CHAPTER I

INTRODUCTION

OBJECT

SCOPE
INTRODUCTION

The new liberalisation measures on the industrial front have made the industrial sentiment upbeat and buoyant. While strategies, structures and systems will undoubtedly facilitate the process, the ultimate success of the process will depend on competence of personnel.

The challenges of today mean that companies wanting to remain competitive in international regional or even local markets must look towards developing a more highly skilled workforce, towards cultivating specialist skills in new areas and towards attaining a higher level of basic education and training in order to increase flexibility. It will mean upgrading and updating skills, improving management skills at all levels, and ensuring that all the skills individual members of the workforce possess are effectively utilised. A recent survey of emerging trends in training and development are top priorities now that speed and adaptability have become competitive weapons in an era of continuously changing markets.

The purpose of management training and development is to increase competence for doing certain jobs. If competence is low, performance is likely to be low. If competence is high but performance remains low, something is wrong in the organisational and management system, or in the definition and profile of competence. In management training and development we are concerned both with competence and with the results that are being and should be obtained by applying this competence in a particular business, managerial and human work environment. These results must be reflected in better performance. It is for this reason that management training and development has turned out to be very important and critical. It is a complex and continuous process providing a wide range of activities and learning opportunities for improving managerial competence and performance. Training can take place either off the job (in course and seminars) or on the job (by practising certain methods and techniques in real work situations).

Training as a necessary instrument to improve upon the efficiency of the individual in the work situation and the overall organisational effectiveness has its roots in the findings of the behavioural scientists. The first documented behavioural work of importance to the
training profession was probably the contribution of the scientific management theorists. The second world war brought about a dramatic change in learning techniques in the work situation. In the 1950s and thereafter the behavioural theories got a sound acceptability. Optimum performance from people can only be obtained when they are properly selected and adequately equipped by training to carry out their part of the job.

Until a few years ago, training in the Corporate Sector of business in India was carried out on an adhoc and highly selective basis. The idea that training was necessary for everyone from top management to worker level was not readily conceded. The introduction of T.W.I. Centres by the Govt. of India within Ministry of Labour with ILO assistance in 1953 made the beginning. It was only in the sixties that a growing awareness for training and development of personnel got its footing and many of the multi-national organisations started setting up skeleton training departments of their own. But the movement gained momentum only in the early seventies when Public Sector undertakings took up training and development activities in a big way along with the Private Sector.

Of late most of the Public Sector and well-to-do organisations in the Private Sector are regularly conducting training and development programmes for all levels of their personnel and are also nominating participants to various programmes organised by different external agencies. The growth in this field has been phenomenal. The important point is to see how far these programmes are serving the purpose of the organisations concerned.

There are no two opinions now about the usefulness of training in improving organisational performance. But one is not clear in one's mind as to how to make the best use of training to achieve the organisational goal.

McGhee and Thayer (1961)\(^1\) state that "the use of training to achieve organisational goals requires careful assessment of the training needs within a company, determination of the goals which can be served by training, the people who require training and for what purposes, and the content of training."

In reality, the matter of selection of training programmes usually is decided on the basis of less valid standards than actual company training needs. Consequently, Bess and Vaughan (1966) maintain that "much of the training is of a faddish nature; often they (trainers) are much more concerned with training methods than with training needs". Naturally it occurs to one's mind, why is this important basic step of determining training needs so often ignored in practice? The problem is not a matter of insufficient interest or written information on the topic. McGhee and Thayer have provided a thorough, well conceived description of the process of measuring training needs. Although the McGhee and Thayer method appears valid, one is likely to find the procedure a bit impractical and too sophisticated for use by the average personnel or trainer manager, since it requires the background knowledge in psychometrics and statistics for performing a number of the suggested analysis.

It is not that one is not interested to find out the result of one's efforts, but the problem is that one is not sure how should training be evaluated.

