CHAPTER 1 - INTRODUCTION
1. INTRODUCTION

The share of automobile & service sector in the increasing of 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 had great impact on the customer’s choice. Therefore to remain in the competition, it is assumed that the people in the organization play the essential role to build the organization. And to build the world-class organization, the HRD intervention, in the form of continuous training & development is required.

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 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 (T & D) as an HRD intervention plays an important 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 costs but an investment. According to Jacobs & Washington¹ fast growing companies have dedicated substantial amount of time to the professional development of their employees.
1.1 STATEMENT OF THE PROBLEM

Literature on Training & Development is very rich in the form of many books and many journals. But after going through many books and articles it is worth investigating whether the result of the efforts of the training and development practices have been undertaken. It is also essential to note the training as process efficiency. There are number of organizations where this kind of support is not provided to the employees in spite of National Policy that training has to be provided to the employees to increase their skill sets and to gain through the training strategies. The organizations now have understood the importance of providing the training to their employees so as to get the edge in the area of competition. There is now growing recognition that training has significant role in gaining competitive advantage. Extensive research undertaken within human resource area has found that majority of the organizations engaging in innovative practices include training and development as key elements to attaining best practices.

It is worthwhile to note that training offers many benefits to employees and to the organization as a whole. Employees become more confident, open to change and supportive of each other. In addition, employees are motivated to achieve improved performance as a result of training. The benefits employees gain is personal, career oriented and job related knowledge. The availability of training to the employees make them committed for achieving performance and develop strong relations with the organization and stay longer in the organization.

The automobile sector is people based industry where the end product is often produced by a number of employees together delivering the end product for organization and customers. Management of labor intensive industries face daunting task to measure the potential variability in the performance of the staff involved in the end product. Therefore the significance of appropriate training activities for all business within the auto sector is of considerable importance. As training and development practices have the potential to increase the service levels in the industry, organizations want to work out cost and benefits of training and development.
Therefore the purpose of this study is to analyze the Training & Development activities within Force Motors Ltd., one of the leading automobile companies, located in Pune 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 RESEARCH QUESTION

The main research question dealt in the present investigation is –

What is the feature of Training & Development in the organization being studied and what is the level of influence that training activities have on the performance of the employees and performance of the organization as a whole and the methods of evaluation of the training system.

In response to the above focal question, the following sub-questions have come out which have been examined in this research.

1. What type of training is conducted and what are their characteristics?
2. Whether the employees have indeed benefitted due to the training and development?
3. Whether the level of effectiveness differs based on the methods of the programme and place of the programme?
4. Whether there is change in the effectiveness due to the course objectives and plans informed to the employees?
5. Whether the method of evaluation used by the organization is other than the Kirkpatrick method which is being used by majority of the organization?

### 1.3 STRUCTURE OF THE STUDY

This thesis has 9 Chapters. The 1st Chapter gives Introduction to the subject of thesis and gist of the thesis. The 2nd Chapter deals with the Evolution and growth of automobile sector in India. The 3rd Chapter explains about the concept of Training, training policies and training and development scene in India in detail. The 4th Chapter talks about the Evaluation and Effectiveness of Training. Chapter 5th gives Review on various literatures on evaluation
of training. The 6th Chapter is Research Methodology adopted for present investigation. The 7th Chapter is introduction to Force Motors Ltd., where the research activities for this thesis are conducted. Chapter 8 deals with analysis and interpretation of the data collected for the present study. 9th Chapter is the final chapter which summarizes this study and gives recommendations and also suggests scope for further research.

1.4 RESEARCH OBJECTIVE & HYPOTHESES

OBJECTIVES

1) To review and analyze training activities conducted by selected automobile company.
2) To check the effectiveness of training activities from the view point of trainees.

HYPOTHESES

1) Selected automobile company adopts systematic approach towards its training activities
2) Training activities conducted by the selected automobile company prove beneficial to the trainees and help in increasing their effectiveness.

1.5 RESEARCH METHODOLOGY

Post Facto Research methodology is used in this research. This consists of mainly a descriptive style investigation to find out effectiveness of training and development system. The present research study is descriptive by nature and therefore, data were 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 and the various units carrying out Training & Development programmes.

