CHAPTER 1

Introduction

1.1 Introduction
In the world that shows no signs of slowing down, no individual can ever rest on his or her acquired intellectual laurels. The same is true of any organization. It too cannot stay competitive with its people who do not have the urge to acquire new knowledge. The future belongs to those organizations, as well as those individuals, that have made an active, lifelong commitment to continue to learn. Effective Training can lead to lifelong learning.

We have become far more aware of the necessity of continuing training. Nonetheless much of the corporate training is narrowly focused on skills. Innovation has no place. Ethics is a topic of an occasional workshop. Very few organizations embrace the liberal arts perspectives and the rest complete the formalities of sending executives to attend seminars. Very rarely do we think deeply enough about the human qualities that we want to cultivate at the workplace, so that individuals of diverse appearance and background can interact effectively with one another. Nor do we ponder on how to nurture workers who will not simply pursue their self-interest but will realize the core mission of their calling, or how to cultivate employees who care passionate about the organization in which they spend most of their time and the industry that they will pass on their successors.

The 1990s have brought a revolutionary change in our business. Post-liberalization is marked by a shift from command economy to market driven economy, from sheltered market to competitive market. Such a shift demands
competitiveness among Human Resource Managers. Competitive workforce building can be a key to firm’s success based on establishing a set of ‘core competencies’ that will deliver better value to customers as compared to competitors.

Some major trends in organizations and business environment in HRM are as under:

- Globalization
- Corporate Reorganizations
- New Organizational forms
- Changing demographics of workforce
- New Industrial relations approach
- Renewed focus on people and developing human capital
- Managing the managers and change
- Changed employees expectations due to being more educated
- Impatient employees leading to high mobility and careerism
- Declining loyalty
- Growing unemployability
- Use of temporary employees and skill development

Based on the trends, some challenges in HRM can be put forth as follows:

- Managing the competencies of people
- Role of HR in providing competitive edge
- Changing attitudes towards work
- Performance improvement
- Continuous restructuring of corporations
- Group dynamics and team work
• Enhancing organization learning

The competencies of people have to be upgraded constantly. Ironically, managing innovations in technology comes easier to us, than managing the person in the next cabin. Effective training can help in increasing personal competence and social competence. Personal competence would be the ability to realize how you are feeling and deal with it effectively in a manner which does not hamper good decision-making. Social competence on the other hand refers to the ability of understanding how others are feeling and be able to work effectively with them. It involves being empathetic to those around you and realizing how to deal with them in order to promote collaboration and productivity. Effective training can lead to Knowledge-based organizations which can concentrate on developing competencies to survive in a completely hazardous environment.

1.2 HR to provide Competitive Advantage

While people have always been central to organization, today they have taken even more critical role in building a firm’s competitive advantage through a set of core competencies, which brings value to customers. This can be done through effective training of workforce.

Organizations can achieve sustained competitive advantage through effective training by meeting following criteria:

• The people resources must be of value when they improve the efficiency or effectiveness of the company

• The people resources must be rare with their skills, knowledge and abilities and not equally available to competitors.

• People resources must be difficult to imitate when employee capabilities and contributions cannot be copied by others.
People resources must be organized when their talents can be combined and deployed to work on new assignments at a short notice such as new projects. Teamwork and cooperation are other methods for ensuring an organized workforce.

HR professionals to acquire a complementary set of competencies such as business mastery, HR mastery, managing change mastery and establish personal creditability. Ultimately, managing people is rarely the exclusive responsibility of HR functions. Every manager’s job is managing people, and successful companies are those that combine the expertise of HR specialists with the experience of line managers to develop and utilize talents of employees to their greatest potential.

1.3 Key Changes in Role of HR Practitioners and Trainer

- Changing the role of HR manager from ‘policing’ to ‘facilitators’.
- Empowering employees in order to elicit process and productivity improvements from the workforce.
- Organizational learning becoming a major feature.
- Human resources can be closely linked to firm’s core competencies, i.e. HR development, as part of the organization’s core competencies.
- Utilize knowledgement management in HR.

