Chapter I

Introduction
1.1 Training – The Mantra of the New Millennium

With liberalization of the Indian economy, many changes are taking place in the corporate sector. There is pressure on Indian Industry to perform and produce quality products and provide quality services. With increased competition, there is need to become cost-effective and efficient. There is also a need to improve technologies both in manufacturing and services.

With the advent of liberalization in the Indian economy, a lot of multinationals have set shop in the Indian market and with them they have brought in latest technology, the best methods of working and a lot of money. They have changed the entire work environment. They attract the cream of people from the best Indian companies. The fat pay packages and an excellent work culture, challenge in the jobs and the constantly upward moving curves can make loyalties change very fast. The increasing competition from the MNCs is shaking the Indian companies out of the slumber that they had gone into. They have realized how men make or break the company. Human resource has suddenly become an asset, which was neglected so far. Companies are putting in a lot of emphasis on continuous training of their people and training has now become a strategic issue.

With the changing scenario of business environment it is important for any organization to remain with the pace of business and to develop their employees. Technological changes call for the need for continuous upgradation of human resources. The need for training for the sake of company as well as personal development is felt strongly at every level.

Training is required at every stage of human life. It starts since childhood. Similarly, training programmes are necessary in any organization for improving the quality of work of the employees at all levels, particularly in the world of fast changing technology, changing values and environment. Society is facing a rapid rate of technological and social change. Training of managerial personnel is must to tackle the day-to-problems due to complex labour relations, increasing size of organizations, change in socio-economic forces, concept of social justice, industrial democracy cross-cultural influences, etc. Management development depends upon the systematic process of training by which managerial personnel gain and supply skills, knowledge, attitude and insight to manage the work in their organization effectively and efficiently.
In an increasingly competitive, complex, unstable and unpredictable world, many business enterprises are seeking competitive advantage by strategic management of their human resources and their knowledge base. In an environment where technologies are becoming rapidly obsolete, intellectual capital of the human resources has come to represent the primary source of value creation and advantage to the organizations. Indeed many firms have realized the tremendous knowledge base of their employees and have begun harnessing their potential by motivating and training them to acquire and disseminate intellectual capital.

At a time when sweeping changes are transforming the global workplace, companies are placing unprecedented importance on training to accomplish business goals. No longer dismissed as a “nice but not always necessary” employee perk, workplace learning is being deployed as the first line of attack against corporate obsolescence and mediocrity.

We are passing through a period where in every walk of life people talk of the need for training. Earlier one heard of technical training or on-the-job training in the field of work only, but today we hear of training for self-development, orientation in life skills, personality development, social skills and the like. Learning how to lead a richer, fuller and a happier life in a gestalt fashion, or a whole health point of view is becoming the order of the day. In the work scenario, there has been a lot of emphasis on bringing about a qualitative change. The work philosophy includes new concepts like continuous improvement, leadership effectiveness, teamwork, involvement, commitment and total quality management.

The significance and importance of management training programs in the international sphere is assuming critical properties due to the changing global political and economic scenario. Large multinational corporations and business houses which were and are grappling with the problem of managing a multicultural workforce, are today called upon to accept, in addition, another more daunting and formidable challenge, i.e., managing diverse nationalities. The problem is more complex because within each nationality there already exists an ethnic diversity. The rapid globalization of the economic order, with the disappearance of rigid political boundaries, have thrown the business open to the onslaught of the multifarious forces. In order to either expand or survive, business has to reach new frontiers and seek fresh pastures. Virtually all big multinational business houses across the globe are setting up new alliances and opening new industrial and
production units. Obviously, the workforce composition and managerial availability is no more restricted to any particular nationality. Global and cross-cultural training and career path planning become necessary for managers in the global corporation, regardless of their domestic or international assignments. Cross-cultural interactions are common and are bound to increase manifold, as setting up projects envisage such interactions. Management training is no more a simple task of conducting good and effective training programmes to put across technical and managerial skills, but calls for something far more deeper and complex. Cross-cultural and multicultural skills training, emphasizing problem solving, decision making, communicating, selling, negotiating in multicultural contexts is necessary for managers and employees of global corporations.

With the world becoming a global workforce organizations today have to compete at the international level. This has redefined job requirements in terms of skills competencies and qualifications. Today development of the new employees is a prerequisite to make the employees work for the company rather than in the company. Today training is a means to enhance productivity and effectiveness by optimum man-task relationship.

Training is the mantra of the new millennium. Katz and Kahn (1978) have posited that organizations must have three behavioural features:

- People must be attracted not only to join the organization but also to remain in it.
- People must perform tasks for which they are hired and must do so in a dependable manner.
- People must go beyond this dependable role performance and engage in some form of creative, spontaneous and innovative behaviour at work.

Training is a tool to fulfill all these requirements. To quote Keki Dadiseth, "A company is nothing but a collective intellect", so in this millennium what is of prime importance is charging the organization's emotional and intellectual energy.
1.2 Rationale for this research

In the 7th century B.C., the great Chinese philosopher Chung Tru said, “If you wish to plan for a year sow seeds; if you wish to plan for 10 years, plant a tree; if you wish to plan for a lifetime, develop a man”. This prophetic view is so relevant in the present day context, that Human Resource Development has assumed a place of prime importance in the context of organizational effectiveness.

At the end of the 20th century we are in the middle of the information revolution, where the knowledge required to do a job is growing steadily, work procedures are changing rapidly, and frequently the goods produced are not concrete, but abstract, that is, information.

"The knowledge society where "...the use of knowledge and information dominates work and employs the largest proportion of the labor force. The distinguishing feature of a knowledge society is that it emphasizes intellectual work more than manual work – the mind more than the hands."
(Newstrom and Davis, 1993)

The training and development of employees is becoming an increasingly important and necessary activity of Human Resource Management. Rapidly changing technologies, cultural diversities in the work place increase the potential obsolescence of the employees more quickly than ever before. Organizations the world over have realized that training and development form an integral part of a successful human resource strategy and they are in fact, spending considerable sums of money on this activity.

