# Methodology of Training and Development

**MBA Second Year**
**(Human Resource Management)**

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# UNIT I

# LESSON

# 1

# ORGANISATIONAL TRAINING: AN OVERVIEW

**CONTENTS**



*Contd....*

## 1.0 AIMS AND OBJECTIVES

The purpose of this lesson is to make the student understand the basic concept, principles and areas of training. After studying this lesson you will be able to:

- Define the term training and development
- Identify the need for training
- Outline importance, principles and areas of training

## 1.1 INTRODUCTION

The game of economic competition has new rules. Firms should be fast and responsive. This requires responding to customers' needs for quality, variety, customisation, convenience and timeliness. Meeting these new standards requires a workforce that is technically trained in all respects. It requires people who are capable of analysing and solving job related problems, working cooperatively in teams and 'changing hats' and shifting from job to job as well. Training has increased in importance in today's environment where jobs are complex and change rapidly. Companies that pay lip-service to the need for training, by lazily setting aside a few hours a year, will soon find themselves at the receiving end when talented employees leave in frustration and other employees find it difficult to beat rivals with new products, sophisticated designs and improved ways of selling. To survive and flourish in the present day corporate-jungle, companies should invest time and money in upgrading the knowledge and skills of their employees constantly. For, any company that stops injecting itself with intelligence is going to die.

## 1.2 CONCEPT OF TRAINING AND DEVELOPMENT

Training often has been referred to as teaching specific skills and behaviour. Examples of training are learning to fire a rifle, to shoot foul shots in basketball and to type. It is usually reserved for people who have to be brought up to performing level in some specific skills. The skills are almost always behavioural as distinct from conceptual or intellectual.

Development, in contrast, is considered to be more general than training and more oriented to individual needs in addition to organisational needs and it is most often aimed toward management people. There is more theory involved with such education and hence less concern with specific behaviour than is the case with training. Usually, the intent of development is to provide knowledge and understanding that will enable people to carry out non-technical organisational functions more effectively, such as problem solving, decision-making and relating to people.

**Table 1.1: Distinctions between Training and Development**

| Learning Dimension | Training | Development |
|---|---|---|
| Meant for | Operatives | Executives |
| Focus | Current job | Current and future jobs |
| Scope | Individual employee | Work group or organisation |
| Goal | Fix current skill deficit | Prepare for future work demands |
| Initiated by | Management | The Individual |
| Content | Specific job related information | General Knowledge |
| Time-frame | Immediate | Long term |

Thus, training is meant for operatives and development is meant for managers. Training tries to improve a specific skill relating to a job whereas development aims at improving the total personality of an individual. Training is a one-shot deal; whereas development is an ongoing, continuous process. The scope of training is on individual employees, whereas the scope of development is on the entire work group or the organisation. Training is mostly the result of initiatives taken by management. It is the result of some outside motivation. Development is mostly the result of internal motivation. Training seeks to meet the current requirements of the job and the individual; whereas development aims at meeting the future needs of the job and the individual. In other words, training is a reactive process whereas development is a proactive process. Development is future oriented training, focusing on the personal growth of the employee.

## 1.3 NEED FOR TRAINING

After employees have been selected for various positions in an organisation, training them for the specific tasks to which they have been assigned assumes great importance. It is true in many organisations that before an employee is fitted into a harmonious working relationship with other employees, he is given adequate training. Training is the act of increasing the knowledge and skills of an employee for performing a particular job. The major outcome of training is learning. A trainee learns new habits, refined skills and useful knowledge during the training that helps him improve performance. Training enables an employee to do his present job more efficiently and prepare himself for a higher level job. The essential features of training may be stated thus:

**Box 1.1: Features of Training**

- Increases knowledge and skills for doing a particular job; it bridges the gap between job needs and employee skills, knowledge and behaviours
- Focuses attention on the current job; it is job specific and addresses particular performance deficits or problems
- Concentrates on individual employees; changing what employees know, how they work, their attitudes toward their work or their interactions with their co-workers or supervisors
- Tends to be more narrowly focused and oriented toward short-term performance concerns

Training is needed to serve the following purposes:

- Newly recruited employees require training so as to perform their tasks effectively. Instruction, guidance, coaching help them to handle jobs competently, without any wastage.
- Training is necessary to prepare existing employees for higher-level jobs (promotion).

- Existing employees require refresher training so as to keep abreast of the latest developments in job operations. In the face of rapid technological changes, this is an absolute necessity.
- Training is necessary when a person moves from one job to another (transfer). After training, the employee can change jobs quickly, improve his performance levels and achieve career goals comfortably
- Training is necessary to make employees mobile and versatile. They can be placed on various jobs depending on organisational needs.
- Training is needed to bridge the gap between what the employee has and what the job demands. Training is needed to make employees more productive and useful in the long-run.
- Training is needed for employees to gain acceptance from peers (learning a job quickly and being able to pull their own weight is one of the best ways for them to gain acceptance).

