Chapter-3

Training Policy
3.1: Introduction

Policy is the strategic link between the organization's vision and its day-to-day operations as it allows employees to understand the roles and responsibilities within predefined limits. Policy acts as a globe where national boundaries, oceans, mountain ranges and other major features are easily identified \(^1\). Training policy are very specific for the organization which act as an increasingly important part of any organization's visibility and image in the eyes of its customer, potential new employees and the market as a whole. Training policy is very specific for the organization which represents the organization's visibility and image in the eyes of its customer, potential new employees and the market as a whole.

The present chapter attempts to highlight the need on the part of the organizations to keep a 'training policy' in place, with Rourkela Steel Plant (RSP) not being an exception. The chapter also attempts to highlight the training policy in vogue in SAIL, the parent organization of RSP, and in other competing steel manufacturing units like the Tata Steel and JINDAL; and other leading steel companies like the LLOYDs, Mukund Limited, Electrosteel Castings Limited, Ispat Industries Limited, Visakhapatnam Steel Plant, Neelachal Ispat Nigam Limited, ESSAR, chosen at random so as to be able to compare and contrast between the policy and practices across industry and to judge the nature and extent to which the training policy and practices at RSP are in line with the standard industry practices and if the policy of RSP can be benchmarked.

3.2: Training policy

A policy is 'an expression of intention' that provides general guidelines for the conduct of any affairs. Training policies of organizations establish the broad framework for the training plans. And in turn, the training plans describe the organizations' priority, training interventions and the strategy to be followed during
a given period of time. The training philosophy of an organization is reflected in its policy which mainly includes priorities, standards and scope of training activities.

An organization develops training policy for four main reasons:

1) to define the relationship between the organization’s objectives and its commitment to the training function,
2) to provide operational guidelines for management,
3) to provide information to employees,
4) to enhance public relations.

The training policy seeks to:

1) provide introduction to its employees, i.e., the induction training for all the newly joined staff and for those transferred to new departments;
2) provide the training required by those selected for promotion so that they are appropriately prepared for their new responsibilities; and
3) provide information, instruction and training to ensure the health and safety of all employees.

The main objective of evolving a training policy is to provide answers to questions like:

1. Who is responsible for executing the training function?
2. What are the training priorities?
3. When, where and to whom should the training be provided?
4. Should the training be formal or informal?
5. What types of training programmes are needed?
6. What should be the time period of training?
7. What are the various outside institutions associated with the training programme?
8. What is the budget for training programme?
9. How often employees be retrained?
10. What is accomplished by undergoing the training?
There are many advantages associated with training policy being made widely known in the organization. Training policy clarifies the purpose of training; defines the organization's responsibility for the development of individual employee; describes in general terms the training opportunities available to employees with priorities; and clarifies the role of training specialist, to list a few.

An effective training policy\(^3\) (1) provides guidance for allocating department resources such as money and trainers time; (2) gives a broad direction to the training activities; and (3) outlines the authority given to the training department.

Training policy can also be used as one of the tools for evaluating the success of the department. Generally, training activities and the training plan for an organization are managed by Human Resource Department. In the earlier days, training policy of the organization used to focus on enhancing the productivity and effectiveness of the employees. But today, the scope of training policy is wide and it establishes linkages with other HR systems and policies such as the performance appraisal, career planning, reward and promotions.

3.3: Training policy in Rourkela Steel Plant (RSP)

The broad objective of RSP is to develop its human resource with required skill, competencies, attitude and behaviour. The Human Resource Development Centre (HRDC) of RSP has been playing a very important role in meeting the changing requirements of the organisation and systematically imparting various training programmes in skill development and managerial competence building. The HRDC has not only equipped the employees to discharge their responsibilities well but has also been extending similar assistance to other units of SAIL as revealed in RSP's Annual Reports.

Over the years, the volume and range of training activities in RSP have increased substantially due to the importance attached to training programme. The training mission of RSP is\(^4\):

'We have to create and sustain a peaceful work environment where every employee can contribute to the plant in assigned area of work, with full freedom and dignity and without fear'.
The human resource activities of RSP have been directed towards turnaround and transformation process and for continuous improvement and fostering a culture of learning and innovation. The emphasis has been to develop competence of employees, evaluate the effectiveness of various training programmes, improve the system of monitoring of the implementation of training programmes, establish the benefits of training, and finally, confirm to training standards by complying with the requirements.