There are hordes of management workshops and seminars being conducted everyday, there is a mushrooming growth of a new breed of professionals—the management consultants and the so-called management gurus, who are minting gold from this sudden rush towards self-actualization. Training has become such a specialized activity that there are courses being run on the hows and whys of training.

No organization today can on its own cater to the diverse training needs of its workforce, so much of the training activity especially for the managerial level is outsourced to specialized vendors. As such the training activity has now become a booming business. Organizations are even sending their executives abroad to business schools like Harvard and Stanford to upgrade
their skills and pickup on the latest concepts. This has led to training being touted as a tool to attract and retain the best talent in the industry.

The corporate commitment to training can also be seen from the fact that a lot of big and small organizations have set up or are in the process of setting up in-house training centers. These training centers or 'corporate universities' as they are more gloriously called, not only cater to the training needs of the parent company, but they function as independent profit centers, providing their services to other organizations and some of them also offer full-fledged management courses aimed at developing budding managers.

Training delivery has become hi-tech too, thanks to the latest technologies like multimedia. A lot of corporate training is being done through CBT and videoconferencing and other technology-based techniques. Learning for the executive has become more convenient and interesting than ever before, with the latest knowledge now available to him at the desktop and at the click of the mouse, whenever he has the time and the desire to learn. Without having to take time off from business, he can keep up to date with the latest in the field. Training, today, is definitely more individualized and just-in-time.

There are these, and many more trends sweeping the world of training, and much is being written about them in management literature. Yet, despite this emphasis on training, there exists a great deal of skepticism about training and its benefits. Questions regarding the real benefits accrued from training have led to the undermining of the importance of the training function and the role it plays in achieving organizational goals. Are these training programmes really effective? Are they catered to individual needs? Is any cost-benefit analysis of these training programmes done? Even though we are training our managers in management skills, still the industry the world over is plagued with problems that usually arise due to poor management. This paradox prompted me to take up this research project, to find out where the training function is headed.
Training – A Conceptual Analysis
1.3 Some definitions

Training is the act of increasing the knowledge and skill of an employee for doing a particular job. Training is a short-term educational process and utilizing a systematic and organized procedure by which employees learn technical knowledge and skills for a definite purpose. In other words training improves, changes, moulds the employee’s knowledge, skills, behaviour, aptitude, and attitude towards the requirements of the job and organization. Thus, training bridges the differences between job requirements and employee’s present specifications.¹

Training is a planned effort by an organization to facilitate the learning of job-related behaviors. Training is a modification of the behavior of the firm’s human resources. When discrepancies between planned performance and actual performance occur, corrective action in the form of training may be required.²

In simple terms, training and development refer to the imparting of specific skills, abilities and knowledge to an employee. A formal definition of training and development is:³

...it is any attempt to improve current or future employee performance by increasing an employee’s ability to perform through, usually by changing the employee’s attitude or increasing his or her skills and knowledge. The need for training and development is determined by the employee’s performance deficiency, computed as follows:

Training and development need = Standard performance-Actual performance.

Training refers to the teaching/learning activities carried on for the primary purpose of helping members of an organization to acquire and apply the knowledge, skills, abilities and attitudes needed by that organization. Broadly speaking, training is the act of increasing the knowledge and skill of an employee for doing a particular job.

Though it is true that unplanned learning through job experience helps development, the experience of most organizations is that it is advantageous to plan systematic training programs of various types as a regular part of an adequate personnel development programme. Such programs are definite assets in helping managers to learn correct job methods, to achieve a satisfactory level of job performance, and to acquire capabilities that would be valuable in possible future jobs.¹

Training can be defined as organizationally directed experiences designed to further the learning of specific job behaviors that will contribute to the organizational goals.²

Training is defined as a planned program designed to improve performance and to bring measurable changes in knowledge, skills, attitudes and social behaviour of employees.³

Training is an activity which can be used at a variety of levels, for instance,

(a) Simply as a means of communication (creating awareness about company and unit activities and its intentions)
(b) Establishing knowledge and understanding as a basis for subsequent activity (e.g. theoretical aspects of a process as a basis for subsequent on-the-job training).
(c) Developing skills (mental skills of analysis and decision-making as well as practical skills).
(d) Applying knowledge, understanding and skill to real work situations.⁴

According to Flippo, training is the act of increasing the knowledge and skills of an employee for doing a particular job. The major outcome of training is learning. A trainee learns new habits, refined skills and useful knowledge during the training that helps him to improve performance.

Training enables an employee to do his present job more efficiently and prepare himself for a higher-level job. Training, thus, may be defined as a planned programme designed to improve performance and bring about measurable changes in knowledge, skills, attitude and social behaviour of employees. Basically, it is a learning experience that is planned and carried out by the organization to enable more skilled task behaviour by the trainee. Training may be carried out on the job or in the classroom and in the latter case, it may be onsite or off-site in a training center or in a simulated environment that is thought to be similar to the work environment in important respects.¹

**Training** in a work organization is essentially a learning process, in which learning opportunities are purposefully structured by the managerial, personnel and training staffs, working in collaboration, or by external agents, acting on their behalf. The aim of the process is to develop in the organization’s employees the knowledge, skills and attitudes that have been defined as necessary for the effective performance of their work and hence for the achievement of the organizational aim and objectives by the most cost-effective means available.²

The importance of using a comprehensive definition as a basis for practice is that it focuses attention on the main aim of training i.e., effective performance, and leads logically to the following important conclusions that determine the design and provision of training in practice i.e.,³

1. Training is always a means to an end and not an end in itself. Unless it leads to the effective performance of work it inevitably incurs a waste of valuable resources.
2. Precise definition of the requirements for effective performance in terms of knowledge, skills and attitudes by means of job analysis is of fundamental importance.
3. Because it is directed towards effective performance of work, it must be seen as an integral and vital part of the whole work system.

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³ Ibid
4. Whilst management bears the main responsibility, all staff in the organization is involved in the training task. Effective practice requires the collaboration of managerial, personnel and training staffs.

