CHAPTER I

INTRODUCTION

The manufacturing sector of the new millennium has become information based, technology driven, constantly changing, fast paced, increasingly global, more customer centric, and continuously learning. In this atmosphere, the manufacturing organisations have to deal with issues like acquisition, merger, support, development retention of human capital, increasing productivity, improved quality, assured delivery of services, leadership, innovation, commitment and preparedness of human resources. In short, the organisations have to encounter different risks and challenges in this period.

The manufacturing sector is a modified one from the times of British Rule. From the mere objective of profit making in the pre-independence period, it passed over the socialist period of seventies and eighties, when serving the interest of the common man was held as sole objective. The industrial policies were based on the social objectives of employment generation, employee welfare. The Human Resource Development (HRD) was put to administrative and regulatory activities.

In the recent period, manufacturing industries are forced to perform better with profit motive as a result of the economic reforms under the lebel of liberalisation, privatisation and globalisation.

The manufacturing sector has completely transformed into a new phase since independence. Liberalisation, Privatisation and Globalisation (LPG) and the effect of Technology Revolution has changed the manufacturing sector completely. The transformation of manufacturing sector has taken root in the spheres of structure, process, system, markets, delivery, products, technology etc. Managing the tremendous transformation, is made possible by the quality of ‘Human Resource,’ which is the real strength of an organisation. Though this sector is completely mechanised due to operations being power based, yet the human resource is vital for its endeavours. In this knowledge era, the labour has earned the name of Human Resource.
The Indian Manufacturing sector has undergone some metamorphic changes due to the fast changes witnessed in the national and international economic situations. The change is very wide and vivid i.e. It is reflected in the areas of structure, attitude and quality.

OVERVIEW OF HUMAN RESOURCE DEVELOPMENT (HRD) IN MANUFACTURING SECTOR

Until the dawn of Twentieth century, the development of human beings was not planned or methodical. Only in the twentieth century, planned and systematic studies have been made for Human resource development (HRD). HRD is the development of human resources to match the organizational needs. At the same time the individual need of career growth and development is also enshrined in the process. It is a set of activities aimed at learning to make behavioural changes in such a way to learn skills and competencies. HRD is a process of learning and not a technique to be adopted. The basic principle is that every individual has potential, an asset to be developed with adequate support.

A well known authority on HRD Prof. T.V.Rao says, “HRD is a process in which the employees of an organization are continuously helped in a planned way.

a) acquire or sharpen capabilities required to perform various functions associated with their present or expected future roles.

b) develop their general capabilities so that they may be able to discover their own inner potentialities and exploit them to fulfill for their own and organizational development purposes and

c) to develop an organizational culture where superior-subordinate relationships, teamwork and collaboration among different sub-units are strong, and contribute to organizational wealth (or professional well-being) and motivation and pride of the employees.”

HRD is an organized learning experience, conducted in a definite time period, to increase the possibility of improving job performance and growth. HRD can be modeled as:
Human Resource Development is concerned with Building of Competence Commitment and Motivation Culture

Thus, HRD is the integrated use of training, organizational development, and career development efforts to improve individual, group and organizational effectiveness.

TRAINING AND DEVELOPMENT – AN OVERVIEW

Training is an important requirement of business strategy. Training as a specialised activity has been carried out with its own roles, structures, budgets etc. The field of training is in a very nascent stage in India. However the field is fast expanding along with the controversies that attempt to find benefits commensurate with the escalating costs of training.

Training has contributed tremendously to the improvement of all sorts of skills. Training has become an essential activity. The success of business activities depends on the ups and downs of the performances of the employees. Hence, the Human Resource managers have to look for methods to improve the performance and efficiency of the work force so that, they can meet the present targets and the future goals as well.

Training programmes were designed long back, but they have become very significant for achieving the objectives. Training and development programmes are for developing the skills. They also enhances the knowledge and expertise of the employees. Training and development makes the employees to identify their strengths and weaknesses. It is an opportunity to overcome the shortcomings and improve upon the strengths.

Training and development has acquired an important place, since the time of treating the human resource as a precious asset or capital. Training has become a valuable method to monitor the levels of skills and expertise of employees. In the competitive global market, all organisations strive to stay successful. To remain competitive, organisations need to absorb the most modern technology which is ever growing. Obtaining technical know-how will not ensure success unless it is backed by
the work force with the indispensable expertise. Hence it has become imperative on the part of organisation to train the work force to enrich them in the spheres of modern technological skills and knowledge.

**TRAINING AND DEVELOPMENT IN MANUFACTURING SECTOR**

Manufacturing is the process of producing goods for use or sale employing labour, machines and tools. Manufacturing activity ranges from human activity of handicraft to high tech precision goods. But in common parlance manufacturing refers to the industrial production in which raw materials are transformed into finished goods on a large scale.

In order to undertake the industrial manufacturing activity, qualified workers are needed. The performance of the workforce is an indicator of productivity and usage of raw materials. The availability of qualified and well trained workforce is not assured. The raw hands though well qualified, need training to carry out the manufacturing activities.