## 1.4 IMPORTANCE OF TRAINING

Training offers innumerable benefits to both employees and employers. It makes the employee more productive and more useful to an organisation. The importance of training can be studied under the following Table:

**Table 1.2: Importance of Training**

| Benefits to the business | Benefits to the employees |
|---|---|
| Trained workers can work more efficiently. | Training makes an employee more useful to a firm. Hence, he will find employment more easily. |
| They use machines, tools, materials in a proper way. Wastage is thus eliminated to a large extent. | Training makes employees more efficient and effective. By combining materials, tools and equipment in a right way, they can produce more with minimum effort. |
| There will be fewer accidents. Training improves the knowledge of employees regarding the use of machines and equipment. Hence, trained workers need not be put under close supervision, as they know how to handle operations properly. | Training enables employees to secure promotions easily. They can realise their career goals comfortably. |
| Trained workers can show superior performance. They can turn out better performance. They can turn out better quality goods by putting the materials, tools and equipment to good use. | Training helps an employee to move from one organisation to another easily. He can be more mobile and pursue career goals actively. |
| Training makes employees more loyal to an organisation. They will be less inclined to leave the unit where there are growth opportunities. | Employees can avoid mistakes, accidents on the job. They can handle jobs with confidence. They will be more satisfied on their jobs. Their morale would be high. Thus, training can contribute to higher production, fewer mistakes, greater job satisfaction and lower labour turnover. Also, it can enable employees to cope with organisational, social and technological change. Effective training is an invaluable investment in the human resources of an organisation. |

## 1.5 A CHECKLIST TO AVOID TRAINING PITFALLS

- ***Attempting to teach too quickly:*** Trying to teach too quickly results in frustration. It is not wise to push employees beyond their learning limits.
- ***Trying to teach too much:*** There are limits to the amount that one can learn. It is recommended to teach segments of the job in sequential fashion in order to develop a greater appreciation and understanding of the whole job.
- ***Viewing all trainees as the same:*** All employees are different. This must be recognised when it comes to training. Since some workers learn faster or slower than others, these differences must be accounted for in the training programme.
- ***Not providing time to practice:*** Practice makes perfect. There is no such thing as natural-born skilled workers. Adequate practice time must be provided for employees to develop their skills.
- ***Providing a pat on the back:*** It is always a good idea to reinforce employees during the learning process. Encouragement, praise, and reward are highly recommended.
- ***Not frightening the employee:*** As a supervisor, it is possible to know the job for which the employee is training so thoroughly that a new employee may feel inadequate or intimidated.

**Check Your Progress 1**

State whether the following statements are true or false:

1. Training is necessary when a person moves from one job to another.
2. Training is needed to bridge the gap between what the employee has and what the job demands.
3. Training is not needed to make the employees more responsible and productive in the long run.
4. Training is needed for employees to gain acceptance from peers ( learning a job quickly and being able to pull their own weight is the best way to gain importance.)

## 1.6 PRINCIPLES OF LEARNING

Training is essential for job success. It can lead to higher production, fewer mistakes, greater job satisfaction and lower turnover. These benefits accrue to both the trainee and the organisation, if managers understand the principles behind the training process. To this end, training efforts must invariably follow certain learning-oriented guidelines.

### 1.6.1 Modelling

Modelling is simply copying someone else's behaviour. Passive class room learning does not leave any room for modelling. If we want to change people, it would be a good idea to have videotapes of people showing the desired behaviour. The selected model should provide the right kind of behaviour to be copied by others. A great deal of human behaviour is learned by modelling others. Children learn by modelling parents and older children, they are quite comfortable with the process by the time they grow up. As experts put it. "managers tend to manage as they were managed!"

### 1.6.2 Motivation

For learning to take place, intention to learn is important. When the employee is motivated, he pays attention to what is being said, done and presented. Motivation to learn is influenced by the answers to questions such as: How important is my job to me? How important is the information? Will learning help me progress in the company? etc. People learn more quickly when the material is important and relevant to them. Learning is usually quicker and long-lasting when the learner participates actively. Most people, for example, never forget how to ride a bicycle because they took an active part in the learning process!

### 1.6.3 Reinforcement

If a behaviour is rewarded, it probably will be repeated. Positive reinforcement consists of rewarding desired behaviours. People avoid certain behaviours that invite criticism and punishment. A bank officer would want to do a post graduate course in finance, if it earns him increments and makes him eligible for further promotions. Both the external rewards (investments, praise) and the internal rewards (a feeling of pride and achievement) associated with desired behaviours compel subjects to learn properly. To be effective, the trainer must reward desired behaviours only. If he rewards poor performance, the results may be disastrous: good performers may quit in frustration, accidents may go up, productivity may suffer. The reinforcement principle is also based on the premise that punishment is less effective in learning than reward. Punishment is a pointer to undesirable behaviours. When administered, it causes pain to the employee. He may or may not repeat the mistakes. The reactions may be mild or wild. Action taken to repeal a person from undesirable action is punishment. If administered properly, punishment may force the trainee to modify the undesired or incorrect behaviours.