The training activities of RSP aim at-

1) Training and developing employees to enable them achieve high standards of ability to meet the current job requirements and future challenges;

2) Developing right kind of attitude towards work, system and the organization to achieve organizational objectives;

3) Developing human resources with right skill, attitude and knowledge to improve and maintain performance.

In RSP, a two-fold training policy is followed for the development of employees. They are

1) Training for all fresh entrants–standard training programmes are followed uniformly in all the units of RSP; and

2) Training and development for existing employees.

The training policy of RSP is based on the following six key principles:

1) Every employee has the potential to grow and provided opportunity to develop;

2) The organization will recruit, as a matter of policy, fresh entrants having the required potential and train them to acquire the required skill and competence before putting them on actual practice;
4) Training is a continuous process to meet the challenges of technological changes.

4) Training resources are updated continuously;

6) At least 35% of the total number of employees should be trained every year.

3.3.1: Training activities in RSP

The major training activities in RSP assume the following five forms with their interlinks as displayed in Figure 3.1.

1) Assessing competency gaps
2) Designing need based programmes
3) Conducting programmes
4) Evaluating impact
5) Other activities

Figure 3.1: Training activities of RSP

Company’s business goals

Assessing Competency gaps → Designing need-based programmes → Conducting programmes → Evaluating impact → Re-training

(Multi skill and redeployment training)

Assessing competency gaps

The assessing of competency gaps includes training needs identification, identification of skill and competence gaps, and discussion with departments to identify problem having training solutions, and preparing the Annual Training Plan (ATP).

Designing need based programmes

Designing need based training programmes involves designing training programmes on the basis of need, deciding contents of each session and the training aids to be used, and deciding if any external help is required to design and conduct training programmes.

Conducting programmes

Conducting programme activity includes:

1) Conducting the programmes at HRD centre and CPTI
2) Organising performance improvement workshops
3) Imparting training to new ones
4) Co-ordinating with Management Training Institute and SAIL for sponsoring executives for training
5) Identifying in-house faculties and helping to prepare for sessions, and
6) Conducting faculty development programme

Evaluating impact

Evaluating impact covers assessment of the effectiveness at the end of every programme and also assessment of the impact of training programme on performance of the department.

Other activities

The other activities of RSP in relation to training are:

1) Co-ordinating mass communication meetings,
2) organizing seminars and technical talks,
3) co-ordinating travel arrangement for those proceeding on foreign training,
4) regularly conducting trade test for each employees,
5) maintaining infrastructure facilities for establishing a learning environment, and
6) finally, fulfill their dream, i.e., not the size of manpower but the competencies of people.

To smoothen the training activities, RSP has developed a training framework as shown in Figure 3.2.

**Figure 3.2: Training framework of RSP**

![Training framework diagram]

*Not production in volumes... but the smiles of the customers.*

**Source:** *Annual Report of RSP 2005-06.*

The volume of training activities in RSP has been displayed in Table 3.1 which shows the training details for last 12 years for both the Executives and Non-Executives categories of employees.
Table 3.1: Training in RSP over 12 years from (1997-1998 to 2008-2009)

<table>
<thead>
<tr>
<th>Year</th>
<th>Executive</th>
<th>Non Executive</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>1997-1998</td>
<td>1596</td>
<td>6972</td>
<td>8568</td>
</tr>
<tr>
<td>1998-1999</td>
<td>1296</td>
<td>8054</td>
<td>9330</td>
</tr>
<tr>
<td>1999-2000</td>
<td>1462</td>
<td>7093</td>
<td>8555</td>
</tr>
<tr>
<td>2000-2001</td>
<td>1820</td>
<td>6809</td>
<td>8629</td>
</tr>
<tr>
<td>2001-2002</td>
<td>1976</td>
<td>7753</td>
<td>9729</td>
</tr>
<tr>
<td>2002-2003</td>
<td>1525</td>
<td>7361</td>
<td>8886</td>
</tr>
<tr>
<td>2003-2004</td>
<td>1561</td>
<td>7498</td>
<td>9059</td>
</tr>
<tr>
<td>2004-2005</td>
<td>1423</td>
<td>7720</td>
<td>9143</td>
</tr>
<tr>
<td>2005-2006</td>
<td>2149</td>
<td>6903</td>
<td>9052</td>
</tr>
<tr>
<td>2006-2007</td>
<td>1845</td>
<td>8706</td>
<td>10551</td>
</tr>
<tr>
<td>2007-2008</td>
<td>2525</td>
<td>9937</td>
<td>12462</td>
</tr>
<tr>
<td>2008-2009</td>
<td>2354</td>
<td>9944</td>
<td>12298</td>
</tr>
</tbody>
</table>