Training is moving from a primary focus on teaching employees specific skills to a broader focus on creating and sharing knowledge (1997).

1.4 New Performance Goals: Challenging questions for Line Management

The role of line managers is gaining more and more importance. While most
literature focuses on those at the top, the role of middle managers is often overlooked. It is clear that middle manager is equally responsible for accomplishing the core tasks of their organizations. These people get the circuits designed, place the loans, sell the product, oversee space allocation, manage legal issues and handle all the many other core blocking and tackling tasks that together constitute the work of the their organizations. In this respect, middle managers differ from senior managers, who are more concerned with strategy, resource allocation and agenda setting.

Nonetheless, when one steps back and looks at the day-to-day work of middle managers, one sees several core themes that can be abstracted from their concrete tasks. Middle managers are responsible for both internal and external management of teams, act as the transmission belt between the top of the organization and the bottom and make day-to-day choices and trade-offs that escape the attention of top management yet are central to the organization’s performance.

Top managers ‘set agendas’ and, in doing so, shape the direction of the organization. We cannot in this ignore the role of middle managers who make resource-allocation decisions that are central and strategic, though they do so at a lower level and with much less visibility. These middle managers describe their work as mediating between teams and divisions within the organization and between the organizations and its customers. An important point is that as organizations have divested themselves of managerial levels, core managerial responsibilities have been pushed down to middle management.

According to Paul Osterman, if we look at the older literature on the functions of general managers, then, surprisingly, middle managers start to look very much
like the general managers of that literature. Today’s middle managers spend a great deal of their time in informal interactions, their day is unplanned, they work across organizational boundaries and they make choices and trade-offs for their organizations. They are indeed the Chandler’s glue that holds the organization together. What has changed is that the organization itself is more complex and diffuse, but this has only increased the importance of managing in the middle.

This importance attached to the position of middle management should enable them to answer some challenging questions as under:

- Which of the areas of under-performance in the organization have no obvious explanation in terms of market or environmental conditions?
- In what ways do people who work for our competition out-perform us?
- If you were a customer, which area of our customer service would you find most frustrating?
- Who is a role model in area XYZ and why?
- If you could be left with only one skill in a particular department, which one would it be?
- What’s the most desirable trait you look for in a new hire?
- What, in our people, do our competitors most fear/respect?

Satisfactory answers to the above questions will give an idea of the challenging performance goals to be achieved by the line managers.

After establishing and understanding the new performance need with line managers, it is important to recognize that, however enthusiastic and positive they
are about their people acquiring the new knowledge, skills and attitudes needed, there may be a number of obstacles in their way.

Whether or not one eventually identifies training as being the best way to help reach the new performance goals, one needs to analyze the forces at work which will help and hinder people changing and adopting new ways of doing things. Otherwise one might launch into costly actions which lead to no change in performance. Thus, concentrating on effective training to this most important layer of the organization can guarantee success and productivity.

1.5 Performance Management and Training

There are various rationales behind organizations developing and introducing performance management systems with different consequences for training depending on whether training is seen as a key tool for improving individual performance or merely as an outcome of the process in terms of identifying training needs.

The focus so far has been on problem associated with performance management and the implications of performance management for training, with only limited attention given to the ambiguous concept of training itself and in particular, a strategic approach to training. A strategic approach to training can in general be characterized by a long-term perspective about why and how training is designed and implemented in the short and long-term. For the training to become strategic in this three-fold sense the training function must have a ‘good-fit’ with the business, employ experts in training who can develop and provide effective management of training and link the training function to line management.

The implication of organizations taking a strategic approach to training is that the training strategy is developed centrally within the organizations, with training needs identified and relayed from line management and training implemented by
line management at the operational level and by the training department or the human resource department.

The relationship between performance management and training strategy can be characterized by its inherent tensions in terms of timescales and importance. This does not, however, mean that these tensions will be of a similar extent at all times and in all organizational contexts. It can be argued that performance management and training strategy can come together to improve business performance if recruitment policies and practices complement the performance of individuals and training is emphasized in the appraisal process and not considered only for reward outcomes.