### 1.6.4 Feedback

People learn best if reinforcement is given as soon as possible after training. Every employee wants to know what is expected of him and how well he is doing. If he is off the track, somebody must put him back on the rails. The errors in such cases must be rectified immediately. The trainee after learning the right behaviour is motivated to do things in a 'right' way and earn the associated rewards. Positive feedback (showing the trainee the right way of doing things) is to be preferred to negative feedback (telling the trainee that he is not correct) when we want to change behaviour.

### 1.6.5 Spaced Practice

Learning takes place easily if the practice sessions are spread over a period of time. New employees learn better if the orientation programme is spread over a two or three day period, instead of covering it all in one day. For memorising tasks, 'massed' practice is usually more effective. Imagine the way schools ask the kids to say the Lord's prayer aloud. Can you memorise a long poem by learning only one line per day? You tend to forget the beginning of the poem by the time you reach the last stanza. For 'acquiring' skills as stated by Mathis and Jackson, spaced practice is usually the best. This incremental approach to skill acquisition minimises the physical fatigue that deters learning.

### 1.6.6 Whole Learning

The concept of whole learning suggests that employees learn better if the job information is explained as an entire logical process, so that they can see how the various actions fit together into the 'big picture'. A broad overview of what the trainee would be doing on the job should be given top priority, if learning has to take place quickly. Research studies have also indicated that it is more efficient to practice a whole task all at once rather than trying to master the various components of the task at different intervals.

### 1.6.7 Active Practice

'Practice makes a man perfect': so said Bacon. To be a swimmer, you should plunge into water instead of simply reading about swimming or looking at films of the worlds' best swimmers. Learning is enhanced when trainees are provided ample opportunities to repeat the task. For maximum benefit, practice sessions should be distributed over time.

## 1.7 APPLICABILITY OF TRAINING

Training should be as real as possible so that trainees can successfully transfer the new knowledge to their jobs. The training situations should be set up so that trainees can visualise – and identify with – the types of situations they can come across on the job.

## 1.8 ENVIRONMENT

Finally, environment plays a major role in training. It is natural that workers who are exposed to training in comfortable environments with adequate, well spaced rest periods are more likely to learn than employees whose training conditions are less than ideal. Generally speaking, learning is very fast at the beginning. Thereafter, the pace of learning slows down as opportunities for improvement taper off.

**Check Your Progress 2**

1. ......................... is meant for operatives and development is meant for managers.
2. ........................ takes place easily if the practice sessions are spread over a period of time.
3. ........................ is simply copying someone ele's behaviour.

## 1.9 AREAS OF TRAINING

The Areas of Training in which training is offered may be classified into the following categories:

### 1.9.1 Knowledge

Here the trainee learns about a set of rules and regulations about the job, the staff and the products or services offered by the company. The aim is to make the new employee fully aware of what goes on inside and outside the company.

### 1.9.2 Technical Skills

The employee is taught a specific skill (e.g., operating a machine, handling computer etc.) so that he can acquire that skill and contribute meaningfully.

### 1.9.3 Social Skills

The employee is made to learn about himself and others, and to develop a right mental attitude towards the job, colleagues and the company. The principal focus is on teaching the employee how to be a team member and get ahead.

### 1.9.4 Techniques

This involves the application of knowledge and skill to various on-the-job situations.

In addition to improving the skills and knowledge of employees, training aims at moulding employee attitudes: When administered properly, a training programme will go a long way in obtaining employee loyalty, support and commitment to company activities.

## 1.10 TYPES OF TRAINING

There are many approaches to training. We focus here on the types of training that are commonly employed in present-day organisations.

### 1.10.1 Skills Training

This type of training is most common in organisations. The process here is fairly simple. The need for training in basic skills (such as reading, writing, computing, speaking, listening, problem solving, managing oneself, knowing how to learn, working as part of a team, leading others) is identified through assessment. Specific training objectives are set and training content is developed to meet those objectives. Several methods are available for imparting these basic skills in modern organisations (such as lectures, apprenticeship, on-the-job, coaching etc.). Before employing these methods, managers should:

- explain how the training will help the trainees in their jobs.
- relate the training to the trainees' goals.
- respect and consider participant responses and use these as a resource.
- encourage trainees to learn by doing.
- give feedback on progress toward meeting learning objectives.

### 1.10.2 Refresher Training

Rapid changes in technology may force companies to go in for this kind of training. By organising short-term courses which incorporate the latest developments in a particular field, the company may keep its employees up-to-date and ready to take on emerging challenges. It is conducted at regular intervals by taking the help of outside consultants who specialise in a particular descriptive.

### 1.10.3 Cross-functional Training

Cross-functional Training involves training employees to perform operations in areas other than their assigned job. There are many approaches to cross-functional training. Job rotation can be used to provide a manager in one functional area with a broader perspective than he would otherwise have. Departments can exchange personnel for a certain period so that each employee understands how other departments are functioning. High performing workers can act as peer trainers and help employees develop skills in another area of operation. Cross-functional training provides the following benefits to an organisation (and the workers as well) (1) Workers gain rich experience in handling diverse jobs; they become more adaptable and versatile (2) they can better engineer their own career paths (3) they not only know their job well but also understand how others are able to perform under a different set of constraints (4) A broader perspective increases workers' understanding of the business and reduces the need for supervision (5) when workers can fill in for other workers who are absent, it is easier to use flexible scheduling, which is increasingly in demand as more employees want to spend more time with their families. Eli Lilly and Company (India), for example, encourages cross functional movements to make the organisation equally attractive to both specialists and generalists.