Source: Compiled from various documents of RSP.

The training for executives is to enhance their overall career development and to help them gain insight into wider aspects of the work related problems. The training for non-executives shall be specific to their daily work related problems. Majority of the employees who have undergone training feel that training has really helped them to improve their performance.

3.4: Training policy of Steel Authority of India Limited (SAIL)

Whereas in the aforesaid paragraphs, training policy being followed in RSP has been analyzed, attempts have been made here to understand the training policy of SAIL, the parent organization of RSP, to be able to make a comparison and establish if there is any variation in the practices between the two.

SAIL has been striving to reach new heights in the spheres of technical training, management training and other training activities including training for technical upgradation, modernization, automation and computerization etc. SAIL’s training policy is based on the realization that the development of human resources is crucial
to the success of the organization. The company is also aware of the changing
environment with respect to continuous updating of technologies, skill requirements,
growth strategies and future plans. The company's policy is dynamic and flexible.
The major areas focused for training in SAIL are:

1) attitudinal change,
2) optimal utilization of existing manpower,
3) enhancing efficiency,
4) proper orientation/induction of all new entrants.

The training philosophy of SAIL is as under:

"SAIL believes that training facilitates the development of employee's knowledge
and skills so that the resultant increase in competence contributes to the attainment
of the objectives and goals of the organization and they move towards its vision".(Unanimous).

The initial efforts of SAIL were directed towards making the workforce to compete
in today's climate, improving the quality of one's products and service by
emphasizing on 'doing the right things, right the first time'. So far training is an
important element that has been given due importance in SAIL. The various
agencies of SAIL associated with training programme are: Plant/Unit training
centres; Management Training Institute, Ranchi; and Corporate HRD group.

The aim of training policy in SAIL is continuous development of employees'
technological skill and attitude towards works.

SAIL has always placed training in its high priority. SAIL's training policy is based
on the realization that (1) human resources are invaluable assets, (2) development of
human resources is crucial to the success of the organization, and (3) training is a
reflection of changing environment that requires updating technological skill and
attitudinal changes.

SAIL believes that training facilitates development of employees' knowledge and
skills for enhancement of their competence that helps attainment of organizational
objectives. The training policy of SAIL mainly includes:
1) planning for optimum number of qualified and skilled persons intake,
2) continuous development of the available HR with updated methods of training,
3) maximization of manpower utilization by effective job design and flexible deployment, and
4) introduction of a systematic growth opportunity for both executives and non-executives.

The training programme in SAIL mainly involves identification of training needs of different groups of employees; sourcing the available training facilities; preparing training packages and modules; organizing specific as well as general development programmes with its own and external resources; evaluating training efforts; and developing training strategy including pre-training and post-training activities. Without bringing any structural changes like adding new units, SAIL is set to establish a new culture that value human beings at workplace.

3.5: Training policy at different constitutes of SAIL

Having analyzed the training policy at RSP and SAIL, it is now attempted to highlight the training policy at the other constituent units of SAIL, namely, Bhilai Steel Plant (BSP), Durgapur Steel Plant (DSP), Bokaro Steel Plant (BSP), Centre for Engineering and Technology (CET), Central Power Training Institute (CPTI), Management Training Institute (MTI), and Maharashtra Elektrosmelt Limited to examine if their policy are in line with RSP and SAIL or if they are ahead or behind RSP.

