CHAPTER 1
INTRODUCTION

Training:

“Training is the systematic acquisition of skill, rules, knowledge, habit & attitude that have specific applicability to a set of situation. It is essential for the continued growth and development of an individual as well as organization” (Dr. Prakash M. Kothari, Prof. Shrinivas V. Joshi, 2008)(1)

Training is a process which takes place in an individual. It provides the conditions under which people can learn effectively, and learning is to gain knowledge, skill and ability. Training is the most essential part of corporate as it acts as competitive edge. For leading edge companies it provides detailed case studies to reshape their training strategies to respond to the worldwide competition & rapid changing technology.

The management which does not take the training seriously is passively encouraging its workers to pick up information and possibly ‘bad’ habits from other sources. Such a management has only itself to blame for consequences. Although usually it finds someone else to blame, (David King, 1964)(2). It is necessary to be aware of the primary learning process in the firm and to recognize its benefits and its defects, to understand the function of company training. Thus for formal company training it is necessary to study the existing ways in which people learn about their work and to find if the primary learning process is not working satisfactory and showing low performance. Then the management can clearly establish a link between low performance and defects in the primary learning process is then able to consider seriously the need for formal and systematic training.

Need of Training

Need of training arises where an individual in established areas lack skill, knowledge & ability in effectively performing the job and to identify organizational constraints that are creating block in
the performance. Training help in improving particular skills, it is an initiative to help the firm identify what has to be done to overcome obstacles.

Six situations when an appropriate need of training initiative can make a major contribution to corporate objective:

- Creating awareness that challenges the perceptual boundaries.
- Implementing a new policy.
- Implementing a strategy.
- Changing or maintaining the culture of the organization (creating shared value).
- Meeting a major environmental change.
- Solving specific problems. (David E. Hussey, 1988) (3)

Training is itself not a total solution and it need to be fit neatly with other actions to bring about necessary change. It cannot be effective unless policies and practices in related areas support and sustain the training program.

Why Corporate Training?

Corporate training is essential for:

**Effective corporate organizational response**

- Competitive strategies with appropriate blend of innovation, product differentiation, customization.
- Policy framework for sustained Excellence
- Technologically sophisticated products and services
- Continuous experimentation and innovation in operating areas
- Having long range of objectives and planning
- Systematic response
- Securing structural mechanism through development of uncertainty reduction, differentiation and integration
- Emphasis on efficiency, productivity, product and process quality, innovation and resourcefulness which develop work culture in the corporate sector
Effective entrepreneurial response of corporate

- Entrepreneurial strategies
- Pioneering innovation and innovating products for under-serviced niches and market segmentations

Entrepreneurial heuristics

- Organic growth and scanning for opportunities
- Growth of organization with increased professionalism of management
- Learning strategies for operating in unfamiliar markets
- Development of core technical competence etc.

Training Methods

Here I am giving a brief of Training Methods:-

a. Straight Lecture/Lecturette
b. Open Discussion
c. Demonstrations
d. Small-Group Discussions
e. Games and Simulations
   - Equipment Simulators
   - Business Games
   - Memory Games
   - In-Basket and case studies
   - Role plays
   - Behavior Modeling
   - Task-Related Exercise or Activities
f. On-the-job Training
   - Job Instruction technique
   - Coaching
• Mentoring

g. Computer-based Training Methods

h. Development and Implementation of Training

i. Organizational training

• Orientation Training
• Diversity Training
• Sexual Harassment Training
• Team Training
• Cross-Functional Training
• Cross-Cultural training
• Safety and other Training

How to make Effective Training Program?

For effective training program following analysis has to be made before designing the training program:-

i. Organizational Analysis: There are various departments in an organization like HR, Finance, Production, Sales & promotion etc. So the focus should be made on the determination of objectives of department need based.
   a. Growth
   b. Potential
   c. Resources (trainees, trainer, finance etc)

ii. Task & Role: Method of training required through-
   a. Identification of knowledge, skill, attitude for the requirement of the task
   b. Job (Job fulfillment, job rotation, job enrichment, job enlargement, etc)

iii. Man Power Analysis: Here the individual strength and weakness is analyzed and identification of performance analysis through self assessment

iv. Statement of training Need: Determination of the gap through present task, available level and through future need
These Analyses are the pre-requirements of any kind of effective training program.