1.5.1 RESEARCH POPULATION AND SAMPLE SELECTED

The organization selected for the study is FORCE MOTORS LTD, Akurdi, Pune. This organization was previously known as Bajaj Tempo Ltd having almost a monopoly in
tempo business few years ago similar to monopoly in the scooter sector by Bajaj Auto Ltd. This organization is considered to be the reputed one in the automobile sector having large presence and market share. This is selected as representative of all the automobile industries where more or less similar training & development system is practiced with no more than a bit of varying degree exists. The result obtained also becomes indicative for all the automobile sector companies with no drastic difference. The population for the study was the employees working in the organization under study, and those who have undergone Training & Development activities as participants. The HRD department of this organization was visited number of times to obtain the information. 282 (40%) managerial employees were surveyed in FORCE MOTORS Ltd.

The period under research is between January 2008 till December 2009. The training activities and the overall training system in this period are analyzed.

1.5.2 IDENTIFICATION AND DEVELOPMENT OF PARAMETERS AND VARIABLES FOR RESEARCH

The independent variables were measured with reference to main T & D activities. The stages of programme are planning, delivery of training and evaluation and the effectiveness of these all. The variables included many sub variables such as number and frequency of training programmes, methods of training, place of training and need assessment, training objectives materials and equipments, content of the course and trainer qualification.

The dependent variables developed were having impact on individual performance, which included several questions. It asked participants to evaluate own performance after attending training, such as increase in the skills, change in behavior and attitude, increase in enthusiasm and motivation in the job, improvement in communication and teamwork among the employees as well as in the departments, increase in the employee satisfaction and sense of belongingness.
1.5.3 RESEARCH INSTRUMENTS

The research instrument contained questionnaire (Appendix B) and structured open ended interview (Annexure C).

The instruments were developed by the researcher after going through the literatures on T & D and HRD.

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

2. In addition to the above, structured open ended interviews were conducted to get qualitative data on T & D activities to understand their experience and contribution to the organization after going through the training programmes.

3. To measure the effectiveness of training activities, the researcher used the summative rating scale. This is known as Likert scale. Numbers of the questions were 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 open ended interviews were conducted. 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 twenty minutes interview with each employee 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.

1.5.3(a) Instrument validity

Instrument is valid only when it measures what is intended to be measured. Therefore, the instrument was developed based on extensive literature references and referring HRD/OD instruments by TV Rao & Uday Parik. The instrument validity was also checked with the human resource experts in the industry and the consultants. It was reviewed by them for the content and the validity. These experts were asked to discover the clarity and appropriateness of the items contained in it. They were also requested to provide any suggestions, improvement and possible changes.
1.5.3(b) 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.

1.5.4 RESEARCH PROCEDURE

1.5.4(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 and the various units carrying out training and development programmes.

1.5.4(b) Data Analysis

The data collected were analyzed using the statistical package for the social science (SPSS) version 17.0 to determine frequencies, percentage, means and standard deviation, coefficient alpha, correlation statistics and other techniques.

1.6 PREVIOUS STUDIES / LITERATURE REVIEWS

Saks\(^2\) studied the relationship between training and outcomes for newcomers. A sample of 152 newly recruited entry level professionals completed a questionnaire after the 1st six months of socialization. Supervisor rating of job performance were obtained four
months later. The result indicated that the amount of training received by newcomers was positively related to job satisfaction, commitment, ability to cope and several measures of the job performance. Newcomers perceptions of training were positively related to job satisfaction.

Huselid\textsuperscript{3} 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.

Manpower requirement in tourism sector indicates that the training programme needs modification to suit the requirement of operational skills. The need for infrastructure to created trained manpower requires finding out how to upgrade existing hotel management institutes and whether to set up new hotel management institutes or food craft institutes. Need for suggestions of measures to upgrade training courses that provide higher level of skills is required.\textsuperscript{4}

Colligan & Cohen\textsuperscript{5} 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.

Jacobs & Washington \textsuperscript{6} 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 programmes 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.

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, programme instruction, audio tapes, computer conferencing, self assessments were considered least effective training methods.

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 multi media should be used for saving time and money.

Klink & Streumer examined the effectiveness of on the job training and some possible factors that clarify effectiveness of two samples taken from two Dutch companies. The first sample was from 36 sales staff working in a telephone company. They were being trained to improve the quality of telephone sale call so as to increase the telephone sales. The 2nd sample consisted of 45 new counter clerks of post offices, who were trained on how to
behave and function independently at the post office counter. The results indicated higher level of effectiveness for telephone sales staff than counter clerks. The perception of telephone sales staff about the managerial support and their own experience as sales staff added to the high level of effectiveness. In case of counter clerks the work place atmosphere and their own efficiency was the main variable to determine the effectiveness of the training.

