Chapter 1
Introduction

<table>
<thead>
<tr>
<th>Sr.No</th>
<th>Content</th>
<th>Page No</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.1</td>
<td>Introduction</td>
<td>2</td>
</tr>
<tr>
<td>1.2</td>
<td>Statement of Problem</td>
<td>6</td>
</tr>
<tr>
<td>1.3</td>
<td>Objectives</td>
<td>7</td>
</tr>
<tr>
<td>1.4</td>
<td>Hypothesis</td>
<td>8</td>
</tr>
<tr>
<td>1.5</td>
<td>Methodology of the study</td>
<td>9</td>
</tr>
<tr>
<td>1.6</td>
<td>Significance of the study</td>
<td>10</td>
</tr>
<tr>
<td>1.7</td>
<td>Scope and Limitations of the study</td>
<td>11</td>
</tr>
</tbody>
</table>
1.1 Introduction

With the increase of globalization and economic liberalization, organizations all over the world have started facing challenges to cope with the increased competition, demands, and expectations. These changing demands that are being placed on organizations and their consequent streamlining have created both new challenges and other paradoxes.

Therefore there is a great need these days for devising more effective ways of delivering value to the organization by way of developing human resource. The fact that human competency development is perquisite for the growth and development of organizations and is well recognized now. For real development to take place, organizations need to check whether they have the right employee in the right places with right competencies, knowledge, experiences and capabilities necessary for both current and future responsibilities. These situations call for well planned Human Resource Development (HRD) strategies and policies. Various mechanisms can help the organizations in facilitating and managing their HRD functions. Training is one of the widely used mechanisms of HRD that helps the organizations to get the most from their HR, by developing a result oriented culture throughout the organization. Training improves behavior and makes performance of employee more useful and productive for him and for the organization. Training assists employees to function more effectively in their existing position by exposing them to the latest concept, information and techniques. It also enables to build up a second line of competent manpower by preparing them to occupy higher positions. It enables employees to develop and rise within the organization, and increase their market
value, earning power and job security. It improves the moral of employees by reducing dissatisfaction, grievances and absenteeism.

The fundamental forces at work here are that of a globalized economy: where capital moves quickly, technology changes rapidly, business models are replicated rapidly and products are commoditized with shortening life cycles. For any organization, the only way to compete in such an environment is through superior human capital management, of which training and learning forms the core component. That is why; professionally managed companies provide enough resource for training of their employees to maintain a viable and knowledgeable workforce.

The corporate training and development in India, still in an early stage of evolution, is comparatively undocumented and highly unorganized. There are only a few of what may be called industry players complimented by a plethora of individual trainers and professionals. Even though there are no authentic statistics and data about this industry, there is plenty of evidence to show that this industry is coming of age. Estimation shows that the corporate training market in India to be valued at approximately Rs 2,500 crore. The average training expenditure for top tier companies is approximately 0.5 per cent of the total revenues. Traditionally, Indian companies spend anywhere between 0.5 and 2 per cent of their turnover on training their employees. IT and ITES companies, which are essentially people-oriented businesses, spend about 3-5 per cent of their revenues on upgrading employee skills.

Reference
Quick look at some top companies’ people development plans and budgets, also suggests that there is an increased activity in the so-far dormant training and development scenario. Take for instance, Infosys, in October 2004 they invested Rs 260 crore in the world's largest corporate training centre at Mysore. The centre has facility to train 4,000 people at a time. Wipro, which requires 1,75,000 person-days of training a year set up a dedicated campus for the learning center of its talent transformation department with a mandate to help its strategy succeed by developing all the necessary competencies in a competitive way². Wipro has learning centers in Bangalore, Chennai, Hyderabad, Pune, Gurgaon and Kolkota and the learning centers are connected with virtual class room network with two broadcast facilities in Hyderabad and Bangalore³. Thus not only in India but throughout the world, corporate are increasingly realizing the importance of having the culture of training to remain competitive. With this amount of money invested in training, organizations need to make certain their investments are wise. How training needs are determined, how training is viewed by employees, and how training is delivered become critically important issues. Training trends and methods other than traditional classroom training, such as coaching and mentoring, should take center stage.

Reference

2. www.infosys.com
3. www.wipro.com
But, the success of the training program totally depends on the training model (process) which the organization will follow. The broad steps of the training models which generally most of the organizations and training centers presently follow are (i) Assessment of organizational objectives and strategies (ii) Training need assessment (iii) Establishment of training goals (iv) Designing training and development program (v) Implementation of training program (vi) Evaluation of training program

Firms that plan their training process are more successful than those that do not. Most business owners want to succeed, but do not engage in training design that promise to improve their chances of success.
1.2 Statement of Problem

In spite of large investment, organizations are not getting satisfactory results from training function. Even in companies that tend to support the training of employees, and make training and development opportunities available to employees, much of the resources allocated to training are wasted. That is, there are no measurable or obvious positive results in terms of better employee contributions or productivity. The reason is that support for training isn't enough. It must be planned and linked properly. Following are the most critical problems in training program which organizations need to take care of.