5. The purpose of training may be achieved by a variety of means e.g., by planned work experience within one job, by formal training at the work place or at training centers. The sole criterion for choice of method is whatever will cost-effectively achieve specific cost objectives.

6. The development of an organization’s human resources applies to all its employees from the most senior to the most junior.

7. Because of the vital contribution that training makes to the development of human resources and the achievement of the organization’s aims and objectives, all those responsible for training in any shape or form need themselves to be trained for the task. In particular because training is essentially a learning process, they need to have a basic understanding of learning - what it is and how people learn.

8. To integrate training systematically with work, training has to be based on a systems approach to training (SAT).

1.4 The Need for Training

The need for the training of personnel would be clear from the observations made by different authors:

1. *To match the employee specifications with the job requirements and organizational needs:* An employee’s specification may not exactly suit the requirements of the job and the organization irrespective of his past experience, qualifications, skills, knowledge etc. Thus, every management finds gaps between an employee’s present specifications and the job requirements and organizational needs. Training is needed to fill these gaps by developing and moulding the employee’s skill, knowledge, attitude, behaviour etc, to the tune of the job requirements and organizational needs.

2. *Organizational viability and the transformation process:* The primary goal of all organizations is their viability which is continuously influenced by environmental pressure. If the organization does not adapt itself to the changing factors in the environment, it will lose its market share. If the organization desires to adapt to these changes,
first it has to train the employees for specific skills and knowledge in order to enable them to contribute to the organizational efficiency and to cope with the changing environment. The productivity of the organization can be improved by developing the efficiency of the transformation process which in turn depends on enhancement of the existing level of skills and knowledge of employees. The achievement of these objectives mostly depends on the effectiveness of the human resources that the organization possesses. Employee effectiveness can be secured by proper training.

3. Technological advances: Every organization in order to survive and to be effective should adopt the latest technology, i.e., mechanization, computerization and automation. Adoption of latest technological means and methods will not be complete until they are manned by employees possessing skills to operate them. So, the organization should train the employees to enrich them in areas of changing technical skills and knowledge from time to time.

4. Organisational complexity: With the emergence of increased mechanization and automation, manufacturing of multiple products and by-products or dealing in services of diversified lines, extension of operations to various regions of the country or in overseas countries, organization of most companies has become complex. This leads to growth in number and kind of employees and layers in organizational hierarchy. This creates the complex problems of co-ordination and integration of activities adaptable for the expanding and diversifying situations. This situation calls for training in the skills of co-ordination, integration and adaptability to the requirements of growth, diversification and expansion. Companies constantly search for opportunities to improve organizational effectiveness. Training is responsible for much of the planned change and effectiveness in an organization as it prepares the people to be the change agents and to implement the programs of effectiveness. Thus, training solves the problems of organizational complexity.

5. Human relations: The approach towards personnel has changed from the commodity approach to partnership approach. So today, managements of most organizations have to maintain human relations besides maintaining sound industrial relations, but managers are ill-equipped to deal with workers accordingly. So, training in human
relations is necessary to deal with human problems (including alienation, inter-personal and inter-group conflict etc,) and to maintain human relations.

6. *Change in job assignment:* Training is also necessary when the existing manager is promoted to the higher level in the organization and when there is some new job or occupation due to transfer, which involve handling new responsibilities.

7. *To help a company fulfill its future personnel need:* Organizations that have a good internal educational programme will have to make less drastic manpower changes and adjustments in the event of sudden personnel alterations. When the need arises, organizational vacancies can more easily be staffed from internal sources if a company initiates and maintains an adequate instructional programme for both its non-supervisory and managerial employees.

8. *Personal growth:* Employees on a personnel basis gain individually from their exposure to educational experience. Management development programs give participants a wider awareness, enlarged skills and make enhanced personal growth possible.

9. *To improve organizational climate:* An endless chain of positive reactions result from a well planned training programme. Production and product quality may improve; financial incentives may then be increased; internal promotions may take place; less supervisory pressures and basic pay rate increases result. Increased morale may be due to many factors, but one of the most important of these is the current state of an organization’s educational endeavour.

10. *To improve health and safety:* Proper training can help prevent industrial accidents. A safer work environment leads to more stable mental attitudes on the part of employees. Managerial mental state would also improve if supervisors know that they can better themselves through company-designed development programs.
Some other reasons that lead to a need for training are:

➢ Enhancing work force flexibility: Job rotation, cross training and multitasking can make employees mobile and versatile. They can be placed on various jobs depending on organizational needs.

➢ Hiring appeal: Companies that provide training attract a better quality workforce.

➢ Cross-cultural training for working in global markets: For example, in the IT industry, employees are sent to different countries for diverse projects and assignments. Cross-cultural training is essential for them for better adjustment in the new environment.

➢ Increasing commitment: Training acts as a loyalty booster. Employee motivation is also enhanced when the employee knows that the organization would provide them opportunities to increase their skills and knowledge.

➢ Training acts as a benchmark for hiring, promoting and career planning.

➢ It acts as a retention tool by motivating employees to the vast opportunities for growth available in the organization.

➢ Rewarding past performance: In certain cases training can also act as a tool for reward and recognition. Candidates showing high potential can be trained for advanced training in their field. Thus one can trace the link of training with performance appraisal and potential evaluation.

➢ Indoctrinating new staff

➢ Communicating and disseminating knowledge and information.

➢ Building teams.

➢ Promoting change.
Reducing risk.

Supporting other interventions.

Developing the mindset and culture for quality.

Training for innovation, creativity, lateral thinking and problem solving.

1.5 Training Inputs

Any training and development programme must contain inputs which enable the participants to gain skills, learn theoretical concepts and help acquire vision to look into the distant future. In addition to these, there is a need to impart ethical orientation, emphasize on attitudinal changes and stress upon decision-making and problem-solving abilities.

Knowledge
Training aimed at imparting knowledge to employees in the organization provides for understanding of all the problems of modern industry. This knowledge for a worker is specific to his job, and related broadly to plant, machinery, material, product, and quality and standard of product. Knowledge for managerial personnel may be related to complexity of problems in organizing, planning, staffing, directing and controlling.