1.6 Importance of Training

According the Planty, M.C. Cord and Efferson, “Training is the continuous, systematic development among all levels of employees of that knowledge and those skills and attitudes, which contribute to their welfare and that of the company”. Thus training is an organized activity designed to create a change in the thinking and behavior of people. It involves the application of knowledge with a specific end in view.

While establishing a sound system of training programme, it is necessary to ensure that the interests of labour and management are as close as possible. The employee should be provided adequate and appropriate training. Training offers the employee greater security and opportunity for advancement. Training involves preparing for improved performance on a specific job and is work-oriented or occupational and has more specific objectives. Training should increase the aptitude, skills and abilities of employees to perform specific jobs. It leads to development of manual skills.
Training is an indispensable managerial activity in almost all organizations. Modern personnel managers have become increasingly conscious about the training of rank and file workers to step up the rate of production and contribute to the effectiveness of the organization. Very rarely organizations find it convenient and easy to recruit well-trained and experienced personnel to perform the activities that are to be done. Most of the times organizations recruit and select employees first and provide them some kind of training to increase the versatility, knowledge, adaptability and skills of employees so that they can meet the job requirements and perform effectively on their jobs. Training is therefore, a desirable activity and managements cannot afford to ignore it.

Training should be considered as the central element of company strategy as it depicts the company’s commitment to its employees’ long-term development and a key determinant of competitive success. Company strategy is necessarily conditioned by the external environment, the size of the organization, products and the nature and complexity of its production technology. Company training policies are shaped by macro factors governing the environment. These macro factors include political framework, economic scenario, technological developments, socio-economic backgrounds, demographic nature, legal aspects and educational status.

HRM can be defined as a set of managerial activities which aims at securing the organization’s competitive advantage by utilizing the workforce in the most effective manner. In cases where training is directly linked to competitiveness, these initiatives are more likely to be looked at corporate level and become a strategic rather than operational issue. Since the understanding of HRM is derived from the uncertainties associated with rapid technological change, each component of HRM is designed to be a specific response to external economic and social condition.
Training plays a vital role, not only in retraining for process development but also in securing the corporate goals of commitment, flexibility and quality. It therefore becomes very crucial to integrate the training function into mainstream business activity rather than maintain it as a peripheral activity. Even in cases where training is considered as a mainstream activity, it may fail to play a positive role if the existing training personnel are not given sufficient status in the company to develop their function. Training may also fail if production managers are not committed to corporate objectives and therefore fail to promote training strategies, or there may be general unwillingness to increase corporate funding for training purposes which inhibits the development of the function beyond established parameters.

1.7 Training and Employees

Schuller argues that the devolution of responsibility to line managers and the encouragement of employee participation enhance worker commitment, the second policy goal of HRM (1991). If employees are involved directly or indirectly in company affairs, at whatever level, he continues, they will be more committed to the effective implementation of decisions than if such decisions are unilaterally imposed. More generally, their effort and enthusiasm will be greater, with consequent benefits for efficiency. For workers with costly transferable skills in whom the company has invested high training costs require personal training and development plans to secure their commitment to the company and reduce labour turnover. Managers in this respect can play a vital role in designing training policies which are in line with the company objectives.

At an individual level, new patterns of working allow a broad and flexible utilization of the workforce across boundaries between production and technical work. Workers need to be trained in a range of tasks and be prepared to move
between these as the production schedule demands. But being trained in a range of tasks does not necessarily imply the development of high-level skills. The goal of quality relates to features of management behavior which include the management of, and investment in, highly-skilled employees in order to produce high-quality goods and services. This goal necessitates a major investment in training and development programmes. Quality of goods or services, as well as the behavioral and educational credentials of the workforce can be best developed and monitored in strategic planning companies. Selection, promotion and development policies encourage high-ability employees to remain with the company. Within these companies, training is most likely to be represented at corporate level.

