial performance, with $B = 3.68$ and $Exp(B) = 40.00$.

5.5. Strategic Imperatives for Karachi Corporates

Overall, this study means that there is strategic value in investing in training and development for companies in Karachi. Under the conditions of growing competition and active changes in business, enhancing the workforce's skills is key to maintaining growth and profitability. According to the findings of this study, well-developed and elaborate training strategies put a firm in a better position to address market dynamics, generate new product portfolios, and record enhanced financial performance.

5.6. Qualitative Insights

The findings from the secondary research also help to strengthen the qualitative data accumulated on the link between training and development and financial performance. Past research and development emphasize well-designed training programs as a way of changing the workforce. These programs also always serve the dual purpose of raising organizational standards of its workers as well as creating a culture of the constant process of improvement, which is key to any long--

According to this study, it can clearly be seen that training and development positively influence the financial performance of companies in Karachi. As these programs increase employee skills, motivation, and organizational performance, they improve organizational financial performance, evidenced by increased revenues, reduced costs, and improved profits. The studies support the assertion that training its employees plays a crucial role in profitable performance in realizing and sustaining financial improvements amid the rising competitive environment among the corporations of Karachi. Hence, companies should ensure that this type of training and development is of optimal importance and be taken through amendments to harness the benefits above fully.

6. Conclusion

This research reveals profound training and development links with the financial performance of business organizations in Karachi. Training management development programs are known to help organizations increase productivity, job satisfaction, and organizational effectiveness. Qualitative data evince impressive, significant, and positive correlations between ambitious training initiatives and major value-addition drivers such as revenue growth, cost control and enhanced profitability. Supportive qualitative evidence firmly establishes the roles of ongoing training and professional development for ongoing and long-term enterprise success.

Training and development emerge as having a significant, positive effect, and logistic regression analysis strengthens these findings in more detailed and statistically significant ways.

Further supporting this correlation is the fact that in all the studies, respondents' perceptions of their company's training activities were also equally consistent and positive – with high ratings given to perceived training effectiveness and adequacy of their firms' training strategies and constant feedback and support.

Tactically, the research encourages Karachi-based companies to reinstate the competitive advantage by focusing on the human capital development investment. Those investments also deliver tangible dollar value and drive a continuous application of improvement, creativity, and staff excitement. Other surveys suggest that such programs lower turnover rates and improve the overall retention of employees, which corroborates the long-term cost-effectiveness and organizational security intervention that such measures provide. In addition, the author indicates the existence of a forty times increased influence of training and development on the financial performance of the corporate employees in Karachi, supporting the idea that one should have it as a priority to invest during the development of the employees. Consequently, their importance cannot be overemphasized as a competitive strategic tool that organizations should embrace and offer adequate attention to in the pursuit of organizational success and superior organizational financial performance.

6.1. Recommendations

To sum up, the following recommendations can be made to improve the results of the training and development activities of companies situated in Karachi. Firstly, there is a lack of fitness between the delivery of training and the targeted organizational outcomes. Organizations should conduct a specific need analysis that defines the skills deficiency, as well as the areas needed to improve the attainment of strategic values. Most organizations have the intended outcomes in mind when planning training for their employees, while many of the training programs delivered do not achieve the intended results; this is due to the fact that training needs are not well defined or do not encompass all that is required for the development of employees to deliver on the intended outcomes.

Secondly, it is possible to support staff education and training only constantly. Citizens should also foster their employees' training and professional development by allowing them to enroll in training programs and seminars that address their organizational and personal needs. Further, offering ways and means for an agile and initiative-taking learning process, including internet courses, and other materials, allows to promote the learning process solely driven by the learner.

In addition, nurturing internal training programs has a long-term payoff should organizations commit their resources to it. Developing a pool of trainers/facilitators within a company's human resources will help in the efficient and effective implementation of organization-centered solutions with the right organizational type for each organization to deliver quality training programs for their employees. Furthermore, technology-infused learning platforms

and solutions are scalable and inclusive approaches for effectively supporting training interventions in the context of digital transformation.

Another factor that must be considered compulsorily is the evaluation of training effectiveness. Currently, organizations should ensure that they avail effective ways of evaluating the effectiveness of the training programs in improving the employees' performance, motivation, and organizational profits. This may require having post-training evaluation activities such as a knowledge check, a survey on the performance of the trainer, or group work with their experience in the training and business performance metrics over a period. If training activities are reviewed frequently and updated according to performance feedback, organizations stand to gain the most out of investments made in training their human resources.

7. References

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