Skills
Training activities nowadays encompass activities ranging from the acquisition of a simple motor skill to a complex administrative one. Training an employee for a particular skill is undertaken to enable him to be more effective on the job. For instance, new workers can be trained to achieve levels of output attained by experienced older workers. Similarly existing workers whose levels of output are below par can be retrained.

Employees particularly supervisors and executives, need interpersonal skills popularly known as the people skills. Interpersonal skills are needed to understand oneself and others better, and act accordingly.
Examples of interpersonal skills include listening, persuading and showing an understanding of others’ feelings.

➤ *Education*
The purpose of education is to teach theoretical concepts and develop a sense of reasoning and judgment. That any training and development programme must contain an element of education is well understood by HR specialists. Many such programs have university professors as resource persons to enlighten participants about theoretical knowledge of the topics proposed to be discussed. In fact, organizations depute or encourage employees to do courses on a part-time basis. Chief Executive Officers (CEOs) are known to attend refresher courses conducted by business schools. Manu Chhabria, CMD, Shaw Wallace, attended such a two-month programme at the Harvard Business School. Education is more important for managers and executives than for lower-cadre workers.

➤ *Development*
Another component of a training and development programme is development which is less skill-oriented but stresses on knowledge. Knowledge about business environment, management principles and techniques, human relations, specific industry analysis and the like is useful for better management of a company.

➤ *Ethics*
There is a need for imparting greater ethical orientation to a training and development program. There is no denial of the fact that ethics are largely ignored in businesses. Unethical practices abound in marketing, finance and production functions in an organization. They are less seen and talked about in personnel function. This does not mean that the HR manager is absolved of the responsibility. If the production, finance or marketing personnel indulge in unethical practices the fault rests on the HR manager. It is his/her duty to enlighten all the employees in the organization about the need for ethical behaviour.

➤ *Attitudes*
Attitudes represent feelings and beliefs of individuals towards others. Attitudes affect motivation, satisfaction and job commitment.
Negative attitudes need to be converted into positive attitudes. Changing negative attitudes is difficult because,

a) employees refuse to change,
   b) they have prior commitments, and
c) information needed to change attitudes may not be sufficient.

Nevertheless, attitudes must be changed so that employees feel committed to the organization, are motivated for better performance, and derive satisfaction from their jobs and the work environment.

Through training programs, organizations develop attitudes in new employees, which are favourable towards the achievement of organizational goals. Training programs in industry are aimed at moulding employee attitudes to achieve support for company activities, and to obtain better cooperation and greater loyalty.

➢ Decision Making and Problem Solving Skills
Decision-making and problem solving skills focus on methods and techniques for making organizational decisions and solving work-related problems. Learning related to decision making and problem solving skills seeks to improve trainees’ abilities to define and structure problems, collect and analyze information, generate alternative solutions and make an optimal decision among alternatives. Training of this type is typically provided to potential managers, supervisors and professionals.
The table below summarizes training inputs for different categories of employees:¹

<table>
<thead>
<tr>
<th>Inputs</th>
<th>Operatives</th>
<th>Lower-level managers</th>
<th>Middle-level managers</th>
<th>Top-level managers</th>
</tr>
</thead>
<tbody>
<tr>
<td>Specific job skills</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
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<tr>
<td>Interpersonal skills</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
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<tr>
<td>Education</td>
<td>✓</td>
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<tr>
<td>Development</td>
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<tr>
<td>Ethics</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
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</tr>
<tr>
<td>Attitudinal changes</td>
<td>✓</td>
<td>✓</td>
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<tr>
<td>Decision-making</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
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<tr>
<td>&amp; problem solving</td>
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<td>abilities</td>
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Table: 1.1 Training Inputs for different categories of employees

In analyzing the skills of a manager, Katz speaks of three types of skills:²

a) Technical skills are those that enable a manager to use effectively techniques, methods, processes and equipment in performing specific jobs. To a large extent, these skills are developed through experience and education. Technical skills are most important for operating managers because many of the jobs they are called upon to perform require them to have knowledge of "how things work", i.e., they should have the ability to operate complex machinery, and to draw up and interpret meaningful financial data. In every type of organization, managers at the lower levels need to understand the mechanics of their jobs if they are to supervise their subordinates effectively.


However, as they move up the hierarchy, technical skills become less important than other skills.

b) *Human skills* refer to the ability to work effectively with others on a person-to-person basis, and to build up cooperative group relations to accomplish the organizational goals. Such skills include the ability to communicate, motivate and lead. These skills are also referred to as *human relations abilities*, which enable a manager to handle human resources in such away that not only personal satisfaction is achieved but organizational goals are also easily attained.

c) *Conceptual skills* are those which make it possible for a manager to consider an enterprise as a whole and evaluate the relationships which exist between various parts or functions of a business. Top managers in particular need these skills because they are of the maximum importance in long-range planning. Such skills are concerned with the realm of ideas and creativity. The higher one rises in management hierarchy, the greater the need of conceptual skills. For example, members of the Board of Directors have to rely heavily on their conceptual abilities in making decisions. On the other hand, supervisors and foremen have little use for conceptual skills and abilities, for their prime interest is in using technical and human skills.

In sum, it may be said that technical skills are an essential ingredient in lower-level management; human skills are important at all levels of the management; and conceptual skills are essentially critical in top executive positions. The following graph is a pictorial representation of the same:

![Graph showing management skills distribution](image)

**Figure: 1.1 Management Skills**

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1.6 The difference between the terms ‘training’ and ‘development’

**HRD** is concerned with training, development and education. HRD is defined as an organized learning experience, conducted in a definite time period, to increase the possibility of improving job performance and growth. HRD programs are broken down into three main categories: training, development, and education. Although many organizations lump training plans under training or training and development, dividing training into three distinct categories makes the desired goals and objects more meaningful and precise.¹

**Training** is defined as learning that is provided in order to improve performance on the present job. Training is the acquisition of technology, which permits employees to perform their present job to standards. It improves human performance on the job, the employee is presently doing or is being hired to do.