The inter-relationship between businesses may result in reducing the inappropriate match between organizational needs and the content of training courses. This would in turn provide higher return on the investment in training. Corporate training functions may monitor the quality of training provided internally and by external agencies. Where training is represented at corporate level, it necessarily has a higher profile and is more likely to be included in broader policy decisions which, in turn, enhance its status. Training personnel as a part of HRM function can exert considerable influence because they manage ports of entry and career ladders which influence potential mobility.

Within an HRM model, training is a high-profile activity but arguably remains a low-status function because of its historical associations and the lack of investment in the development of trainers. Training for technical competence is many a time confined to specific operationally oriented tasks. Labour productivity is increased by the transmission, through instruction, of information directly significant to the range of tasks associated with a particular occupation.
In certain cases the trainee is a largely passive recipient of instructions, regulated by the demands of the production schedule, customer requirements for increased and consistent quality. Often groups of workers receive very little formal training. This too is tied to some specific occasion or event, or the instruction regarding the use of new machinery. The employees who are most likely to need training are the least likely to get it.

In certain cases training and retraining are responses to particular operational needs and therefore largely reactive and are determined by market demand, rather than being focused of transferable skills. It is possible to develop such training policies at business unit level without forming a part of an organization-wide training strategy. The existence of a well developed training function has a positive impact on the perceptions and expectations of the workforce.

Companies committed to excellence have recognized the benefit of developing all employees. Trainers in such an environment must be of the highest quality and the training function must have a career development structure and be recognized as a core function with prospects which attract high caliber personnel, from which managers can be drawn to fill senior positions. Such companies should develop a strategy which establishes a level of quality of achievement in the training of all its personnel.

1.8 Training as a tool to deal with Competitive Challenges

Companies face four competitive challenges: the quality challenge, the global challenge, the high-performance work system challenge and the social challenge (1997). The global challenge involves expanding into global markets and preparing employees to work in foreign locations. The quality challenge involves meeting customers, service and product needs. The social challenge involves how
to manage a diverse work force and improve employees reading, writing and math skills. The **high-performance work system challenge** involves integrating new technologies and work design.

Internal and External factors are also challenges relating to the business strategy which can be overcome due to the training function. **Internal** factors are how the work roles of employees, managers and executives are defined and the overall organizational characteristics. **External** factors on the other hand include the company’s global presence and current business conditions.

### 1.9 Training Needs Assessment

Needs assessment typically involves organizational analysis, person analysis and task analysis.

**Organizational Analysis** includes determining the appropriateness of training, given the company’s business strategy, its resources available for training and support by managers and peers for training activities.

**Person Analysis** helps to identify who needs training and involves determining whether performance deficiencies result from a lack of knowledge, skill, and ability or from a motivational or work-design problem, identifying who needs training, and determining employees’ readiness for training.

**Task Analysis** includes identifying the important tasks and knowledge, skill and behaviors that need to be emphasized in training for employees to complete their tasks.

In practice, organization analysis, person analysis and task analysis may not be conducted in any specific order. However as organizational analysis is concerned with identifying whether training fits with the company’s strategic objectives and whether the company wants to devote time and money to training, it is usually conducted first.
1.10 Importance of training effectiveness at Middle Management

Management and managers are a source of endless fascination and analysis, but the attention managers get is distorted. Nearly all writing, popular and scholarly, centers on CEOs and the pretenders to that title. But there are far fewer managers at the top than there are in the middle, and taken as a group, middle managers have as much to say about organizational success or failure as do those at the top.

Though the ranks of middle management have been greatly reduced due to restructuring, there has been a steady increase in the number of employees who are managers. Middle managers may be less secure but are more in demand. Middle managers are the glue that holds organizations together. They perform specific tasks themselves and they lead groups that make the products and that do the work of the organization. Middle managers are also ambassadors between top management and the workforce and between the many teams that make organizations function.