Bhilai Steel Plant (BSP)

Bhilai Steel Plant (BSP) continuously strives for excellence in all spheres of competence-knowledge; skills and an attitude that leads to achieving organizational goals. BSP enhances performance of employees through various HR interventions. For the development of human resource, the policy of Bhilai Steel Plant has been continuous assessment of training needs by focusing on need-based innovative programmes such as action collaboration, multi-skill programme and use of major human resource development interventions.
**Durgapur Steel Plant (DSP)**

Durgapur Steel Plant (DSP) has always attached maximum importance to proper training and development of its employees with all modern facilities including the state-of-art electrical and electronics laboratory, hydraulic laboratory and workshop.

**Bokaro Steel Plant (BSP)**

Bokaro Steel Plant is the fourth integrated plant in the public sector under SAIL. It too provides various training facilities to make its employees capable of producing quality premium grades of products as required by the customer segments, offered at value for money to the customers.

**Centre for Engineering and Technology (CET)**

CET has changed with times and has been making continuous efforts for upgrading skills of engineers through planned HRD programmes, collaborative arrangements with academician and other professional organization of repute.

**Central Power Training Institute (CPTI)**

CPTI at Rourkela has been conducting training largely for the operation and maintenance staff of SAIL’s captive power plants and power distribution network departments, in addition to imparting training to participants from other organizations. CPTI is well equipped to design tailor-made programmes as per the requirement of the customer organizations in the area of power. The training policy of CPTI has been to contribute towards fulfillment of technical training needs of the employees in the area of captive power generation to meet organizational goals; to provide a conducive environment for learning through excellent facilities; to develop training tools and instruments; to facilitate and organize workshops and seminars in the area of power management; to develop training tools; to extend facilities in organizing special events.
Management Training Institute (MTI)

MTI has playing a vital role in enhancing the managerial competence and organizing well designed training programmes to meet the developmental needs of senior executives of SAIL. Being an in-house training institute, MTI is well equipped with all the facilities by keeping in view the need to provide a conducive learning environment. MTI offers to its internal and external customers a wide range of services such as assessment of training needs, design and execution of need based training programmes, identification of organizational issues and designing and execution of problem solving workshops, conducting organizational research, organizing seminars, preparing trainer manuals, case studies, and developing competence of trainers.

Maharashtra Elektrosmelt Limited

At Maharashtra Elektrosmelt Limited, a subsidiary of SAIL, the effectiveness of the human resource is given prime importance and hence identified and improved upon for sustained high level of performance. The Maharashtra Elektrosmelt Limited takes a number of steps to motivate and fully involve the workforce to improve their overall performance and the creative ideas put up by the employees are recognized through a suggestion scheme.

3.6: Training policy at major competitors

3.6.1: Tata Steel

Over the years, Tata Steel has put continuous emphasis on improving the processes, with a view to consistently increasing efficiencies, enhancing quality and achieving better performance benchmarks in all areas. The various initiatives taken in its operations across the world have gradually evolved to become recognized models of improvement and growth. Policies of Tata Steel pertain to active sets of principles, in different areas of operation that help to bring uniformity in processes by clearly defining the company's approach.

At Tata Steel, there is a continuous effort of staying in touch with employees to ensure that there is the right culture to engage in consistent performance
improvement. Towards the well being of employees, Tata Steel has put into practice many initiatives and programmes that helped creating loyalty among employees but also enables to have a more fulfilling life. Tata Steel is committed to development, both in order to benefit the individual and to benefit the company through increased knowledge and skills.

In Tata Steel, skill training is a process that begins at the time of an employee joining the company and continuous throughout his career. Employees work in clusters of multi-skilled workers and move across and within clusters on improving their skills. In order to promote self-directed learning, the company has introduced e-learning whereby employees can access electronics courses from their departmental e-learning centres. Tata Steel Management Development Centre conducts a number of managerial and functional competency based programmes for officers and supervisors to build individual capability by enhancing managerial and functional competencies and build a leadership pipeline in the organization to prepare the people to meet the challenges of growth and change.