**Education** is training people to do a different job. It is often given to people who have been identified as being promotable, being considered for a new job either lateral or upwards, or to increase their potential. Unlike training, which can be fully evaluated immediately upon the learners returning to work, education can only be completely evaluated when the learners move on to their future jobs or tasks. We can test them on what they learned while in training, but we cannot be fully satisfied with the evaluation until we see how well they perform their new jobs.

**Development** is training people to acquire new horizons, technologies, or viewpoints. It enables leaders to guide their organizations onto new expectations by being proactive rather than reactive. It enables workers to create better products, faster services, and more competitive organizations. It is learning for growth of the individual, but not related to a specific present or future job. Unlike training and education, which can be completely evaluated, development cannot always be fully evaluated. This does not mean that we should abandon development programs, as helping people to grow and develop is what keeps an organization in the forefront of competitive environments.

Training is short-term process utilizing a systematic and organized procedure by which non-managerial personnel learn technical knowledge and skills for a definite purpose. Development is a long-term educational process utilizing a systematic and organized procedure by which managerial personnel learn conceptual and theoretical knowledge for general purpose.\(^1\)

Training refers only to instruction in technical and mechanical operations, while "development" refers to philosophical and theoretical educational concepts. Training is designed for non-managers, while development involves managerial personnel. Training courses are typically designed for a short-term, stated set purpose, such as the operation of some pieces of machinery, while development involves a broader education for long-term purposes.\(^2\)

Training refers to the process of imparting specific skills. Education on the other hand, is confined to theoretical learning in classrooms. Though training and education differ in nature and orientation, they are complimentary. An employee for example, who undergoes training, is presumed to have had some formal education. Furthermore, no training program is complete without an element of education. In fact, the distinction between training and education is getting increasingly blurred now days. As more and more employees are called upon to exercise judgment and to choose alternative solutions to the job problem, training programs seek to broaden and develop the individual through education. For instance, employees in well-paid jobs and/or employees in the service industry may be required to make independent decisions regarding their work and their relationships with clients. Hence, organizations must consider elements of both education and training while planning their training programs.

Development refers to those learning opportunities designed to help employees grow. Development is not primarily skills-oriented. Instead, it provides general knowledge and attitudes, which will be helpful to employees in higher positions. Efforts towards development often depend on personal drive and ambition. Development activities, such as those supplied by management development programs, are generally voluntary.

To bring the distinction among training, education and development into sharp focus, it may be stated that training is offered to operatives, where as development programs are meant for employees in higher positions.


Education, however, is common to all the employees, their grades notwithstanding.¹

**Training** is a process of learning a sequence of programmed behaviour. It is application of knowledge. It gives people an awareness of the rules and procedures to guide their behaviour. It attempts to improve their performance on the current job or prepare them for an intended job. **Development** is a related process. It covers not only those activities, which improve job performance, but also those, which bring about growth of the personality; help individuals in the progress towards maturity and actualization of their potential capacities so that they become not only good employees but better men and women. In organizational terms, it is intended to equip persons to earn promotion and hold greater responsibility. Training a person for a bigger and higher job is development. And this may well include not only imparting specific skills and knowledge but also inculcating certain personality and mental attitudes. In this sense development is not much different from education.²

**Development**, is considered to be more general than **training** and more oriented to individual needs in addition to organizational needs and is more often aimed towards management people. There is more theory involved with such education and hence less concern with specific behaviour than in the case with training. Usually the intent of development is to provide knowledge and understanding that will enable people to carry out non technical organizational functions more effectively, such as problem solving, decision-making and relating to people.

Thus, training is meant for operatives and development is meant for managers. Training tries to improve a specific skill relating to a job whereas development aims at improving the total personality of an individual. Training is one-shot deal; whereas development is an ongoing, continuous process. Training is mostly the result of initiatives taken by management. It is the result of some outside motivation. Development is mostly the result of internal motivation. Training seeks to meet the current requirements of the job and the individual; whereas development aims at meeting the future


needs of the job and the individual. In other words training is a reactive process whereas development is a proactive process. Development is future oriented training, focusing on the personal growth of the employee.¹

The following table summarizes the differences between training and development:²

<table>
<thead>
<tr>
<th>Area</th>
<th>Training</th>
<th>Development</th>
</tr>
</thead>
<tbody>
<tr>
<td>Content</td>
<td>Technical skills and knowledge</td>
<td>Managerial and behavioral skills and knowledge</td>
</tr>
<tr>
<td>Purpose</td>
<td>Specific job-related</td>
<td>Conceptual and general knowledge</td>
</tr>
<tr>
<td>Duration</td>
<td>Short-term</td>
<td>Long-term</td>
</tr>
<tr>
<td>For whom</td>
<td>Mostly technical and non-managerial personnel</td>
<td>Mostly for managerial personnel</td>
</tr>
</tbody>
</table>

**Table: 1.2** Differences between training and development


1.7 Management Development

Management development is a systematic process of growth and development by which the managers develop their abilities to manage. So it is the result of not only participation in formal courses of instruction but also of actual job experience. It is concerned with improving the performance of the managers by giving them opportunities for growth and development.¹

Managers are a vital cog in the success of any organization. Without a competent executive reservoir, no organization is expected to hold a place of prominence despite having other valuable resources such as capital, technology and others. It is the managers who plan, organize, direct and control the resources and activities in every organization. Recognizing the importance of developing managerial talents from time to time, most organizations spend lavishly on executive development programs. Management development has become indispensable to modern organizations in view of the following reasons:²

1. Without development and training, the skills of executives become obsolete. Executives must be given training to cope with change. Dale Yoder strongly remarks, “without training, the executives lose their punch and drive and they die on the vine. Training and development are the only ways of overcoming the executive dropouts.”

2. Basic change in the style of management and the posture of managers of today give rise to the training and development of the traditional managers. For instance, the new manager is much more a diagnostician - he is a bridge builder linking theory with practice. Dale Yoder points out “the new manager is connoisseur of all the goodies coming onto the shelves from behavioural scientists”. Drucker is of the opinion that the executive’s job is to be effective and the effectiveness “can be learned”. Learning is an important factor in the success of executives.