The work of middle management has changed because of information technology which enables better monitoring. As organizations are becoming flatter, middle managers are more subject to the control of top executives. This makes the range of their tasks and responsibilities broader and interesting.

Middle managers get the organization’s job done. Much of their day-to-day work comprises the ordinary tasks that, taken together, add up to what their firm is about. These tasks, however, can also be thought of as the more general functions that cut across any particular functional responsibility. Middle managers are the communication links within organizations. As teams have become more important, middle managers hold the teams together internally and play ambassadorial roles across teams. Because firms have reduced layers and cut back
on staffing, the stress level of middle managers has risen as they are required to take on more responsibilities. Not only do middle managers do more than they did before, but they also find themselves making the kinds of trade-offs and allocation decisions conventionally considered the domain of those at the top.

Not all managers want to move up the hierarchy. But virtually all have a strong craft attachment to their work. For those who want to move up, the new environment creates substantial difficulties. And for those who do not, there remains the question of how to enable these people to build their skills and to obtain a broader sense of the purposes of the organization. Better career systems would help in developing this crucial contribution of middle management.

1.11 Types of Training and Methods of Training

On the basis of purpose, several types of training programmes are offered to the employees. The important types of training programmes are as follows:

i. Induction or orientation training
ii. Job training
iii. Apprenticeship training
iv. Internship training
v. Refresher training or retraining

Different training methods are suitable for different categories of personnel in the organization, managerial and non-managerial, technical, administrative, skilled, unskilled, senior, junior and so on. Each organization has to choose those methods and techniques of training which are relevant for its training needs. The various methods of training may be classified into the following training categories.

Presentation Methods

1. Lecture
2. Audio Visual Technique
Hands on Methods

1. On the job training
   a. Self directed learning
   b. Apprenticeship

2. Simulations

3. Case Studies

4. Business Games

5. Role Play

6. Behavior Modeling

Group Building Method

1. Adventure Learning

2. Team training

3. Action Learning

1.12 Designing a Training Programme

A satisfactory training programme should be designed following the appropriate steps which should be as follows:

I. Identification of Training Needs
   • Organisational Analysis
   • Task Analysis
   • Person Analysis

II. Human Resource Analysis

III. Setting Training Objectives

IV. Organising of Training Programme
   • Trainee and Instructor
   • Period of Training
   • Training Methods and Material

V. Evaluation of Training Results
1.13 Training Effectiveness

Any formal training should contribute to growth and development of employee competencies and motivation. If training has to be effective it has to be need-based, well-planned, evaluated, monitored and used. Both the line managers and the HRD staff should become partners in ensuring the effectiveness of training.

There are many pressure points that suggest training is necessary. These pressure points include performance problems, new technology, internal or external customer requests for training, job redesign, new legislation and changes in customer preferences, new products, or employees’ lack of basic skills. Needs assessment gives outcomes like what trainees need to learn who should receive training, the type of training, frequency of training; buy versus build training decision etc. Employees learn best when they understand the objective of the training program. The objective refers to the purpose and expected outcome of training activities. There must be objectives for each training session as well as overall objectives for the program. Training objectives based on the training needs analysis help employees understand why they need training.

A well planned training programme includes selecting and preparing the training site and program design.

The training site refers to the room where training will be conducted. A good training site

- Is comfortable and accessible
- Is quiet, private and free from interruptions
- Has sufficient space of trainees to move easily around in, offers enough room for trainees to have adequate work space, and has good visibility for trainees to see each other, the trainer, and any visual displays or examples that will be used in training.
Training programs also require meaningful material, clear objectives and opportunities for practice and feedback. Program Design refers to the organization and coordination of the training program. A training program may include one or several courses. Each course may contain one or more lessons. Program design includes considering the purpose of the program as well as designing specific lessons within the program. Effective program design includes course parameters, objectives, a lesson plan overview and detailed lesson plan.

The course parameters refer to general information about the training program including the course title, description of the audience, statement of purpose, goals of the course, location, time, prerequisites and name of the trainer.