CHAPTER- 1
INTRODUCTION

1.1 Background of the Problem
1.2 Structure of the Study
1.3 Review of Literature
1.4 Research Objectives and Hypothesis
1.5 Research Methodology
1.6 Research Instruments
1.7 Limitations of the study
1.8 Conclusion
1.9 References
Importance of developing men can be well highlighted from the following Chinese saying “If you wish to plan for a year sow seeds, if you wish to plan for ten Years plant trees, if you wish to plan for a life-time develop men.

INTRODUCTION:

Training of employees has become one of the major activities in modern industries in India due to the rapid growth in technology, modernization, competition and the implementation of total quality management (TQM).

Training is one of the crucial strategies for organizations to assist employees to gain those necessary knowledge and skills needed to meet the challenges (Goldstein and Gilliam 1990, Rosow and Zager 1988). More recent studies indicated that today's organizations will face two oncoming trends, the increasing age of the workforce and the increasing introduction of new technologies, and suggested that training is especially critical, as the workplace introduces further new technologies, such as web-based operation, computerized intelligent systems, and other task technologies (Colquitt et al 2000, Howard 1995).

Training is the catalyst for the continual and rapid improvement in all areas of the company. Training helps in maintaining a valuable and knowledgeable workforce. The importance of employee development increases with the jobs becoming more complex. The companies want to keep and leverage talent. They do not want to lose out to the competition. There is extensive evidence that investment in employee training enhances the human capital of the organization and results in improving the organizational performance. Moreover, there is a requirement for higher qualifications and the present qualifications are becoming outdated.

The importance of training is growing with the level of competition going up in the manufacturing sector. Keeping this in view, an attempt is made in this research, to make a
comprehensive study on the major effect of training that results in the benefits for the organization, the improvements achieved by the employee and work practices.

The share of manufacturing sector in increasing the GDP of any country is noteworthy. It is important in a way that it is the sector providing maximum employment to the people, directly and indirectly. This sector has tremendous competition and faces challenges from the market. Advancement in the information technology, the increased use of computer aided designs and quick exchange of information has made paradigm shift in the business being conducted. Segmented markets, greatly diversified customers have a great impact on the customer's choice. Therefore to remain in the competition, it is essential that the people in the organization play a vital role to build the organization. To develop a world-class organization, the HRD intervention, in the form of continuous training & development is necessary.

HRD essentially aims at improving the performance of employees through systematic training, career development and thereby organizational development. It is evident that if HRD issues are not properly handled, then organization may face decreased performance and may start a slow decaying. Productivity may suffer and cultural clashes may increase. Employees may suffer low skills and low knowledge. Attracting and retaining talent becomes a difficult task for the organization. It is also true that successful outcomes are possible only with the quality of the training provided to the employees. It is equally important to assess the need of the training, the nature of the training provided, the methods and the selection of the training programs and ultimately evaluation of the training programs are important for the sound health of the organization.

Training & Development as an HRD intervention plays a vital role in the Success of the Organization. The purpose of Training and Development is to increase the skills of the employees, therefore it is increasingly believed that the training expenditures are not the cost but an investment for any organization. The present research study sheds light on the Effectiveness of Training & its Impact on Employee’s Performance in selected manufacturing units in Ahmednagar District.
1.1 BACKGROUND OF THE PROBLEM:

Literature on training and its effectiveness is very rich in the form of many books and journals. But after referring to many books and articles it is worth researching whether the result of the efforts of training and its effectiveness practices have been actually undertaken. It is very essential to consider training as a source of process efficiency. There are plenty of Organizations where such a kind of support is not provided to their employees, in spite of the National policy that training has to be provided to the employees with a view to increase their skills, efficiency and effectiveness. Organizations now have understood the importance of imparting training to their employees so as to get an edge in the area of competition. There is now a growing recognition that training has a significant role to play in gaining competitive advantage.

It is remarkable to accept the fact that training offers many benefits to the employees and the Organization as a whole. Employees become more confident, dynamic and supportive to each other. In addition to this employees develop a high morale to achieve improved performance as a result of training. The impact of this aspect benefits employees in personal, career oriented and job related knowledge. The adaptability of training to the employees makes them committed towards achieving performance and develops strong bonding with the Organization and stay longer in the organization.

The manufacturing sector is a people based industry where the end product is often produced by number of employees, together delivering the end product for organization and customers’. The significance of valuable training activities for all business within the manufacturing sector is of utmost importance. As, training practices have the potential to increase the service levels in the industry, organizations intend to work out cost and benefits of training and effectiveness.

Therefore the purpose of this study is to analyze the Training & Development activities within Large Scale Manufacturing Companies, located in Ahmednagar District, identifying training and development systems, its evaluation and its impact on employees and organizations effectiveness and their performance. To achieve this objective, the study has
Identified the literature and published studies as best practices in the area of training and development.