3. A trend towards conglomeration and integration in the present day business world calls for special training and development of managers. Manpower obsolescence turns out to be a costly game, as in the present era of stiffening competition, the survival and success of a firm is increasingly depending on the manpower and especially the managerial quality.

4. Apart from the technical skills, the executives are required to learn the techniques of dealing with people. In the present day hyper-industrialized society, the methods of dealing with human resources are radically different from the past.

The need for management development has been keenly felt since the beginning of this century. Earlier, only a few chosen persons were picked up to fill the key posts, and these were the “crown princes” and “fair-haired boys” of an organisation; but now businesses and industry concentrate on the development of all those who are in management positions, or who are fresh from management institutions and have the potential for development. Since no two persons are alike in capacity, ability, experience and temperament, “tailor-made” programmes have been evolved to meet individual needs.¹

The causes of, or factors which bring about, management development programmes may be stated thus:²

(i) The rapid rate of technological and social change in society has necessitated the training of managers so that they may cope with these developments.

(ii) The introduction of automation, intense market competition from foreign countries, the growth of new markets in the under-developed countries, enlarged participation of labour in management, and greater interest by the public and the government in the actions of businessmen have all led to the need for the development of managerial personnel.

(iii) Increased recognition by business and industrial leaders of the social and public responsibilities of management has necessitated the development of managerial personnel.


² Ibid
(iv) The increased size and complexity of most organisations—governmental, industrial, commercial, non-profit public services—require trained managers.

(v) The frequent labour-management strifes have necessitated the services of trained personnel.

(vi) The changes in socio-economic forces, including changes in public policy and the concepts of social justice, industrial democracy, problems of ecology (smog or pollution), ekistics (the problems of human settlements), ergonomics (the problem of working environment), and cultural anthropology (the problems of fitting machines to men) - all these demand increasing attention of the management for decisions in these diverse fields.

If management development programs are not evolved, the managerial personnel would become “obsolete”. Managerial obsolescence may be due to redundancy, mergers and take-overs, reorganisations, changes in technology, products and trade and individual causes. Such obsolescence may lead to lay-off which may create a great emotional trauma and disturbance. David Ewing has rightly said: “The managerial personnel must realise that they will not survive unless they keep pace with modern management education, research theory, principles and practices.”

1.8 Objectives of management development

The management development programs are organized with a view to achieve the following objectives.¹

1. To overhaul the management machinery.
2. To improve the performance of the managers.
3. To give the specialists an overall view of the functions of an organization and to equip them to coordinate each other’s efforts effectively.
4. To identify the persons with the right potential and prepare them for more senior positions.
5. To increase the morale of the members of the management group.
6. To increase the versatility of the management group.
7. To keep the executives abreast of the changes and developments in their respective fields.

8. To create the management succession which can take over in case of contingencies.
9. To improve the thought process and analytical abilities of the executives.
10. To broaden the outlook of the executive regarding his role, position and responsibilities.
11. To help them understand the economic, social, technical and conceptual issues.
12. To help them understand the problems of human relations and improve human relation skills.
13. To stimulate creative thinking.

On the basis of a survey undertaken by M.N. Basavraj, the objectives of management development are:¹

1. To develop managers to perform better on their present assignments.
2. To prepare them for higher assignments.
3. To provide a steady source of competent persons at all levels to meet organizational needs.
4. To help them grow fast.
5. To prevent obsolescence of managers.
6. To replace elderly executives, who have risen from the ranks, by highly competent and academically qualified professionals.
7. To create conditions and a climate which contribute to the growth process.

Noting the practices in the U.S.A., Prof. A. Das Gupta has given the level-wise objectives of management development:²

a) Top Management
1. To improve the thought processes and analytical ability in order to uncover and examine problems and take decisions in the best interests of the country.
2. To broaden the outlook of the executive in regard to his role, position and responsibilities in the organization and outside.

² Ibid
3. To think through problems which may confront the organization now or in the future.
4. To understand economic, technical and institutional forces in order to solve business problems.
5. To acquire knowledge about the problems of human relations.

b) Middle Line Management
1. To establish a clear picture of executive functions and responsibilities.
2. To bring about an awareness of the broad aspects of management problems, and an acquaintance with, and appreciation of, inter-departmental relations.
3. To develop the ability to analyze problems and to take appropriate action.
4. To develop familiarity with the managerial uses of financial accounting, psychology, business law and business statistics.
5. To inculcate knowledge of human motivation and human relationships.
6. To develop responsible leadership.

c) Middle Functional Executives
1. To increase knowledge of business functions and operations in specified fields in marketing, production, finance, and personnel.
2. To increase proficiency in management techniques (e.g., work study, inventory control, operations research, quality control).
3. To stimulate creative thinking in order to improve methods and procedures.
4. To understand the functions performed in a company.
5. To understand human relations problems.
6. To develop the ability to analyze problems in one’s area of functions.

He concludes, “For the top management, the objectives are mostly general and aim at developing the ability to understand and to decide, although a few functional areas like personnel, marketing and finance are also included. For middle line executives, the objectives may be of two types: one, to develop intellectually, and the other to broaden the outlook and improve the ability to make decisions along with some knowledge of specialized fields.”
1.9 A Systems Approach to Training

Because the objective of HRD is to contribute to the organisation’s overall goals, training programs should be developed systematically and with the organisation’s true needs in mind. However, often they are not. Instead training objectives may be undetermined or hazy, and the programmes themselves may not be evaluated rigorously or at all. One solution for this haphazardness is to develop training following the systems approach. A systems approach to training is the planned creation of a training program. It is a development program that uses step-by-step procedures to solve problems.

The systems approach to training is based on the following elements:

- **Job based**: training focusses on the job (i.e., the tasks and criteria/standards necessary for proper performance).
- **Sequential**: Lessons are logically and sequentially integrated.
- **Tracked**: A tracking system is established which allows changes and updates to training materials to be accommodated efficiently.
- **Evaluated**: Evaluation and corrective action allows continuous improvement and maintainence of training information that reflects current status and conditions.