Practical Application of training program

Practical application of training program is necessary. The following practical application of training program are:-

- Evaluation of training provides the assessment of training utility, and to carry out the evolution of various phase against the objectives, and also the validity of the training program against the job proficiency. The evaluation enables the effectiveness of an investment in training to be appraised also provides the data which justify expenditure on training. The evaluation also enables to find whether the training helped department performance, trainees learn what was intended, and also indicates the extent to which the objectives have been met and therefore whether any further training needs remain.

**Effective Training Program**

The success of any training program needs the support of the management, starting with the top management and going through to first line supervision. In few cases where training seems to
have failed, it may be because training was not the appropriate solution for it. The effectiveness of training can only be judge by sound objective means of evaluation and appraisal. (Louis Cenci, 1966)\(^{(4)}\)

In this study under Krickpatrick model four categories of outcome to measure the training evaluation have been taken. The four levels are:

1. Reaction.
2. Learning.
4. Results. (Krickpatrick, 2006)\(^{(5)}\)

**Level 1: Reaction**

This level measures how the trainees reacted to the training. It enables to find out whether the training was a valuable experience, and how the trainees feel about the instructor, the topic, the material, its presentation, and the venue. It's important to measure the reaction by the trainees because it helps to understand how well the training was received and how to improve the training for future trainees, including identifying important areas or topics that are missing from the training program.

**Level 2: Learning**

To measure what the trainees have learned and how much has their knowledge increased as a result of the training?

The starting point for the measurements is the list of specific learning objectives that are planned before the training session. There are different ways to measure the learning depending on the objectives, and depending on whether the changes to knowledge, skills, or attitude. It's important to measure this, because knowing what the trainees had learned and what they had not. This will help to improve future training.

**Level 3: Behavior**
This level is to evaluate how far the trainees have changed their behavior, based on the training they received. Specifically, this looks at how trainees apply the information. It is to realize that behavior can only change if the conditions are favorable. However, if the behavior hasn't changed, it doesn't mean that the trainees haven't learned anything. Perhaps the boss won't let them apply new knowledge. Or maybe they have learned everything taught in training, but they have no desire to apply the knowledge themselves.

Level 4: Results

At this level the final results of the training is analyzed. This includes outcomes that the organization had determined to be good for business, good for the employees, or good for the bottom line.

**Corporate Effectiveness:**

“*Corporate Effectiveness is a cultural attitude that focuses leaders, managers and teams on increased revenue, raised profitability, innovation and employee engagement.*” *(6)*

Corporate effectiveness can be achieved through entrepreneurship and to develop collaborative working environments that get the best out of the people.

Effectiveness is the degree to which objectives are achieved and the extent to which targeted problems are solved. In contrast to efficiency, effectiveness is determined without reference to costs and, whereas efficiency means "doing the thing right," effectiveness means "doing the right thing." *(7)*

**Difference between Corporate Effectiveness and Corporate Governance**

1. Corporate governance is both the structure and the relationships which determine corporate direction and performance. The board of directors is typically central to corporate governance and it involves balancing the interests of the many stakeholders in a company - these include its shareholders, management, customers, suppliers, financiers, government and the community. Whereas corporate effectiveness is the linkages between
the vision, strategy, policy and operations of the company which results in effective governance.

2. Corporate governance exists to serve the objectives of the corporation by providing a structure for corporate purpose. Whereas, corporate effectiveness is the internal alignment between business and info-structure which harness tools and techniques to fulfill the objectives of the corporation.