Part of the indifferent attitude to the evaluation of training emanates from the fact that there is no common measurement scale. Managers, Financiers, Economists may say that the only evaluation which really counts is the financial one. Even if the ultimate aim of a training programme is the achievement of its financial objectives there are several levels of intermediate objectives which are important and which in the long run improve financial return. The intermediate objectives may be, increase in innovativeness, improvement in effective communication and in inter-personal behaviour and so on. Training, therefore, has to be evaluated, not merely in terms of the ultimate financial objectives, but in terms of the intermediate objectives as well. Depending on the relevance of the specific area, it will


2. Ibid.
be necessary to determine the criteria for evaluation of training. The focus of evaluation therefore has to be to bring in improvement in the method of approach. If all the training in an organisation is negligible in terms of cost, or if it bears clear incontrovertable signs of high efficiency and effectiveness, then systematic evaluation of training may not be a necessity at all. But when a considerable training investment is made, with no overwhelming evidence of good investment return, then implementing an evaluation system could significantly improve organisational productivity and cost effectiveness. The evaluation exercise therefore should focus on the question: do the training programmes accomplish much of what they are designed to accomplish - that they not only provide employees with important knowledge and skills, but also register a measurable impact on job performance and organisational mission?

Dwelling on improvement of performance, Rensis Likert (1971)\(^1\) suggests shifting the Planning, Programming, Budgeting activities from focusing on end-result variables to dealing with human organisational variables and using all of the major variables-causal (such as managerial behaviour) and intervening (such as communication, motivation, control) - all which refer to training in the broad sense. Also research in the field of training and education (Morgan and Bushnell, 1966)\(^2\) has recognised the advantage of setting up some kind of generalised 'Core' programme that would have application in a number of fields, and bring forth results in terms of performance. Cunningham (1969)\(^3\), among others, has suggested the 'Cluster Concept' as a guide in establishing the make-up of the generalised training programme as projected by Maley (1966)\(^4\)

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In other words, the idea is to stress the flexibility of a more generalised type of training programme, which will serve as an alternative to the more traditional methods of training. While it is understandable that increased employee productivity can reduce staff requirements, it is also common sense, that training, which can affect productivity, may drain out more money than it fetches in the form of employee productivity.

The contribution of training to the achievement of an organisation's purposes will provide the justification for investment of resources of time, people and money in that training. We can find three primary reasons for organisations conducting evaluation studies - political, programmatic and pay off.

Political - Political motives include the desire for the training activity to survive within the organisation, the interest in keeping one's management development position, and the need to develop senior management support for training.

Programmatic - Programmatic motives include the need for data to evaluate desirable changes and the interests in providing feedback to faculty on how well they worked on the learning activities.

Pay off - Pay off motives include the need to study the transfer of training to on-the-job behaviour, the interest in assessing long term effect of management training programmes, and the desire to determine the overall effect on the organisation of the cumulative array of training activities. Of course the ultimate justification for conducting training activities is their actual impact on the effectiveness of the system.

There has been significant advance now-a-days on evaluation techniques; managers and trainers involved in the essential briefing and debriefing of learners attending training events and on the costing of training as an aid to evaluating its cost and value effectiveness, can now lay their hands on guidance materials.
Therefore the basic research question posed in this thesis is to study the audit of training programmes and its evaluation in organisations.

OBJECT

The object of study is -

a) to study the methods and practices adopted by the organisations for validation and evaluation of training programmes

b) to ascertain the effectiveness or otherwise of training programmes conducted by organisations

c) to determine whether a training programme is accomplishing its objectives

d) to check on undesirable investment of human resources

e) to suggest improved techniques for evaluating training effectiveness.

SCOPE

The study covered a few organisations taken at random from Public and Private Sectors of such standing who give due importance to training of their personnel. The organisations however are finally limited to those who responded to the questionnaires of the study and/or provided information during interviews. So far as the organisations are concerned, they include large and medium and set-ups of different technology, structure, size and pattern and therefore can be taken to provide sample of a fair representative character. The inputs being similar in nature, the findings are likely to be valid for other organisations as well.