SAT provides a means for sound decision making to determine the who, what, when, where, why, and how of training. The concept of a system approach to training is based on obtaining an overall view of the training process. It is characterized by an orderly process for gathering and analyzing collective and individual performance requirements, and by the ability to respond to identified training needs. The application of a systems approach to training insures that training programs and the required support materials are continually developed in an effective and efficient manner to match the variety of needs in an ever rapidly changing environment.

The SAT model has three phases:

1) The Assessment phase
2) The Implementation phase
3) The Evaluation phase
The following flow chart depicts the SAT model:

**Assessment Phase**

Organizational objectives and strategies

Assessment of training needs

**Implementation Phase**

Identify training objectives

Designing training program

Conducting training

Evaluation Phase

Measure and compare training outcomes with objectives

Feedback

**Figure: 1.2  SAT model**

1.9.1 I -The Assessment Phase

a)  *Analyzing the Organization's objectives and strategies:*

The first step in the training process in an organization is the assessment of its objectives and strategies. What business are we in? At what level of quality do we wish to provide this product or service? Where do we want to be in the future? It is only after answering these and other related questions that the organization must assess the strengths and weaknesses of its human resources.

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Organizational analysis involves a study of the entire organization in terms of its objectives, its resources, the utilization of these resources, in order to achieve the stated objectives and its interaction pattern with the environment.

Organizational analysis looks at the proposed training within the context of the whole organization. A list of issues that may be explored in the organizational analysis portion of the needs assessment are:

- What are the training implications of the organization’s strategy?
- How does this training program fit in with the organization’s future plans and goals?
- Where in the organization is training needed?
- How are various units performing compared with expectations and goals?
- In which units is training most likely to succeed?
- Which unit should be trained first?
- Can the organization afford this training?
- Which training programs should have priority?
- Will this training adversely affect untrained people or units?
- Is this training consistent with the organization’s culture?
- Will this training be accepted and reinforced by others in the organization, such as the trainees’ superiors and subordinates?

A prime consideration is whether or not the proposed training will be compatible with the organization’s strategy, goals and culture, and whether employees will be likely to transfer the skills they learn in training to their actual jobs. Corporate culture compatibility is especially important for management training and executive development.

b) Assessment of training needs

Organizations spend vast sums of money on training and development. Before committing such huge resources, organizations would do well to assess the training needs of their employees. Organizations that implement training without conducting needs assessment may be making errors. For example, a needs assessment exercise may reveal that less costly

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interventions (e.g., selection, compensation packages, job redesign) could be used in lieu of training. A survey of management training practices found that only 27 percent of organizations systematically assessed the training needs of their managers.¹ Often there is no systematic effort to predict future training needs or to determine if perceived needs and problems really exist and can be properly addressed by training. Not infrequently, an organization undertakes training as a knee-jerk reaction to a perceived problem or as a response to a popular fad in training programs. Training that is undertaken without a careful analysis of whether or not it is needed is likely to be ineffective and a waste of money. Inappropriate training can also sour the attitudes of trainees towards all organizationally sponsored training and reduce their motivation to attend future and perhaps more useful programs.

Training efforts aim at meeting the requirements of the organization (long-term) and the individual employees (short-term). Successful training begins with a thorough needs assessment. This involves finding answers to questions such as: Whether training is needed? If yes, where is it needed? Which training is needed? etc. Once we identify training gaps within the organization, it becomes easy to design an appropriate training program.

c) Identifying training objectives

Once training needs have been assessed, training and development goals must be established. Of all the activities in SAT, this is one of the most critical steps. Without well-constructed training objectives, instructors don’t know what is to be taught and trainees don’t know what is to be learned. Training objectives tell them what is to be learned, how well it is to be performed and under what conditions is it to be performed. Trainees need them so that they know exactly what is expected of them, trainers need them to plan and conduct the learning environment so that they may achieve the desired results, and the organization needs them so that it knows what kind of returns it is receiving from its training investment.

Without clearly set goals, it is not possible to design a training and development program and, after it has been implemented, there will be no ways of measuring its effectiveness. Goals must be tangible, verifiable and

measurable. This is easy where skills training is involved. For example, the successful trainee will be expected to type 55 words per minute with two or three errors per page. But behavioral objectives like attitudinal changes can be more difficult to state. Nevertheless, clear behavioural standards of expected results are necessary so that the program can be effectively designed and results be evaluated.

Training objectives determine the details of design and provision. The next step is to plan and provide training that will enable objectives to be achieved, taking into account the basic principles of learning and giving the best value for money.

1.9.2 II - Implementation Phase

1.10 Designing the training and development program

Once the training needs have been identified and training objectives have been defined, the next step is to develop the training program that will achieve those objectives this is accomplished by developing training materials and selecting training methods that convey the knowledge and skills identified in the objectives. It is also important to understand at this stage, how people learn – that is, to understand learning principles, in order to design an effective training program.

Every training program must address certain vital issues, i.e., who participates in the program? Who are the trainers? What methods and techniques are to be used for training? What should be the level of training what learning principles are needed where is the program to be conducted?1

The trainees: Trainees should be selected on the basis of self-nominations, recommendations of superiors or by the HR department. Whatever is the basis, it is advisable to have two or more target audiences. For example, a team leader and his teammates may effectively learn together about new work methods and their respective roles. Bringing several target audiences together can also facilitate group processes such as problem solving and decision-making.

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The trainers: Training programs can be conducted by several people such as:

- Immediate superiors
- Colleagues
- Members of the HR staff
- Specialists in other parts of the organization
- Outside consultants
- Industry associations
- Faculty members at universities.

The selection of a particular trainer depends on where the program is held and the skill that is being taught. For example, programs for teaching company policies and procedures is generally done by the HR staff. New techniques and methods may be taught by outside experts. Interpersonal and conceptual skills may be taught by management gurus or faculty of prestigious universities. Larger organizations generally maintain their own training departments whose staff does much of the training, and at times employ the services of outside vendors.