3. Corporate governance is the system by which the objectives of the company are set and achieved, how risk is assessed and how performance is optimized, it encourages companies to create value through entrepreneurship, innovation, development and exploration, moreover provide accountability with control system where risk is involved. Whereas corporate effectiveness is the effective resource management which help recognizing real-world, complex and uncertain environments.

4. Corporate governance refers to how a corporation is governed by corporate board of directors who are responsible for decisions on the behalf of the corporation. Whereas corporate effectiveness is the effective governance model.

5. Corporate governance is a method which directs, administered and controls the corporation. Whereas corporate effectiveness is the feedback and learning which improves the understanding and insight.

**Dimensions of Corporate Effectiveness**

The dimensions of corporate effectiveness are very important. The following are the ten dimensions of corporate effectiveness:

2. Effective governance models.
3. Effective agility for enterprises that need to engage/disengage faster.
4. Effective feedback and learning improves understanding and insight.
5. Effective internal alignment between business and info-structure, harnessing truly dynamic tools and techniques.
7. Effective sharing of essential corporate meanings.
8. Effective sense-making from complex and uncertain environments.

9. Effective action to deal with the hidden warning signs that usually sneak below the enterprise radar.

10. Effective synergy for previous investments (ERP, Balanced Scorecard, ABC, BPM, Six Sigma, LEAN etc.)

**Measurement of Corporate Effectiveness**

The measurement of corporate effectiveness is also one of the most important aspects of corporate effectiveness. There are six measures to assess corporate effectiveness which reflect what the organization is doing and the objective as far possible:

1) Determination of whether some part of the organization is in a ‘good’ or ‘bad’ state. The possible outcome measures are profitability turnover and frequency of complaints.

2) Determination of why the system is in that particular state. In other words what causes profitability turnover or complaints?

3) Decisions about plans that will change the system. What can be done to improve profitability, turnover rates or the level of complaints?

4) Evaluation of an organizational change. Did the change provide the expected results?

5) Comparison of organizations for lawmaking or public policy purposes. For example, the Bureau of Labor Statistics collects labor force data to help determine affirmative action and other laws.

6) Identification of the antecedents of effectiveness. (Martin Hahn, 2007)

There are many antecedents to measures corporate effectiveness, but for this study the antecedent to measure corporate effectiveness are confined to these four antecedents of effectiveness. These are:

- Productivity
- Retention Ratio
- Innovation
- Employee Engagement
Purpose of The Study

For economic development energy is basic requirement. A thermal power station is a power steam driven. Water is heated, turns into steam and spins a steam turbine which drives an electrical generator. After it passes through the turbine, the steam is condensed in a condenser and recycled to where it was heated. India is the 3rd largest producer of electricity after US and China even though it suffers a major shortage of electricity generation capacity. Coal, nuclear, natural gases and petroleum are used to exploit as main source of high quality energy products. Energy sources will play an important role in the world’s future given that the global demand for energy is rapidly increasing. Thermal power plants are coal, nuclear, geothermal, solar thermal electric. In fossil-fueled power plants, steam generator refers to a furnace that burns the fossil fuel to boil water to generate steam.

Training is one of the most important parts of an organization's overall Strategy. Before starting a particular venture or considering a potential acquisition, the first question arises that, whether there are required skills present in the organization or not. Need of training arises due to advancement in technology, need for improving performance or as part of professional development but the present study has been restricted to four levels which can be evaluated for corporate effectiveness namely, (i) Reaction: were the participants pleased with the program?, (ii) learning: What did the participants learn from the program?, (iii) Behavior: Did the participants change their behavior based on what was learned?, (iv) Results: Did the change in behavior positively affect the organization?. An in-depth analysis of these levels of evaluation on corporate effectiveness has been made with special reference to public and private sector thermal power plants. The study assessed the employees’ training outcomes of knowledge and skills, job performance, and the impact of the training upon the organization (productivity, retention ratio, and innovation). The research will assess the training outcomes and their relationships. By assessing these training outcomes and their relationships, the study demonstrated whether training result in corporate effectiveness at what level and the lower evaluation levels can be used to predict corporate effectiveness.
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