1. Actual focus, content and training methods are not really linked to the actual business or personnel needs of the company, or the needs and desires of the people who attend training.

2. Motivational issues of the trainees are also critical in training. Employees often perform poorly in the training because they were ill prepared to enter the program, expectation from them after the training are not clear, did not think the program would be useful, or did not want to learn.

3. Because of the low motivation in the training program transfer of the learning on the job obviously low.

4. Second point is that most of the evaluation focused on trainee reaction to the program rather than determining whether learning had taken place and job performance had been positively impacted. Often it is not clear that what should be evaluated and what question should be answered by an evaluation.
Thus it is the fact that the training models the organizations using are fail to deal with motivational issues of trainee and training evaluation effectively. Second point is that the training programs are not properly linked with organizational and individual needs of the employees.

1.3 Objectives

The main objectives of the study are:

1. To study adequacy of the HRD practices of the organizations in India.

2. To study major problems of the HRD functions of the organizations in India.

3. To compare HRD practices in manufacturing and service sector of India.

4. To study employee training practices in organizations of India: like key result area of training functions, techniques used for training need analysis, training design and implementation, training evaluation techniques, criteria for training evaluation.

5. To study major problems of the employee training function of the organizations in India.

6. To propose the New Training Model based on the problems of the employee training of organizations in India.
1.4 Hypothesis

H1: The HRD practices of the organizations in India are not adequate.

H2: There is no difference between the HRD practices of manufacturing sector and service sector of India.

H3: Analysis of the learning style of the employees before sending them on training is not adequate in organizations.

H4: Major problems of the training function of organizations in India are: lack of systematic training need analysis, lack of learning transfer on the job and low employee motivation towards training program.

H5: There is no impact of employee motivation towards training program on transfer of learning on the job.
1.5 Methodology of the study

1. Primary and Secondary Data

*Secondary data* is collected from books, newspapers, research reports, magazines, and web portals.

*The primary data* is generated after conducting a survey with 100 organizations by using two structured questionnaires of close ended questions.

Questionnaire I: HRD Practices in organization. (For HR+ Line Managers).

Questionnaire II: Training practices in organization (For HR Manager/Executive only).

Questionnaire I is used with four to five Managers/Executives/Officers of each organization. Therefore sample size for Questionnaire I is 452 Managers/Executives. Questionnaire II is only for HR Managers therefore sample size for Questionnaire II is 100 HR Managers/Executives.

The Organizations from 11 sectors like Pharmaceutical sector, FMCG, Food and Beverages, Engineering and Electronics, Automobile, Steel and Metal, Financial sector, IT and BPO, Hospitality, Retail are selected randomly form particular Population. Only top organizations of the particular sector are considered for selection of sample.

2. Data Analysis

Data analysis is done using Mean, Percentage, Frequency and Karl Pearson’s Coefficient of correlation. Hypothesis testing is done using Z-Test. Different charts and graphs are used to represent the data. SPSS (17.0) is used to analyze the data.
1.6 Significance of the study

Globalization, the decade’s reigning business phenomenon is one of the key drivers responsible for human resource development taking center stage. Globalization has brought with it a whole new set of standards. These standards have changed the way business is carried out. Organizations have now started considering employee development as an important part of business which was not the case pre-globalization. Various MNCs setting up businesses in India bring with them the culture of training and development. It also means that Indian originations are playing to different market rules as compared to five years ago, and even senior managers need to acquire new skills and competencies through learning and training. In this scenario the Human Resource is playing important role. To hold the global pressure of quality improvement in products, services and processes, the organizations needs to improve the quality of the human resource. Only emphasis on the human resource development will able to bring the quality among their human resource.

This research gives the clear pictures of the HRD practices of the organizations in India. This research highlights the strengths and weaknesses of the HRD practices in organizations. At the end suggestions to improve the weaknesses are also given and circulated throughout the corporate sector of India, so that organizations can take necessary step to improve it.

As training is core function of the HRD, the special emphasis is given on the training function of the organizations. Research highlights the problems or issues of the employee training function and gives suggestions to improve it.

These suggestions will definitely improve the Return on Investment of the Training function. At the need, research suggested the training model based on
the issues and problems of the training function. The implementation of this model will definitely help corporate sector to make their training function effective.

1.7 Scope and Limitations of the study

1. The geographical scope of the study is limited to India.

2. Study is based on the survey conducted with 100 organizations only. Organizations from 11 sectors like Pharmaceutical sector, FMCG, Food and Beverages, Engineering and Electronics, Automobile, Steel and Metal, Financial sector, IT and BPO, Hospitality and Retail are selected for survey, organizations from others sectors are not included in survey.

3. Organizations from service sector are less in number compared to manufacturing sector in survey due to their less complex HR practices.

4. Only top organizations from the particular sectors are considered as population.

5. Small scale organizations are not considered in the survey.

6. The findings are based completely on the responses given by the managers and executives.

7. Survey is conducted only with four to five Managers / Executives of each organization.