1.2 STRUCTURE OF THE STUDY

This thesis has 8 Chapters. The 1st Chapter gives Introduction to the subject of thesis and gist of the thesis. The 2nd Chapter deals with Review of various literatures on evaluation of training. The 3rd chapter deals with theoretical background defining in brief the concept of training & training scenario prevailing in various sectors in India. The 4th Chapter explains about the Research Methodology adopted for present investigation. The 5th Chapter deals with analysis and interpretation of the data collected for the present study and briefs about the hypothesis testing and its outcome. Chapter 6th summarizes findings from the present study, suggestions & recommendations from the study. Chapter 7th summarizes the conclusions of the study and suggests scope for further study & Chapter 8th i.e., the final chapter deals with Bibliography.

1.3 PREVIOUS STUDIES / LITERATURE REVIEWS

1. Huselid studied the impact of high performance work practice by using survey data on 968 firms. The survey was completed in 1992 by senior human resource executive in the firm and solicited information about the firm’s 1991 human resource policies, including the average number of hours of training received by the typical employee for the last 12 months. Huselid grouped the companies HR policies in two categories, the employee skills and organizational structure with employee motivation. It was found that organizational structure and employee skills were important for the rate of return on capital. High performance of work practices increased cash flow and raised the company’s market value.

2. Colligan & Cohen have reported the benefits of the training showing how training objectives are met such as increased hazard awareness among the worker who are at risk of health hazards. Knowledge of safe working practices reduces the work related accidents and improves workplace safety. Lack of safety training may result into workplace hazards which
may cost the company even more in terms of lost man-hours. In their reports the authors conclude how training resulted into reduced injury, reduced time for work, and reduction in the medical costs. Training outcomes were successful which were supported by management decision in supporting the safety training, whatever may be the job site. The issue is not so much whether training is worthwhile but the factors beyond the training process which can make great impact.

3. Perdue et al assessed the relative effectiveness of alternative training methods in private clubs across US. He used an e mail questionnaire and collected data from random sample of 123 private club managers from across USA. The result indicated that one to one training method is considered the preferred method for all the objectives of training except for the objective of interpersonal skill development. The use of video ranked fifth best training method. Audio conferencing, paper and pencil, programmed instruction, audio tapes, computer conferencing, self assessments were considered least effective training methods.

4. Jacobs & Washington have studied the effects of formal training courses. While conducting this study he has examined the work setting characteristics and the work outcomes. He used questionnaires to be completed anonymously by large sample of managerial and professional categories. All were the employees of one large single firm. Study findings indicated that training courses have tangible benefits in several important areas of perception and job satisfaction. The participation in both external and internal training programs was beneficial to the organization as well as individually. Employees who had a perception of greater value in their formal courses were more satisfied with their present jobs and felt comfortable about the firm as compared to other places where they could work. Thus these employees were less likely to leave the firm. Interestingly enough, the work setting also showed positive result as employees described the firms cultural value more positively, they rated the competence of their colleagues more highly, they indicated greater opportunities for on the job development and continuous learning, said that they participated in more training courses and found it very valuable for gaining skills and knowledge.

5. Harris examined the opinions of a sample of American directors of human resource as well as of training about their training methods and the quality of these methods. The result
indicated that classroom training method was most used and useful. One on one and on the job training method was mostly preferred by smaller firms. The most preferred method was videotapes regardless of company size. The main barrier for using computer technology was high cost and obsolescence of computer technology. The author concluded by suggesting that computer based technology and multimedia should be used for saving time and money.

6. Mann & Robertson studied trainees’ reaction and knowledge acquired in order to find out the effectiveness of the training program. Sample of about 29 trainees who were part of a 3 day email and internet training program held in Switzerland. Each participant was asked to fill up a questionnaire before training, at the end of the program and after a month of the program. The results showed that trainees increased their knowledge. The positive attitude shown during training is not the indicator of actual work performance. Attitude and reaction measures were not linked to later performance. Therefore the authors advocate that such measures should be used with care for evaluating training programs.

7. The observation made by Currie regarding effectiveness of training, indicated that the learning was more effective when the trainees applied the concepts and the techniques in suitable ways. The learning cycle used in structured sessions brings good results. Trainer should use different ways and techniques, encourage learning, use self assessment methods, encourage group activities, and use case methods to promote analysis skills. Learning becomes effective when learners feel that they are not criticized and can apply the skills learned back at their workplace. Trainer should guide, direct, lead, coach and encourage become facilitator and not instructor. Mistakes should be considered as learning steps and adult to adult relationships should be developed. It was suggested that induction program should take place where trainees, trainer and participant’s managers take part in order to solve the difficulties about the confidence and promises.
1.4 RESEARCH OBJECTIVE & HYPOTHESIS

Objectives of the Research:

- To study the type of training provided and its impact on the employees of Manufacturing Industries in Ahmednagar District.
- To study the Level of Satisfaction of Employees about the training imparted to them by their Organization.
- To suggest some tools or techniques that may help corporate to evaluate the performance of employees.

Hypothesis of the Research:
Following are the research questions which are deeply studied in this research

1. To study if there is a difference in the weightage that HR managers attach to various Employee Training and Development Areas.
   
   \[ H_1: \text{The weightage given by HR managers to various Employee Training & Development Areas is different.} \]
   
   A statistical analysis using a Freidman Chi Square test was conducted for this question.