Mann & Robertson\textsuperscript{10} studied trainees reaction and knowledge acquired in order to find out the effectiveness of the training programme. Sample of about 29 trainees who were part of 3 day email and internet training programme held in Switzerland. Each participant was asked to fill up a questionnaire before training, at the end of the programme and after a month of the programme. 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 programmes.

Hashim\textsuperscript{11} observed 262 training institutes in Malaysia to identify training evaluation practices. The result indicated that training institutes used different methods including trainees’ feedback, observation, interviews, performance analysis and training reaction forms. Most used form of evaluation was trainee reaction.

A study made by Kunaviktikul\textsuperscript{12} found that the training outcomes were of immense help for trainees, clients and organization. Trainees enhanced their knowledge, practical skill and attitude. Training did achieve its objectives. In this case outcomes were measured immediately after the training programme. The follow up evaluation were few. It was found out that the communication skill increased as well as there was considerable decrease in the stress level. Willingness to work as well as sustainability of the knowledge and skills was also achieved.

The observation made by Currie\textsuperscript{13} 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 programme should take place where trainees, trainer and participants’ managers take part in order to solve the difficulties about the confidence and promises.

Putra investigated service training programme at four big hotels in Sydney, Australia. He advocated the importance of linking training activities with the organizations’ bottom line connecting with strategic HRM objectives. The major part of the research is concerned with the usefulness of Kirkpatrick model of evaluation, which identifies evaluation at the reaction of training, learning of the trainees, behavior of the trainees and the final results. A participants’ reaction was requested to ensure whether training provided was in line with the workplace, the course contents were applicable to the job specifications, whether it helped to do the job better, and whether the trainer was able to motivate to learn. The findings showed that trainees perceived the training programme as relevant to the hotel work environment. The trainees confirmed that they were benefitted by the training as they applied the knowledge back at the workplace. There was an interesting finding that some of the junior level trainees stated that lack of managerial support was a hindrance in transferring the learning at the workplace. Thus the research suggested that after training, the more encouragement the trainees receive, the more successful it becomes in achieving the bottom line results.

1.7 LIMITATION OF THE STUDY

The research which is presently conducted has its share of limitations. The limitations occur because of scope of study and samples chosen, and the research methodology adopted.

1. Samples selected for the study

a) The analysis is within the frame work of the selected organization and its employees. In the present case the large automobile organization has been selected.

b) Sample selection was decided after the pilot testing and visits to the organization.
c) The sample size is 282 managerial level employees of the organization under study. These employees are from various functional departments. The data gathered was through survey and interview method.

2. Research Methodology

The information on Training & Development activities conducted was obtained from the records available from this organization and from those who had attended training programmes. Taking above discussions with the HR managers of various companies as a base, the questionnaire for Opinion Survey was designed. The opinion survey was conducted where the respondents were HODs of HR department of companies in and around Pune. The sample size was 50. This opinion survey gave lot of insight to researcher about the management’s perception about training activities in their organizations and its effectiveness. The researcher thereafter made a point to have few more discussions based on the opinion survey which proved to be groundwork for designing main questionnaire. The pilot study was done with about 40 respondents in the company under research. Researcher had opportunities to attend few conferences on HRD, titled, HRD Challenges, HRD Issues, HRD Interventions, Changing Paradigm in HRD, Perspectives in People Management, etc. held in various institutions in and around Pune during the course of research. This was instrumental in bringing improvement in the main questionnaire.

3. Scope and Limitation of the Study

The study is limited to the organizations in Pune City only. If we consider the geographical limitations, it is most unlikely that the finding may be drastically different in the Automobile Sector, in the other parts of the country as the generalization of the result may be more or less same in any part of the country. Within India, the labour force is highly mobile and they move from one place to another place with ease and may move in auto sector only in search of greener pastures. This feature makes us draw the implication that the sample of the employees selected for research represents the group well beyond the geographical limits and therefore, they are indicative of the general traits.
1.8 CONCLUSION

The present chapter is a gist of the research done in the selected organization under study. The chapter has shown what has been done in the area of effectiveness of training and development activities in the organization under investigation. Since, the automobile sector is chosen for the research in the area of training and development, the next chapter throws light on the evolution and growth of automobile sector in India in general and Pune area in particular.

A single conversation with a wise man is better than ten years of study. ~Chinese Proverb