Training methods: There are a variety of training methods in use today and the selection of a particular method depends on what is to be taught and who are the trainees. The methods are broadly classified into on-the-job and off-the-job training methods. Technology based training methods have also become very popular these days. The various training methods are discussed in detail in Chapter V. The selection of an appropriate training method is very vital for the success of any training program.

Level of learning: As mentioned earlier the inputs in training and development programs are knowledge, skills, and attitude. There are three basic levels at which these skills can be taught. At the lowest level, the employee must acquire fundamental knowledge. This means developing a basic understanding of a field and becoming acquainted with the language, concepts and relationships involved in it. The next level is skill development, or acquiring the ability to perform in a particular skill area. The highest level aims at increased operational proficiency. This involves obtaining additional experience and improving skills that have already been developed all the inputs of training can be offered at these three levels.

Learning principles: Since training is essentially a learning process, all those who are in any way involved in training need to have an understanding
of learning and what needs to be taken into account in the design and provision of training. How people learn has been the subject of continuous discussion and research and various theories have been put forward to answer this question. From this wealth of theories some basic truths and principles regarding learning can be distilled, and if they are applied to training programs, training and learning are likely to be more effective. These principles have been discussed in depth in Chapter IV.

Training location: Training may take place at a variety of venues depending on the objective of training, the availability of resources. Basic technical skills can be provided on the job itself, on site. New management concepts and interpersonal skills may be provided through a seminar at a hotel or the organizations training center. For some advanced courses trainees may have to be sent to universities. Some inputs can also be provided through distance learning by making use of CBT, in which case the venue of training becomes the trainees desktop. If the trainees are at different locations, then employing CBT is also very cost effective, as it saves travel expenses and at the same time provides uniform training across various geographical locations.

Scheduling the program: The sequence of sessions and the amount of time allocated to each must be planned with care. The outline of the timetable should be kept in mind throughout the planning process. It is a good idea to block the time available at the start. A common pattern is four main sessions of an hour and half each, split by tea breaks and lunch. The main sessions can, of course, be used as a whole for longer exercises, or split into shorter sessions.

Some guidelines for effective scheduling are:\(^1\)

- ✔ Follow a logical sequence as far as possible
- ✔ Theory should usually come before exercises
- ✔ Never plan for more than 20 minutes of unbroken lecture
- ✔ Allow adequate time for introduction and briefing for exercises
- ✔ Hold active exercises during the period after lunch

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1.11 Conducting the training

Once the program has been designed it is to be implemented. Before the program starts, it should be ensured that the courseware, class setting, training staff are ready. The trainees must be scheduled and notified. Some pre-reading material to prepare them for the course should be sent to them.

A Training Management Plan (TMP) could be useful for the trainer. Sometimes called the Course Management Plan, it should contain the following material.²

- A clear and complete description of the course
- A description of the target population
- Directions for administering the course
- Directions for administering and scoring the tests
- Directions for guidance, assistance and evaluation of learners
- A list of all tasks to be instructed
- Course map or course sequence
- Program of instruction – How the course is to be taught
- A copy of all training material, i.e., training outlines, student guides, etc.
- Instructor and staff training requirements (needed and accomplished)
- Any other documents related to the administration of the course.

Then comes the presentation of instruction. This is the most important step in the training process. The trainee should be first off all briefed about the content of the course and its benefits to the trainees. The trainer should clearly tell, show, illustrate and question in order to put across the new knowledge or skills to the trainees. Instructions should be given clearly, completely and patiently. There should be an emphasis on key points, and one point should be explained at a time. For this purpose the trainer should make use of audio-visual aids. Provisions for measuring trainee performance through tests should also be made in order to regulate, correct and follow-up the trainees’ progress.

A conducive climate is highly essential for any learning to take place during the training. It consists of ideal physical and psychological environment.

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Ideal physical environment, consisting of suitable location with space, adequate accommodation, audio-visual aids, air conditioning, ventilation, lighting, refreshments and other facilities for relaxation must be provided. Ideal psychological environment, consisting of friendly environment, frequent communication, follow up regarding progress, participative and interactive sessions with scope for social interaction, and an enthusiastic, helpful and broad minded trainer should be provided. The figures below represent unfavourable and favourable classroom climate:

![Diagram of trainer feels, climate, and effects]

**Figure: 1.3** Unfavourable training climate
1.9.3 III - Evaluation Phase

The final stage in the training and development process is the evaluation of results. Unfortunately, evaluation is either done poorly or totally ignored by many organizations. One of the main reasons for this is that it is assumed that all training will work. Since huge investments are made in training in terms of money and other resources it is necessary to determine whether training has achieved the objectives for which it was conducted. The information gained through such a diagnosis can also provide feedback for future modifications in the program.
Thus, evaluation is the process of determining the value and effectiveness of a training program. It uses assessment and validation tools to provide data for evaluation. Assessment is the measurement of the practical results of the training in the work environment; while validation determines if the objectives of the training were met. Evaluation and its techniques are discussed in detail in Chapter IV.

This phase should actually be an ongoing exercise throughout the entire process. That is, it should be performed during analysis, design, development and implementation process. It is also performed after the trainees return to their jobs.

![SAT model flow chart](image)

**Figure: 1.5** SAT model flow chart

This figure highlights the importance of evaluation and feedback throughout the entire training process. It also stresses the importance of gathering and distributing information in each of the phases and also shows the training process to be not a static model, but a continuing flow of activities.

The three phases are ongoing activities that continue throughout the life of a training program. After building a training program, the other phases do not end once the training program is implemented. The three phases are continually repeated on a regular basis to see if further improvements can be made.
Also, the steps in each phase should not be thought of as concrete in nature. That is, one step does not have to be completed before the next phase is started. For example, some training designers will have to complete part of the work in design phase before they can complete the analysis phase. In the development phase, the first three steps, listing learner activity, selecting delivery system, and reviewing existing material, might be combined into one step by many developers. Every training model will develop its own rhythm. The developers must find the natural flow of the steps required to produce a successful training program. Although the SAT process is a formal one, in that the three phases should be performed as shown in the above flow chart, it requires both art and science in its implementation.