Training and development refers to the imparting of specific skills, abilities and knowledge to the worker. The training need is determined by the deficiency found in a employee. It is stated as follows.

\[ \text{The need for training and development} = \text{standard performance} - \text{Actual performance} \]

Training is the process of imparting specific skills, while development refers to the learning opportunities provided to help the growth of employee.

The all important objective of training is to develop right ability and capability in the labour force so as to enable them to measure up to the needs, wants and expected returns of the employers.

Training and Development enhances the work life of work force and has a bearing on the productivity with personal satisfaction. Hence Training and Development as a process needs a different and supportive atmosphere to develop. The work force in recent times have enabled the manufacturing sector to accomplish
its objectives and hence the management has understood the worthiness of developing the human resources.

Training and Development has become necessary for both the manufacturing sector and its workforce as well and thus, Training and Development helps to make an organisation and its workforce more effective and strong.

NEED FOR THE STUDY

Expansion of business performance is an expedition and not a destination. In order to develop the business process, organisations give more importance to commercialising the activities. To sustain the competition and survive in the globalised market, organisations need to espouse the most modern technology, ie. mechanisation, computerisation and automation. The indispensable expertise of the workforce is needed to become successful in the utilisation of technological development.

The success of utilisation of technological innovations depends upon the workforce. When the employees’ performance is found not capable to meet the goals of the organisation, and there is a gap between the present performance and expected performance training need arises. Training is neither a panacea for all ills of the organisation nor a waste of time.

Manufacturing organisations spend a large sums of money on imparting training and development practices. Organisations, analyse the expenditure on training the workforce in new technology for its overall effectiveness to them. If training needs are not properly assessed, then the expenditure becomes infructuous.

The training programmes imparted to the workforce should be of superior standards with a view to develop good working environment, provide work culture inspiration, support attitudinal change, improve interpersonal relationships, reduce accidents, in prove efficiency, update improve knowledge and technology.

The requirement is a thorough analysis of what is expected of training, the skills in designing and executing training successfully and cost effectively.
The study aims at evaluating the effectiveness of training programme as a necessity practice in any organisation as it is an assessment of total value of a learning activity. The study is needed to assess whether or not training is generating the expected results through proficient and well managed practices. The study analysis the information acquired by the assessment of training programme to find out the short comings in the training programme and offer suggestions for making the training to be more effective in future.

An effective training programme encompasses the effect of achieving the goals of the organisation. It should enlighten the trainees to have more knowledge about the organisation its aspirations, challenges and the business background in which it operates. The training programme must make the workforce aware of the different functions of the organisation and their coordination. The training must provide the employees to be knowledgeable about the significance of communication and enthusiasm in their day to day work as a tool for better organisational climate and morale. It should create a feeling of belongingness among the employees after training. The training programme is designed in such a way that the participants freely share their experiences and gains from training with their co-workers. The training programme must be able to develop friendship, fellowship, support and trusteeship among the trainees. The training programme must ensure that the technical, managerial, supervisory and human competencies are built up in employees on a continuous basis to enable them to perform their current assignment effectively and also to prepare them for future tasks. The attitude based training must be prepared to ensure that a value based and self sustained culture is developed in the organisation. It is also ensured that the training inputs are offered in a need based, organised and lucarctive manner.

SIGNIFICANCE OF THE STUDY

The economic reforms under the label of Liberalisation, Privatisation and Globalisation have perforsed the manufacturing sector to adopt to new methods, technology, skills, etc. to remain competitive in the changed scenario. Training and Development is a developing concept. It is significantly felt in the manufacturing
sector. Apart from raw material, the human resource is the second single most factor of production required for manufacturing sector.

The productivity of the labour force is manifest through Training and Development activities. It is also reflected in the quality improvement, reduced wastage, waste utilisation through innovation etc. Hence Training and Development is very crucial to manufacturing sector.

Training has become to be treated as an all important factor in business strategy. Organisations normally come forward to assess the impact of training programme over the employees. Training is effective only when it is able to produce the desired results.

When the organisation is implementing a training programme, there must be an ideal forum on which the evaluation of the programme can be developed and the assessment of the effectiveness of the training and development activities can be attempted.

Training is felt an essential need but there are doubts over its contribution in practice. There is a general understanding prevails in the manufacturing sector that the benefits are not commensurate with the escalating costs of training and the related controversies. Though the training mechanisms and cost have increased but not its benefits. The disillusionment crops up in many ways ie. Reluctance to send the talented workers for training inadequate utilisation of manpower after training etc. With the fast expansion of manufacturing activities, training has reached a troublesome phase in its development. Training is not a waste of time and energy. A thorough insight, into what training can and cannot do, as well as a great skill in designing and executing training successfully and cost effectively is required.

The study assumes significance as it elucidate the impact of an effective training programme on the organisational front as well as on the career growth and development of its employees.
STATEMENT OF THE PROBLEM

Training and Development practices can go a long way in influencing the growth and development of the industry. The economic environment is conducive to more opportunities and at the same time it throws more challenges to the industry as well. The survival in the intensely competitive situation depends a lot on efficiency, economy and quality of products. The underlying factor to face the stiff challenge in the market is the human resource development. The study finds the linkage between human resource and growth of the organisation through Training methods.

Training and Development is occupying an important position in the manufacturing industry. A well developed human resource is the need to meet the challenges born out of liberalisation, privatisation and globalisation. The human resource in manufacturing sector plays a vital part in the accomplishment of organisational as well as individual objectives. The study attempts to analyse the human resource development through training and its effectiveness.

The manufacturing sector is very old in India, even then the studies on the human resource development seem to be far and few. A comprehensive study on all aspects of the Training and Development is a vital one but it seems near impossibility because for its varied nature. This study is an attempt to bring out the comprehensive nature of Training and Development.

Training forms an integral part of successfully nurturing an employee and bringing out the best of himself in the organization. Effectiveness of training is very important since most of the organizations face problem due to improper training programmes. The employees at different levels require different skills. These skills can be developed through various training programmes. This study will help to analyse whether employees implement the training received and thereby improve the performance in the current job.

An analysis of studies by Anithab Deo Kodwani, Manjari Singh, Punam Sahgal and Roopasree Sankar, Sashibhusan Rath, Ravindra K.Jain and Richa Agrarwal, Subarna M.Tauldhar, S.Yuvaraj Narasimha Rao. On various aspects of
training and its effectiveness, exhibit some important aspects of training etc. and come nearly closer to the aim of finding the effectiveness of training. Yet they lack in one aspect or the other. The present study tries to analyse the effectiveness of training on the whole and hence it attempts to find the various dimensions and their influences in evaluating the training and the functions.

**Objectives of the study**

1. To study the objectives, needs and practices HRD in manufacturing sector
2. To describe training and development module in manufacturing organisation
3. To ascertain effectiveness of induction and non-induction training programmes in the study domain
4. To verify the perception of executives regarding pre during and post training in the manufacturing sector
5. To identify the benefits and effectiveness of training in manufacturing companies
6. To suggest measures and recommendations for the implementation of effective training programme in the study area.

**Hypotheses**

1. There is no significant difference among pre-during and post training process in the manufacturing companies
2. There is no significant difference among employer employee, and customer benefits of training.
3. There is no significant difference between induction and non-induction training programmes in manufacturing companies.

**Research methodology**

The study is both analytical and descriptive in nature. It is based on both primary and secondary data.
**Primary data:** The primary data is collected through the research instruments (questionnaire) the responses are obtained from the employees of manufacturing companies.

**Secondary data:** The secondary data regarding training is collected from journals, books, magazines and annual reports of the companies.

**Pilot study:** Since the study is based on the primary data, the researcher need to verify the reliability and validity of the research. A pilot study is conducted to check the reliability and validity of the questionnaire. A sample of 100 from different manufacturing companies of Chennai is collected and subject to reliability test. The CRON BACH ALFA method is applied on the research instrument and obtained value as 0.891 which is above the bench mark of 0.75. It indicates that the questionnaire is reliable and further can be used for the main study.

**Main study** on completion of the pilot study, the researcher proceeded for the main study by collecting the responses from the employees of various manufacturing companies in Chennai.

**Data collection:** The data is collected from large and medium scale manufacturing companies with significant HRD practices. The researcher considered 5 large scale and 10 medium scale companies to select the responses. In particular 60 questionnaires are calculated at a time among 5 large scale companies and 30 questionnaires among medium scale companies. Totally 600 questionnaires were circulated 300 each from large scale and 300 from medium scale companies. But it is found that 60 responses are not proper and cannot be utilised for the research. Therefore remaining 540 responses are considered for the research. Therefore the sample size of the research is 540.

**Sampling method.** The researcher adopted multi stage random sampling method to collect the responses from the employees. In the first stage, 5 large scale and 10 medium scale companies are selected at random. On the II stage the responses are obtained from top level, middle level and operational level employees of these selected companies. Hence the multi stage random sampling method is justified.
Data analysis: The following statistical tools are used on the primary data which is obtained from the manufacturing companies employees. The collected data is systematically transformed and coded in the excel shut and used for the statistical analysis.

1. Factor analysis
2. Cluster analysis
3. Percentage analysis
4. Non-parametric chi-square
5. Karl Pearson Correlation coefficient
6. One way analysis of variance
7. Multiple regression analysis

Limitation of the study

1. The study is restricted to the sample size of 540 responses
2. The study is restricted to only the manufacturing companies
3. Certain specific training programmes with effectiveness alone considered for the study
4. The results obtained cannot be generalised for all industries.

Chapter Arrangement

The following are the chapters presented in the thesis

Chapter I consists of brief and crisp introduction about training, need and importance of study and significance of the study, statement of the problem, objectives of the study, Hypothesis and research methodology

Chapter II analyses the reviews of training literature at national and international level.

Chapter III briefs the concepts of training and profile of manufacturing companies.
Chapter IV deals with the analysis and interpretation of training and development in manufacturing companies.

Chapter V summarises the findings, suggestions, conclusion and scope for further research.