**Box 1.2: Cross-Functional Training: Indian Experiences**

- ***Thermax:*** At Thermax (over 1200 employees nearly Rs. 600 crore turnover, 6 per cent attrition rate) high-potential individuals are given greater exposure, high visibility and asked to chart out a career vision through an ongoing dialogue.
- ***GCPL:*** Godrej Consumer Products Ltd's (1052 employees, nearly Rs. 500 crore sales) talent management system allows bright employees to acquire a wide variety of skills through job rotation (e.g., sales systems, project management skills, IT skills, Team building skills etc.). Outstanding performers get salary increase instantaneously.
- ***Sapient Corporation:*** (914 employees with over $ 202 million global sales). At Sapient employees work on 48-50 projects at any given time. Some of these are executed entirely by the local employees from their Gurgaon and Bangalore offices.
- ***Johnson & Johnson:*** (1419 employees with over $ 41,000 million global sales) J&J constantly encourages its employees to upgrade their skills and knowledge through short-term programmes at institutes like the IIMs, XLRI etc. apart from rotating employees on challenging tasks.
- ***Monsanto India:*** (354 employees with nearly $ 5,000 global sales) Monsanto sets stiff targets for employees, but trains employees with a rare rigour so that they get a fair shot at those. People identified as future leaders are given internal international positions.
- ***P&G:*** (Over Rs. 750 crore sales and powerful brands like Vicks, Tide, Ariel, Pantene, Whishper, Pampers, Head and Shoulders, etc.) P&G relies on the promote-from-within philosophy. It hires freshers straight out of B-school, trains and empowers them to handle challenging jobs from day 1. Says a new recruit from IIM Ahmedabad: "I am two months old in the company and already handling a new brand launch".

[BT-Hewitt Study, 2003; BT-Mercer-TNS Study, 2004; Grow Talent Study, B. World, 1.9.2003 and 6.12.2004]

### 1.10.4 Team Training

Team training generally covers two areas: content tasks and group processes. Content tasks specify the team's goals such as cost control and problem solving. Group processes reflect the way members function as a team – for example how they interact with each other, how they sort out differences, how they participate etc. Companies are investing heavy amounts, nowadays, in training new employees to listen to each other and to cooperate. They are using outdoor experiential training techniques to develop teamwork and team spirit among their employees (such as scaling a mountain, preparing recipes for colleagues at a restaurant, sailing through uncharted waters, crossing a jungle etc.). The training basically throws light on (i) how members should communicate with each other (ii) how they have to cooperate and get ahead (iii) how they should deal with conflictful situations (iv) how they should find their way, using collective wisdom and experience to good advantage.

### 1.10.5 Creativity Training

Companies like Mudra Communications, Titan Industries, Wipro encourage their employees to think unconventionally, break the rules, take risks, go out of the box and devise unexpected solutions.

**Box 1.3: How to be Creative ?**

Postpone judgement : Don't reject any idea

↓

Create alternative frames of reference

↓

Break the boundary of thinking

↓

Examine a different aspect of the problem

↓

Specify the resources and environment

↓

Make a wish-list of solutions

↓

Borrow ideas from other fields

↓

Look for processes to change or eliminate

↓

Think up alternative methods

↓

Adopt another person's perspective

↓

Question all Assumptions

In creativity training, trainers often focus on three things:

(a) ***Breaking away:*** In order to break away from restrictions, the trainee is expected to (i) identify the dominant ideas influencing his own thinking (ii) define the boundaries within which he is working (iii) bring the assumptions out into the open and challenge everything.

(b) ***Generate new ideas:*** To generate new ideas, the trainee should open up his mind; look at the problem from all possible angles and list as many alternative approaches as possible. The trainee should allow his mind to wander over alternatives freely, expose himself to new influences (people, articles, books, situations), switch over from one perspective to another, arrange cross fertilisation of ideas with other people and use analogies to spark off ideas.

(c) ***Delaying judgement:*** To promote creative thinking, the trainee should not try to kill off ideas too quickly; they should be held back until he is able to generate as many ideas as possible. He should allow ideas to grow a little. Brainstorming (getting a large number of ideas from a group of people in a short time) often helps in generating as many ideas as possible without pausing to evaluate them. It helps in releasing ideas, overcoming inhibitions, cross fertilising ideas and getting away from patterned thinking.

**Check Your Progress 3**

State whether the following statements are true or false:

1. Retraining is vital to retain people.
2. A little training is a dangerous thing.
3. Unstructured training is highly productive in terms of results.
4. Retraining is needed at lower levels only.
5. Practice makes a man perfect.
6. The methods and processes of training should not be related directly to the needs and objectives of an organisation.
7. Training offered to minimise accidents and damage to equipment is called refresher training.
8. Well-trained employees need less guidance and control.
9. Habitual ways of seeing and doing things are very difficult to shift.

### 1.10.6 Diversity Training

Diversity training considers all of the diverse dimensions in the workplace – race, gender, age, disabilities, lifestyles, culture, education, ideas and backgrounds – while designing a training programme. It aims to create better cross-cultural sensitivity with the aim of fostering more harmonious and fruitful working relationships among a firm's employees. The programme covers two things : (i) awareness building, which helps employees appreciate the key benefits of diversity, and (ii) skill building, which offers the knowledge, skills and abilities required for working with people having varied backgrounds.

### 1.10.7 Literacy Training

Inability to write, speak and work well with others could often come in the way of discharging duties, especially at the lower levels. Workers, in such situations, may fail to understand safety messages, appreciate the importance of sticking to rules, and commit avoidable mistakes. Functional illiteracy (low skill level in a particular content area) may be a serious impediment to a firm's productivity and competitiveness. Functional literacy programmes focus on the basic skills required to perform a job adequately and capitalise on most workers' motivation to get help in a particular area. Tutorial programmes, home assignments, reading and writing exercises, simple mathematical tests, etc., are generally used in all company in-house programmes meant to improve the literacy levels of employees with weak reading, writing or arithmetic skills.

## 1.11 LET US SUM UP

Training is a planned programme designed to improve performance and to bring about measurable changes in knowledge, skills, attitude and social behaviour of employees.

Training makes employees versatile, mobile, flexible and useful to the organisation.

Development is future-oriented training, focusing on the personal growth of the employee.

Learning principles are the guidelines to the way people learn most effectively. More effective training incorporates more of these principles.

The various types of training include: skills training, refresher training, cross functional training, team training, creativity training, diversity training, and literacy training.

## 1.12 LESSON END ACTIVITY

Describe how you would use some of the training principles presented in the lesson in training someone to operate a fax machine.

## 1.13 KEYWORDS

***Training:*** A planned programme designed to improve performance and bring about measurable changes in knowledge, skills, attitude and social behaviour of employees.

***Development:*** Broadening an individual's knowledge, skills and abilities for future responsibilities.

***Education:*** Conceptual learning that improves understanding of a subject/theme.

***Modelling:*** Copying someone else's behaviour.

***Diversity:*** Differences among people.

***Reinforcement:*** A concept that people tend to repeat responses that give them some type of positive reward and avoid actions associated with negative consequences.

## 1.14 QUESTIONS FOR DISCUSSION

1. What do you mean by training? Distinguish between training and development.
2. Discuss the different types of training.
3. What are the principles that should be kept in mind while designing a sound employee training programme?
4. Describe the needs for training.

**Check Your Progress: Model Answers**

***CYP 1***

1. T, 2. T, 3. F, 4. T

***CYP 2***

1. Training
2. Learning
3. Modelling

***CYP 3***

1. T, 2. T, 3. F, 4. F, 5. T, 6. F, 7. F,
8. T, 9. T

## 1.15 SUGGESTED READINGS

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# LESSON

# 2

# ASSESSMENT OF TRAINING NEEDS

**CONTENTS**



## 2.0 AIMS AND OBJECTIVES

After studying this lesson, you will be able to:

- Describe the concept of training needs
- Describe various types of analysis to identify training needs
- Know how the needs assessement is conducted

## 2.1 INTRODUCTION

Training efforts must aim at meeting the requirements of the organisation (long-term) and the individual employees (short-term). This involves finding answers to questions such as: Whether training is needed? If yes, where is it needed? Which training is needed? etc. Once we identify training gaps within the organisation, it becomes easy to design an appropriate training programme.

A Training Needs Assessment or a Training Needs Analysis is a good, structured way of doing this. It identifies the training that will successfully address any identified skill deficits. It does this by surveying the skills that employees already have and those that they need, and it helps you think about how to deliver the right training at the right time.

The training needs assessment is a critical activity for the training and development function. Whether you are a human resource generalist or a specialist, you should be adept at performing a training needs assessment. This lesson will begin with the concept of needs assessment followed by an in-depth look at the core concepts and steps involved in conducting a training needs assessment.

## 2.2 CONCEPT OF TRAINING NEEDS ASSESSMENT

A need is not a want or a desire. It is a gap between "what is" and "what ought to be". Training needs assessment (TNA) is usually related to organizational and individual performance. A needs assessment means that the individual assessed has a defined job performance or that an organization has defined objectives and goals.

A "training needs assessment", or "training needs analysis", is the systematic method of determining if a training need exists and if it does, what training is required to fill the gap between the standard and the actual performance of the employee. Therefore, training needs analysis is:

- Systematic method of determining performance discrepancies.
- Causes of performance discrepancies.

The first step in designing a training and development program is to conduct a needs assessment. The assessment begins with a "need" which can be identified in several ways, but is generally described as a gap between what is currently in place and what is needed, now and in the future. Gaps can include discrepancies/differences between:

- What the organization expects to happen and what actually happens.
- Current and desired job performance.
- Existing and desired competencies and skills.

A needs assessment can also be used to assist with:

- Competencies and performance of work teams.
- Problem solving or productivity issues.
- The need to prepare for and respond to future changes in the organization or job duties.

## 2.3 PURPOSE OF TRAINING NEEDS ASSESSMENT

The objective of the training needs assessment is to identify competency areas that need to be strengthened and the associated learning needs. The primary purpose of the training needs assessment is to ensure that there is a need for training and to identify the nature of what a training programme should contain. A training needs assessment provides the information needed for developing a training plan that is based on the learning needs of the participants. It increases the relevance of the training and the commitment of the learners, as they are involved in the preparation of the training design that reflects their expressed needs. Thus, it helps to foster a rapport between the facilitators and the participants. The facilitators can acquire basic knowledge of the strengths and limitations of the participants and the learners can become partners in analyzing their own learning needs.

**Check Your Progress 1**

State whether the following statements are true or false:

1. Training efforts must aim at meeting the requirements of the organisation (long- term) and the individual employees in the (short term).
2. A need assessment means that the individual assessed has a defined job performance or that an organisation has defined objectives and goals.
3. A training needs assessment provides the information needed for developing training plan that is based on the learning needs of the participants.
4. Organizational analysis involves a study of the entire organisation in terms of its objectives, its resources, the utilization of these resources, in order to achieve stated objectives and its interaction pattern with the environment.

## 2.4 LEVELS OF TRAINING NEEDS ASSESSMENT

Training needs can be identified through the following types of analysis, as shown in Table 2.1

a. ***Organisational Analysis:*** It involves a study of the entire organisation in terms of its objectives, its resources, the utilisation of these resources, in order to achieve stated objectives and its interaction pattern with environment. The important elements that are closely examined in this connection are:

- ❖ *Analysis of objectives:* This is a study of short term and long term objectives and the strategies followed at various levels to meet these objectives.
- ❖ *Resource utilisation analysis:* How the various organisational resources (human, physical and financial) are put to use is the main focus of this study. The contributions of various departments are also examined by establishing efficiency indices for each unit. This is done to find out comparative labour costs, whether a unit is under-manned or over-manned.
- ❖ *Environmental scanning:* Here the economic, political, socio-cultural and technological environment of the organisation is examined.
- ❖ *Organisational climate analysis:* The climate of an organisation speaks about the attitudes of members towards work, company policies, supervisors, etc. Absenteeism, turnover ratios generally reflect the prevailing employee attitudes. These can be used to find out whether training efforts have improved the overall climate within the company or not.

**Table 2.1: Data Sources used in Training Needs Assessment**

| Organisational Analysis | Task Analysis | Person Analysis |
|---|---|---|
| Organisational goals and objectives | Job descriptions | Performance data or appraisals |
| Personnel inventories | Job specifications | Work sampling |
| Skills inventories | Performance standards | Interviews |
| Organisational climate analysis | Performing the job | Questionnaires |
| Efficiency indexes | Work sampling | Tests (KASOCs) |
| Changes in systems or subsystems (e.g., equipment) | Reviewing literature on the job | Customer/employee attitude surveys |
| Management requests | Asking questions about the job | Training progress |

*Contd....*

| | | |
|---|---|---|
| Exit interviews | Training committees | Rating scales |
| MBO or work planning systems | Analysis of operating problems | CIT |
| Customer survey/satisfaction data | | Diaries<br>Devised situations (e.g., role play)<br>Assessment centers<br>MBO or work planning systems |

***Source:*** M.L.Moore and P.Dutton, Training needs analysis: Review and Critique, Academy of Management Review, 3, 1978

b. ***Task or role analysis:*** This is a detailed examination of a job, its components, its various operations and conditions under which it has to be performed. The focus here is on the roles played by an individual and the training needed to perform such roles. The whole exercise is meant to find out how the various tasks have to be performed and what kind of skills, knowledge, attitudes are needed to meet the job needs. Questionnaires, interviews, reports, tests, observation and other methods are generally used to collect job related information from time-to-time. After collecting the information, an appropriate training programme may be designed, paying attention to (i) performance standards required of employees, (ii) the tasks they have to discharge, (iii) the methods they will employ on the job and (iv) how they have learned such methods, etc.

**Box 2.1: Model Form for Conducting a 'Training Needs' Assessment**

Conducting a Needs Assessment: A Model Form

Job _______________________________ Title______________________

Interviewer(s) ______________________ Date ______________________

**Part I Background Information on Interviewee**

Years on the Job _____________________ Years in the company_________

Educational/Technical

Qualifications________________________

**Part II Organisational Analysis**

1. In your view, what are the purposes of training ?
2. Do you think the current training programmes in your firm serve the above purposes?
3. What do you think would be the responses of your colleagues regarding training in your firm?
4. Do you think trainees are motivated to attend training? Explain in detail.
5. Do you think employees in your firm offer any resistance to training? Please advance suggestions to minimise this resistance.
6. What positive consequences are associated with successful completion of training? (Like increased pay, recognition, greater promotional opportunities) Are there any negative consequences associated with training? (like loss of production, loss of status among co-workers)
7. Do your think it is difficult for trainees to apply the skills they learned in training once they return to the job? Why or why not?
8. For training programmes you have attended, are you asked to provide your reactions to the programme? Are you given training tests before and after training to assess a change in your training? If so, describe the types of measures that are used to assess your reactions and learning.

*Contd....*

**Part III Task and Person Analysis**

9. Describe the major duties of your job. Rank them in terms of importance (1= most important)

10. Think about a person who is very effective at your job. What knowledge, skills or abilities does this person possess? Can these skills be enhanced through training? If yes, explain the type of training that might be helpful.

11. Do you foresee any additional job demands being added to the current responsibilities in your job in the next 5 years or so? If yes, what additional skills or abilities will be required to meet these demands?

c. ***Person analysis:*** Here the focus is on the individual in a given job. There are three issues to be resolved through manpower analysis. First, we try to find out whether performance is satisfactory and training is required. Second, whether the employee is capable of being trained and the specific areas in which training is needed. Finally, we need to state whether poor performers (who can improve with requisite training inputs) on the job need to be replaced by those who can do the job. Other options to training such as modifications in the job or processes should also be looked into. Personal observation, performance reviews, supervisory reports, diagnostic tests help in collecting the required information and select particular training options that try to improve the performance of individual workers.

To be effective, training efforts must continuously monitor and coordinate the three kinds of analyses described above. An appropriate programme that meets the company's objectives, task and employee needs may then be introduced. Further, the training needs have to be prioritised so that the limited resources that are allocated to fill training gaps are put to use in a proper way.

**Check Your Progress 2**

1. The ...................... is a critical activity for the training and development function.

2. The first step in designing a ...................... is to conduct a needs assessment.

3. ......................involves a study of the entire organisation in terms of its objectives, its resources, the utilisation of these resources, in order to achieve stated objectives and its interaction pattern with environment.

## 2.5 IDENTIFY TRAINING OBJECTIVES

Once training needs are identified, objectives should be set to begin meeting these needs.

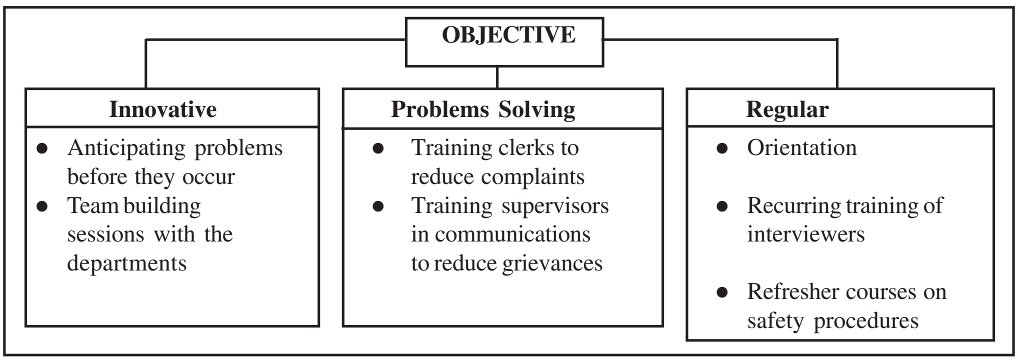


**Figure 2.1: Objectives of Training**

As Figure 2.1 suggests, training objectives can be of three types. The most basic training takes place through orientation programmes. The second type of training objective is problem solving. The focus is on solving a specific problem instead of providing general information about a problem area. The final objective is innovation. Here the emphasis is on changing the mind set of workers, supervisors and executives working at various levels.

**Check Your Progress 3**

1. What do you understand by training needs assessment?

   ....................................................................................................

   ....................................................................................................

2. What are the levels of training needs assessment?

   ....................................................................................................

   ....................................................................................................

## 2.6 PROCESS OF CONDUCTING A NEEDS ASSESSMENT

***Training Need Assessment***

1. Identify and make clear what the purpose of the needs assessment really is
2. Decide how the data will be collected
3. Prepare a project plan
4. Analyze the data collected
5. Identify possible performance improvement solutions

There are many tools and methods for undertaking training needs assessment. These tools and techniques range from questionnaire-based surveys to participatory learning and action (PLA) tools.

Below are some tools used for training needs assessment:

- Surveys
- Interviews
- Standards
- Analysis of statistics or records
- Suggestion Box
- Meetings, Reports and Newsletters

***Questionnaire/Survey Questionnaires:*** This tool involves the preparation of questionnaires that are often lengthy and therefore time-consuming. Participants have to spend time to complete the questionnaires. The facilitators also have to spend time in analyzing the responses. There are several weaknesses of the questionnaire method. Critical weaknesses of this method are that it is not participatory and often poses problems of excess information and differences in understanding between those who develop the questionnaires and the questionnaire respondents. Most importantly, a questionnaire is non-transparent about the end-use of its outcome. This can become a serious problem when dealing with sensitive issues such as HIV/AIDS, substance use and sexual behaviour.

***Interviews:*** Individual interviews that rely on questionnaires, as is often the case, suffer from the same limitations as survey questionnaires. However, interviews are more participatory than questionnaires.