The process of training and development in Tata Steel is focused on needs and outcomes with the objectives of technical and managerial competency building. The training and development needs of the workforce are assessed regularly for officers with a Personal Development Plan (PDP) and for non-officers with a Training Needs Survey (TNS)\(^9\).

3.6.2: JINDAL

JINDAL is developing competent and capable employees to address towards building organizational capabilities to meet its current and future business needs. JINDAL is establishing competency building to transform the training programme to a developmental approach towards improving knowledge and skills aligned to business strategy. The company emphasizes on continuous training and learning across all levels of employees for technical competence building, self-development, leadership development as well as development in the behavioural front. The company focuses on internal training and also engages outside consultants to assist in training. It focuses on LEAP-Leadership Enhancement for Accelerated
Performance towards providing accelerated growth and emphasizes on continuous education policy of employees for their further career enhancements with a view to taking knowledge to the shop floor by establishing learning institutes at various locations.

JINDAL aims at the systematic development of knowledge, skill, attitude and teamwork. Training and development of personal skills is considered a high priority area to form an integral part of people and its organizational development. Suitable training is imparted here to enhance the multiple skill of the executives and to enrich their functional tasks. Programmes are undertaken keeping in view the dynamics in the environment to serve competition with emerging globalization of markets, new concept of accountability and social responsibility, among others.

3.7: Training policy at other major steel players

**LLOYD's Steel Industries Limited**

LLOYD's Steel Industries Limited has designed human resource initiatives to customise career paths and retention plans according to the unique needs of an individual. From the entry level, it draws career paths for each employee and establishes possible alternate career paths that include planned job rotations between functions or even group companies.

**Mukund Limited**

The skills of employees of the Mukund Limited at all levels are renewed through training programmes of need-based education and also training programme based on 'training calendar' formulated on the training needs of individuals employees as identified annually as a part of the performance appraisal system. The Mukund Limited has substantial in-house training facilities which are supplemented by participation of employees in external training programmes.

**Electrosteel Castings Limited**

Electrosteel Castings Limited is a strong believer of people power to recognize the fact that human resource is the asset in business which appreciates. The company
also maintains a strong focus on preserving and nurturing people through various employee engagement initiatives like continuous education, training and developmental programmes directed at both personal and professional growth of the employees. By providing appropriate training, Electrosteel Castings Limited feels confident to retain their employees for long.

*Ispat Industries Limited (IIL)*

Ispat Industries Limited offers the most challenging work environment amongst the industry with the belief that safety is a state of mind. The training programme of IIL is the best tool available to ensure that employees are made with the proper mind set to place great emphasis on safety training. IIL continuously focuses on developmental initiatives to bring the total potential in human resource and make IIL a learning organization for continued success.

*Visakhapatnam Steel Plant*

Visakhapatnam Steel Plant has established in-house training centre for conducting training programmes for employees. It offers the training facilities to other organizations also. The special features of developmental programmes at Visakhapatnam Steel Plant are 1) involvement of top management in the training programme; 2) training needs identified through annual surveys; 3) annual training calendar and nomination designed on-line 'Training Information System'; 4) training records of each employee; 5) course designed in consultations with line managers; 6) three-tier evaluation of training effectiveness; 7) constant review and improvements based on feedback; and 8) focus on internal faculty development.

*Neelachal Ispat Nigam Limited (NINL)*

Neelachal Ispat Nigam Limited (NINL), believes that employees are the most important resource. Hence, NINL focuses on identifying developmental needs of the employees on a regular basis by providing the required training with continuous evaluation and monitoring the effectiveness of the training programme to improve the quality; establishing the environment of learning and knowledge sharing; developing employees attitude towards work and matching their competencies with
the organizational requirement; preparing employees through appropriate programmes for taking up higher responsibilities; and fulfilling social obligations.

**ESSAR Steel**

ESSAR Steel's aim is to build a learning organization for the employees' career advancement to provide Diploma Engineer Trainee (DET) course to enhance the technical capabilities of on-the-job experience. ESSAR also provides ESSAR Corporate University (ECU) that focuses on employees' career advancement. ESSAR has introduced a learning environment with a chain of libraries called the learning tree and there is a training calendar for all the learning institutes.