2. To study if there is any Impact of Training on Attitude, Confidence Level, Interpersonal Skills, Motivation Level, Teamwork & Level of Satisfaction of Employees’.
   
   \[ H_1: \text{Employee Training has a positive impact on Attitude, Confidence Level, Interpersonal Skills, Motivation Level, Teamwork & Level of Satisfaction of Employees’.} \]
   
   A statistical analysis using Simple Regression Analysis was conducted for this question.

3. To study whether Training Objectives, Contents of Training Program & Equipments and Facilities have an impact on Effectiveness of Training.
   
   \[ H_1: \text{Training Objectives, Contents of Training Program & Equipments and Facilities have a positive impact on Effectiveness of Training.} \]
   
   A statistical analysis using Step Wise Multiple Regression Analysis was conducted for this question.
1.5 RESEARCH METHODOLOGY

Post Facto Research Methodology is used in this research. This mainly comprises of a descriptive style of investigation to find out effectiveness of training and its impact. The present research study is descriptive in nature and therefore, data is collected from both Primary and Secondary sources. Secondary data was collected through comprehensive literature review and internet. Other secondary sources included preview studies, journals, reports, magazines, newspapers & books. The Primary data was collected from field visits of various units carrying out Training and Development programmes, through means of Questionnaire and Interview with the HR Managers.

1.5.1 Universe & Sample

Ahmednagar district which is also known to be the place of Saints, is the largest district in area in Maharashtra comprising of 14 Taluka places. Ahmednagar District is on the forefront in Co-operative movement in the Country owing to the strong presence of 16 Sugar Factories, Distilleries, Spinning Mills, Paper Mills, Milk Federation & dairy etc. in the Co-operative sector and Co-operative real estates. Manufacturing sector has a wide base spread over entire District comprising of more than 2500 micro level Industries and more than 1000 small and medium scale Industries, whereas there are 45 large scale manufacturing companies functioning all over the District. For the present research 20 large scale manufacturing companies were selected from the district. The sample size for the main survey comprised of 200 respondents belonging to these large scale manufacturing units. 10 Employees’ per company were selected as a sample; they were requested to fill up the questionnaire.

1.6 RESEARCH INSTRUMENTS

The research instrument contained questionnaire filled from surveyed Employees’ (Annexure A), and Questionnaire recommended and filled Pre and Post Training from the HR Managers (Annexure B).
The instruments were developed by the researcher after going through the literatures on Training and HRD.

1. The questionnaire contained employee background as well as training process, employee perception and reaction to training programs.

2. To measure the effectiveness of training activities, the researcher used the summative rating scale. This is known as Likert scale. Number of the questions was having 5 point rating scale from 1 to 5 in which 1 meant strongly disagree where 5 meant strongly agree although it was not mentioned in figures. The multiple response questions were also utilized to find out the viability of the questionnaire.

While gathering the data, structured Interviews were conducted with the Employees’. It was explained to them that the participation in the interview is purely voluntary and the response would be used purely for academic and research purpose. It was therefore, agreeable for the participants to come out with suitable answers. A ten minutes interview with the Employees’ was undertaken to find out their perception about training activities carried out in their companies. The interviews were conducted considering convenient time for the participants.

1.6.1 Instrument reliability

It refers to the concept that the instrument measures consistently across samples what it should measure. To ensure the instrument reliability, the consistency was tested through pilot study.

The questionnaire which was designed was piloted to assess time required to complete, simplicity, clarity, wide-ranging questions and sequence of the questions. The participants were asked to review the appropriateness of the questions, and if anything was incomprehensible, they were told to mark them. After the pilot study, some amendments were made. To reduce the research bias, the participants in the pilot study were not included in the main survey.
1.6.2 Research Procedure

1.6.2 (a) Data Collection
The present research study is descriptive by nature and therefore, data are collected from both primary and secondary sources. Secondary data were collected through comprehensive literature review and internet. Other secondary sources included previous studies, journals, reports, magazines, newspapers and books. The primary data were collected from field visits of the various units carrying out training and development programs.

1.6.2 (b) Data Analysis
The data collected were analyzed using the statistical package for the social science (SPSS) to determine frequencies, percentage, means and standard deviation, coefficient alpha, correlation statistics and other techniques.

1.7 LIMITATION OF THE STUDY

• The information on training activities was taken from the records available from the units as well as from those who had undergone the training and development.
• Only manufacturing sector has been covered under the said research where as the implications of the research can also be applied in service, hospitality and many other sectors.

1.8 CONCLUSION

The present chapter is a gist of the research done in the selected organizations under study. The chapter has shown what has been done in the area of effectiveness of training and development activities in the organizations under investigation. Since, the large scale Manufacturing sector is chosen for the research in the area of training and development, the next chapter throws light on the Review of literature on Impact of training and its effectiveness amongst employees in general and area in particular.
1.9 REFERENCES:


