Chapter 3

Training and Development in LG Electronics India

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3.1 Introduction

People are the strategic assets meaning “the set of difficult to trade and imitate, scarce, appropriable, and specialized resources and capabilities that bestow the firm’s competitive advantage” (Amit, 1993). Ultimately people, a repository of knowledge and skills, are the most valuable and necessary asset for any firm to compete and generate competitive advantage (Barney, 1998). Strategically speaking, a firm may have a great strategic plan in place, yet it means nothing if its people lack access to appropriate and relevant knowledge, skills, and attitudes to successfully support or carry out the strategic plan. Since people are the core driver of successful strategy implementation, it is vital for those, especially top management and executive teams, who plan and formulate strategy to realize that having their employees armed with appropriate knowledge and skills is a key element for successful strategy implementation (Porter, 2000). He stresses that firms operating in the knowledge-based economy become more and more dependent on the skills and knowledge of their workers. Training aims at lasting the improvement on the job. Training for development focuses on training not primarily as a source of new information, but rather as a means for changing behaviour for lasting improvement on the job training is most effective when viewed as a system of interacting betweens trainers and trainees and between work organisation and institutions providing training the following is analysis is done as to why training is need and what are its importance. Training is responsibility of three partners the participant’s organization, the participant and the training establishment it encompasses preparatory, pre training phase and a subsequent post training phase all the phase are paramount importance to the success of training. Following is model given which tell what the training for development comprises of: Participants Training Improved participants:

- Behaviour
- Feedback
- Greater organization Improved
- Organization System Effectiveness Organization

There are basically three phases in the process of training which helps in the development of employees:
Phase 1 Pre training-

A systematic pre-training arrangement process is necessary for the success of any training programme. It is of utmost importance that the pre-training arrangement should be planned and arranged in a sequential order. This process will consist of various elements like training need identification, selection of right participants and imparting training through an appropriate method with proper application of training techniques. The training need identification and selection of participants are the two interdependent elements of the ‘planning part’. The adoption of suitable methods and appropriate techniques belong to the ‘execution part’. The two parts of the pre-training process are connected with Training coordinators. Any lapse or failure in one part of the process is bound to affect the other part also. The acceptance and suitability of methods and techniques should be evaluated by participants (Chidarambarum, 2012).

The process starts with an understanding of the situations requiring more effective behaviour what performance is to be improved the 1st basic step is to delineate the task to the people who perform it the primary task group as it has come to be called included here are the people involved in the resource input and product output functions and in planning and managerial functions requisite for keeping the effort together and focused. 2nd key aspect of the situation to understand is the organisation’s receptivity to more effective behaviour on the part of the people to be trained.

Phase 2 Training-

Participants focus their attention on those new impressions severally and in combination that seems useful stimulating and engaging in training process. The participants explore in a training situation what interests them and training institutions basic task is to provide the necessary opportunities.

Phase 3 Post training

When training is concluded the situation changes participants once again give attention to work, colleagues and families they return prepared with some anticipation of these encounters.
A study funded by the U.S. Department of Education with the Bureau of Census, determined how training impacted productivity. The results showed that increasing an individual’s educational level by 10% increased productivity by 8.6%; increasing an individual’s work hours by 10% increased productivity by 6.0%; and increasing capital stock by 10 percent increased productivity by 3.2% (Training impacts on productivity, 2003). Companies that increased their annual training budget grew profits by 11.4% - those that didn’t increased profits by only 6.3%. Learning businesses increased turnover by 66% more than those who didn’t invest in training - 15% growth, compared to 9%. Three in four (75%) of companies who have seen measurable staff improvements following training also saw profit increases. Nearly all companies (95%) were in favour of training, saying it is essential for success, with three in four (73%) strongly in favour, but just half (51%) have increased their budget – the key measure that links training strategy to profit making (Wright, 2001).

**Employee Training and Development Program: Philosophy**

Different companies established different types of employees’ development programs for a variety of reasons. The fundamentals of good employee training are: orientation, soft skill training and technical skill training (Kleiman, 2000). These concepts are the general foundation of any training and development program. Kottke said employee development program contains three C’s: core workplace competencies, contextual framework within which company conducts its business and corporate citizenship.

**3.2 Talent Management in L.G. Electronics: International Overview**

LGE main markets targeted for growth have been those of emerging countries with large potential for growth and fewer strong rivals. LGE expanded into India with the second largest population in the world and a younger age structure and longer population bonus period in 1997 (establishment of LG Electronics India, LGE’s fully owned subsidiary). Although many of its rival companies including Japanese companies exported their products from home countries to India at that time, LGE started producing products at its factories ahead of the rivals and acquired a competitive advantage. LGE placed a priority on strategic advantages of taking the lead and determined it without hesitation, despite
insufficient infrastructure with respect to operations of the factories, product distribution, or representatives’ daily lives. The company has marketed a series of products, fully taking into accounts consumers’ tastes and regional needs or features, including TVs which work in an unstable voltage situation, various kinds of colourful and flowery and lockable refrigerators with large crispers for vegetarians and cooler cases for women’s cosmetics, TVs with on-screen display options in ten regional languages, washing machines with a "sari" (a national female costume) cycle, and microwave ovens with cooking menus including 77 kinds of Indian dishes. Its products attract customers’ attention. Also it markets low-end products, while marketing high-end products at the same time in order to increase brand images, in relation to its brand strategy. Furthermore, it has made efforts to establish sales and service offices, building a network of offices across India (Hiraga). The organization has been operated by local staff over a long time and heads of personnel and sales and marketing divisions are Indians. The company has introduced an evaluation system on a performance basis which is understood and acceptable by local employees and welfare program including welfare facilities, trying to motivate such employees.

Based on the corporate philosophy of “Respect for Human Dignity” and “Creating Value for Customers”, LG Electronics has been strengthening fundamentals as a manufacturing company and implementing various HR policies that respect the diversity of LG Electronics employees. The global business leader and life-long training program that fosters each employee as a specialist in their respective field is actively implemented both on and off line.

**Human Resource Recruitment and Development**

LG Electronics utilizes a variety of recruiting channels to secure top-quality global talent. Once employed, they are given many opportunities throughout their careers to make use of lifelong education resources and develop into global business leaders.

**International HR Recruiting Activities**

LGE’s (L.G. Electronics) annual recruitment events have been holding in universities in Korea and overseas. In addition, LGE is actively pursuing various recruitment activities
such as career development consulting and LG Techno Conference to acquire outstanding individuals throughout the world. LGE cooperates with universities through the Industry-University Program and at the same time, actively engages in recruitment activities for outstanding R&D individuals. As for the long term goal, LGE plans to increase its current recruitment ratio to acquire diversity as a global enterprise.

Overseas Employee Adaptation Program

When sending employees to an overseas subsidiary, LGE provides a training program involving work, language, culture, and leadership so that the employees can communicate with locals. In addition, LGE assigns these employees a project relevant to the country prior to sending the employee to that country, or sends the employee for a short period of time before permanent assignment to support fast adaptation and increase professionalism.

Develop Specialists corresponding to the Training Roadmap

LGE conducts various training programs based on the corporate wide training roadmap. Based on the results of the capability evaluation conducted each year, LGE implements a priority handling training program for all employees, designed for each employee’s job. In addition, LGE’s Global e-Learning program was expanded and LGE provides a specialist fostering program for each task and an individual capability development program for all employees.

Global Talent Training Programs

LGE has developed local training programs and has been actively making efforts to foster and recruit local professionals. LGE provides the “HR Fostering Program” through the Pyeongtaek learning centre and 6 overseas learning centres (Brazil, Singapore, India, China, France, and UAE). In particular, LGE has developed a mandatory Global Training Program and provides the same course to all LG employees throughout the world. This is LGE’s initiative to strengthen LGE Way Leadership and to provide a uniform leadership fostering program to every employee. LGE provides a specialist training program for each job category, a specialized program for the different position levels, and in the case
of Korea, LG’s also provides in-house and external MBA programs through cooperation with leading universities in Korea.

Since 2007, LGE has operated PBL (Product Business leader) and RBL (Regional Business leader) programs to train future business leaders.

**Figure 3.1 Programs to train leaders**

![Diagram](image)

**Employee Counselling**

LGE provides free access to psychologists and counsellors, with the aim of helping employees to resolve any personal or work-related difficulties they may have. In 2009, the corporate established corporate counselling centres in Seoul and Pyeongtaek, in addition to three branch offices. Each facility is staffed by independent, outside professionals. As of year-end 2009, LGE had developed a two-week in-house counselling education program, and used it to train in-house counsellors.

**Global Manpower Training Program**

LGE operates domestic and overseas training centre (in India also) that serves as the focal points of corporate human resource development program. By using “Learning Net” intranet facilities, the centre coordinate educational program, online educational
programs, foreign languages courses, book learning, lectures, online workshops and many other programs. Long/Short term correspondence courses are organized by company to develop the skills of employees, celebrity lectures, technological development courses are all provided to develop the employees. Provide free master degree to selected employees by coordinating with global universities.

**Functional Capability Development**

The above training program is especially designed for the employees who perform comparatively well than other. To enhance their skills at highest level LGE provides special training to this creamy layer of employees. These develop the capability of employees at highest possible level and help them to achieve their targets.

**Figure 3.2 Training-Talent Roadmap**

Adapted from: http://www.lg.com/global/sustainability/employee/talent-management
3.3 Systematic HR Development based on Career Development and Training

Career Development Program

At LG Electronics, employees are required to establish their own Career Development Program (CDP) along with annual performance targets. Based on the CDP, employees have “One-on-One Caring” interview with their managers to receive any support they need to follow through with the plan. Under the system, employees choose their own career tracks, identify work experience and training required for the chosen track, and map out detailed action plans based on the career development roadmap standardized for each business function. As an outcome of this meeting, LGE designs a career development and training plan appropriate for each member’s needs and also discusses their grievances and support needed to achieve established objectives. One-on-One Caring interview is conducted on a semi-annual basis in conjunction with employee evaluation. Employees are ensured to receive training support based on the finalized CDP and provided with opportunities promised regardless of business/management issues.

LG Electronics identifies employees who have great potential as business leaders at early stages of their careers and put them through a systematic training process to foster them into business leaders, function leaders, and experts depending on their respective development tracks. We carefully monitor the course of employees’ development and encourage employees to progressively expand their capacities through job rotations, particularly to ensure that employees do not become too specialized for a specific function or business. LG Electronics operates a career development management program in conjunction with the performance evaluation process for all its office employees. All LGE members have regular One-on-One caring interviews with their managers to achieve individual development goals, including detailed training plan. As an outcome of this meeting, LGE designs a career development and training plan appropriate for each member’s needs and also discusses their grievances as well as support needed to achieve established objectives.
Functional Training system

In order to foster top class experts in diverse business functions, LG Electronics established the Business Function College for each of its 12 business functions and offers 713 training programs taught by internal experts. Employees undergo required training based on their CDP and must complete at least two credit hours per calendar year. Credits from the training are reported to the HR system and reflected upon promotion. In addition to courses offered at the Business Function College, study groups and seminars are organized to promote professional capability development in specialized business functions such as R&D. We also provide additional credits to employees who serve as instructors for internal training programs to promote participation. The training program for business leaders and Foreign Service Employee (FSE) candidates is implemented based on the Business Leader Training Roadmap to develop professional capabilities. Mandatory and elective training courses are determined based on candidates’ chosen career track.

Global HR System for High Potential Employees

In 2012, LG Electronics’ HQ and overseas subsidiaries closely collaborated to implement the global HR system based on the standardized process. HQ provided guidelines on key HR issues (i.e. leadership/performance evaluation, acquisition of key talent, employee compensation – salary, incentives and promotion) and assigned dedicated support staff at each region. Corporate HR and subsidiary HR cooperated to review and revise the guidelines to suit local needs. Through these efforts, our global HR process was taken to the next level. LG Electronics also made a wide range of efforts to strengthen its training programs for high potential employees from overseas subsidiaries. In addition to training opportunities through our integrated global training system, we invited 60 high potential employees to Korea on a job rotation lasting from three months to one year and provided an opportunity to train and work at related departments. We also invited 70 overseas employees to Korea and provided an opportunity to increase their pride in the company through a program comprised of training sessions designed to enhance participants’ understanding of LGE and Korea, production sites and LG Shop visits, and watching the performance. Additionally, we implemented a mentoring program that partners each of
the 233 high potentials from overseas subsidiaries with a Korean high potential as their mentor. The program enables overseas high potentials to receive the professional support they need and to form close relationships with their Korean counterparts.

3.4 Training Programs of LG in India

Induction Program: there are various induction program organized by LGE’s in India for new employees to the “LG Way of Working”. It is the mandatory program for all the new joiners. It helps them to understand the business and functions, HR policies and process. Interaction with senior management and group heads are also part of the program.

Relationship management Program: This programs aims to transform the way employees negotiate. They learn to develop win-win relationship with customers and widen positive attitude towards clients. It helps to build business execution compatibility for individual and team also. This activity based training program helps to build proper work-life balance.

Leadership Development Program: Various programs are designed for different level of leaders. “Lead for Passion” is program designed for Middle level of management to enhanced their skills by generating passion within the team through effective influencing and persuasion skills. Small duration workshops, seminars are conducted for senior level of management (LG Electronics India, September 2012).

E-Mail Etiquettes: These programs helps the participants to learn about e-mail policies and learn to write professional e-mail memos that convey appropriate message.

Program for Sales Executive: It focuses on anticipating consumer buying pattern in an ever changing market scenario and focus on highlighting new skills for maintaining and gaining market share.

3P Program: This is mandatory program for all branch employees and aims at helping them to inculcate the habit of planning and solving problems by the simple applications of tools and techniques. It helps to understand the various planning tools and coordinate
between tools and objectives. It helps them to break the habitual thought patterns and developed the structural problem solving attitude.

**Figure 3.3: Following are the list of various programs conducted by LG Electronics**

<table>
<thead>
<tr>
<th>Programme Name</th>
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<tbody>
<tr>
<td>Cerebral Sales Management</td>
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<tr>
<td><em>Making Sales work by mastering skills and attitude</em></td>
</tr>
<tr>
<td>Branch Induction</td>
</tr>
<tr>
<td>Six Sigma Green Belt Training</td>
</tr>
<tr>
<td>Value Creation (Lean Six Sigma) Training</td>
</tr>
<tr>
<td>Cerebral Sales Management</td>
</tr>
<tr>
<td><em>Making Sales work by mastering skills and attitude</em></td>
</tr>
<tr>
<td>STEP (Self and Team Effectiveness) Programme</td>
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<tr>
<td><em>Focussing on Teamwork and Communication</em></td>
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<tr>
<td>SMT Process</td>
</tr>
<tr>
<td>Transactional Six Sigma Programme</td>
</tr>
<tr>
<td>Advanced MS Excel Programme</td>
</tr>
<tr>
<td>ATTAC (Achieving Through Teamwork &amp; Communication)</td>
</tr>
<tr>
<td>Assessment Centre</td>
</tr>
<tr>
<td>Six Sigma Black Belt Training</td>
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</tr>
<tr>
<td><em>Making Sales work by mastering skills and attitude</em></td>
</tr>
<tr>
<td>IFRS Training</td>
</tr>
<tr>
<td>Learning Through The Movies</td>
</tr>
<tr>
<td>ATTAC (Achieving Through Teamwork &amp; Communication)</td>
</tr>
<tr>
<td>Supervisors Development Programme</td>
</tr>
<tr>
<td>STEP (Self and Team Effectiveness) Programme</td>
</tr>
<tr>
<td><em>Focussing on Teamwork and Communication</em></td>
</tr>
<tr>
<td>Waste Elimination &amp; Quality Innovation School</td>
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</tbody>
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Source: [http://www.lg.com/global/training/program](http://www.lg.com/global/training/program)
3.5 Evaluation of Training: A Necessary Step

The success of training depends to a large extent on the ‘presentation’. The ‘presentation’ means the actual training techniques. The learning ability of individuals differs with person to person (Bhatnagar, 1987). The ability to learn and learning depend on various techniques like material presentation during training, study environment and motivation during training. The learning during training will have a negative result, when the material presented becomes more difficult or not related to the training (Chidarambarum, 2012). Fatigue or boredom during the programme also affects the performance. Thus the effective of training is necessary to measure (Dayal, 1970).

The evaluation of the training technique by the employees has been executed by five different components such as:

- Material presented is related to their job functions.
- Material presented related to solve the day-to-day problems.
- Ratings regarding the faculty and overall teaching techniques.
- Visual aids and other teaching apparatus evaluation.
- Whether programme objective is consistent with organizational objective.
- Training is able to balance between individual goals and organizational goals.

In L.G. Electronics, both qualitative and quantitative methods are used for training evaluation (Calendar, June 2011). Generally, four kind of training evaluation is used:

1. Formative evaluation provides ongoing feedback to the curriculum designers and developers to ensure that what is being created really meets the needs of the intended audience.
2. Process evaluation provides information about what occurs during training. This includes giving and receiving verbal feedback.
3. Outcome evaluation determines whether or not the desired results (e.g., what participants are doing) of applying new skills were Achieved in the short-term.
4. Impact determines how the results of the training affect the strategic goal.
3.6 Conclusion

The present chapter gives the detail account of training program going on in LG Electronics.

The training programs initiated globally as well as in India, are studied here. The researcher collected the following details from the available training schedules and calendars of the organization.

The chapter starts with basics philosophy of training and development. Further, it studies the talent management of LG Electronics internationally and then tries to find the same in Indian context. The chapter ends with the evaluation process of LGE.