ESSAR runs various talent management and engagement programmes to improve employees morale and skills and also provides Executive Development Review (EDR) in which a mid-year developmental discussion takes place where the supervisor works with the employees to understand the real situations, to identify training needs, to define a developmental roadmap, and to identify future 'potential' to meet the requirements of critical post.

### 3.8: Training policy in RSP, SAIL, Tata Steel, and JINDAL: A comparison

A quick comparison of the training policy in practice at RSP, SAIL, Tata Steel, and JINDAL has been given in a tabular form as in Table 3.2:
Table 3.2: Training policy at RSP, SAIL, Tata Steel, and JINDAL

<table>
<thead>
<tr>
<th>Parameters</th>
<th>RSP</th>
<th>SAIL</th>
<th>Tata Steel</th>
<th>JINDAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>Training is a continuous process</td>
<td>Y</td>
<td>Y</td>
<td>Y</td>
<td>Y</td>
</tr>
<tr>
<td>Systematic and continuous development of Knowledge, Skill and Attitude(KSA)</td>
<td>Y</td>
<td>Y</td>
<td>Y</td>
<td>Y</td>
</tr>
<tr>
<td>Focus on multiple skill</td>
<td>Y</td>
<td>Y</td>
<td>Y</td>
<td>Y</td>
</tr>
<tr>
<td>Consistent performance improvement</td>
<td>Y</td>
<td>Y</td>
<td>Y</td>
<td>Y</td>
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<td>Career development</td>
<td>Y</td>
<td>Y</td>
<td>Y</td>
<td>Y</td>
</tr>
<tr>
<td>Meeting customer requirements</td>
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<td>Y</td>
<td>Y</td>
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<td>Job rotation</td>
<td>Y</td>
<td>Y</td>
<td>Y</td>
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</tr>
<tr>
<td>Participative management</td>
<td>Y</td>
<td>Y</td>
<td>Y</td>
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</tr>
<tr>
<td>Support of top management</td>
<td>Y</td>
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<td>Quality improvement</td>
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<td>SWOT analysis for understanding potential of employees</td>
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<td>Continuous focus on human resource development</td>
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<td>In-house training facilities</td>
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<td>Emphasis on state-of-the-art technology</td>
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<td>Y</td>
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</tbody>
</table>

Note: SAIL ➞ Steel Authority of India Limited, RSP ➞ Rourkela Steel Plant, Y ➞ Yes

3.9: Conclusion

Training policy can provide the direction to the organization for the utilisation of its resources towards various activities for different levels of employees in an organization.

For instance, Tata Steel’s training policy is based on the belief that ‘Safety’ is a high priority area, whereas SAIL’s training policy is based on the realization that the development of human resources is crucial for the success of the organization.
As they realized that training is expensive and without training it is more expensive whereas the major changes point to the changing profile of SAIL, RSP in this period are: diverse workforce; multiple skills and multiple careers; continuous training and retraining; greater focus on younger with technical inputs, multi functional skills and other competencies; provides greater responsibility and feedback system; greater use of microelectronics technology in steelmaking which will necessitate the removal of walls between planning and doing. Now IT IS HIGHLY FELT THAT talent is moving from one organization to another in search of high paying jobs that leads to scarcity of trained manpower. This again emphasizes the policy of training and employee retention.

In public sector units especially SAIL and its constituents, training programmes plays an enhanced role and hold more importance as it deals with knowledge of the workers and also acts a key responsibility by helping employees to upgrade their performance on a continuous basis. In SAIL and RSP, training is taken as the fundamental key to operational goals; to increase competitive advantage; to ensure compliance with laws and regulations; and to maximize operational efficiencies.

To manage emerging technologies and competitive market positions, the interventions at HRDC, RSP focused upon the innovative change initiatives and motivating employees to demonstrate high level of commitment for doing action to improve organizational performance through various training policy. The focus of training policy at RSP are 1) to establishing skill and competence of employees; 2) to prepare the employees for the expansion; 3) training for multi skill; and 4) encouraging innovation and creativity in employees which all represents the importance of RSP from other competing organizations.

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References


5. Annual report of Rourkela Steel Plant 2007-08.


7. Assessment report of Rourkela Steel Plant.