***Focus group discussions:*** This method is more participatory than the questionnaire method and less time consuming than the individual interview method. However, this method also requires an open-ended questionnaire and careful facilitation and analysis for relevant results.

***Tests:*** This tool indicates the involvement of "experts" and is considered costly. Participants often feel disadvantaged when such a tool is used and at times could become uncooperative.

***Participatory Tools:*** These tools, such as card sorting, empowering lines, matrices and games, encourage the involvement of participants and facilitators. A rapport is established between the two and they become partners in determining the content and design of a training course. It is sometimes said that participatory tools are "unscientific" or that their use is dependent on the facilitation skills of the facilitator. However, these tools are less time consuming and more appropriate for participant involvement. These are also easy to learn and could be used with participants with low levels of, or no, reading and writing skills. Most important of all, these tools empower the learner. On balance, in training needs assessment for peer education, participatory tools may be considered the most appropriate.

## 2.7 LET US SUM UP

The purpose of a training needs assessment is to identify performance requirements or needs within an organization in order to help direct resources to the areas of greatest need, those that closely relate to fulfilling the organizational goals and objectives, improving productivity and providing quality products and services.

The needs assessment is the first step in the establishment of a training and development Program. It is used as the foundation for determining instructional objectives, the selection and design of instructional programs, the implementation of the programs and the evaluation of the training provided. These processes form a continuous cycle which always begins with a needs assessment.

## 2.8 LESSON END ACTIVITY

What is the role of need analysis in training? Do you think that all training programmes are based on such analysis?

## 2.9 KEYWORDS

***Needs Assessment:*** It means that the individual assessed has a defined job performance or that an organisation has defined objectives and goals.

***Training Needs Assessment:*** The systematic method of determining if a training needs exists and if it does, what training is required to fill the gap between the standard and actual performance of the employee.

***Task Analysis:*** Process of determining what the content of a training should be on the basis of a study of the tasks and duties involved in the job.

***Person Analysis:*** Assessment of employee performance and the knowledge and skill necessary to reach that level of performance.

## 2.10 QUESTIONS FOR DISCUSSION

1. How do you determine the Training Needs of an industrial organisation?
2. How do you conduct the Training Need Assessment of a company in the service sector?
3. How do you analyse Management Training Needs in an enterprise?
4. How do you classify Training Needs? Explain with examples.
5. How do you design the Training Needs Analysis process?
6. There are nine basic need assessment methods. Describe atleast three methods, pointing out its advantages and disadvantages.

**Check Your Progress: Model Answers**

***CYP 1***

1. T, 2. T, 3. T 4. T

***CYP 2***

1. training needs assessment
2. training and development program
3. organisational analysis

***CYP 3***

1. Training needs assessment is;
   (i) Systematic method of determining performance discrepancies, and
   (ii) Causes of performance discrepancies.
2. ***Levels of Training Needs Assessment***
   (i) Organisational Analysis
   (ii) Task or Role Analysis
   (iii) Person Analysis

## 2.11 SUGGESTED READINGS

Rao VSP, *Human Resource Management*, Excel Books, New Delhi, 2005

Rao PL, *Comprehensive HRM*, Excel Books, New Delhi, 2004

Bhattacharyya D K, *Human Resource Management*, Excel Books, New Delhi, 2006

Rao PL, *Training and Development*, Excel Books, New Delhi, 2007

Sahu RK, *Training for Development*, Excel Books, New Delhi, 2005

Naik G. Pandu, *Training and Development*, Excel Books, New Delhi, 2007

# LESSON

# 3

# METHODS AND TECHNIQUES OF TRAINING

**CONTENTS**

## 3.0 AIMS AND OBJECTIVES

After studying this lesson, you will be able to:

- Discuss the various training methods that are currently employed
- Evaluate the new techniques of training like–computer based training, EPSS, teletraining, video conferencing, etc.

## 3.1 INTRODUCTION

Training methods are usually classified by the location of instruction. On the job training is provided when the workers are taught relevant knowledge, skills and abilities at the actual workplace; off-the-job training, on the other hand, requires that trainees learn at a location other than the real workspot. Some of the widely used training methods are listed below.

## 3.2 ON-THE-JOB TRAINING

### 3.2.1 Job Instruction Training (JIT)

The JIT method (developed during World War II) is a four-step instructional process involving preparation, presentation, performance try out and follow up. It is used primarily to teach workers how to do their current jobs. A trainer, supervisor or co-worker acts as the coach. The four steps followed in the JIT methods are:

i. The trainee receives an overview of the job, its purpose and its desired outcomes, with a clear focus on the relevance of training.

ii. The trainer demonstrates the job in order to give the employee a model to copy. The trainer shows a right way to handle the job.

iii. Next, the employee is permitted to copy the trainer's way. Demonstrations by the trainer and practice by the trainee are repeated until the trainee masters the right way to handle the job.

iv. Finally, the employee does the job independently without supervision.

**Table 3.1: Job Instruction Training**

| Merits | Demerits |
|---|---|
| • Trainee learns fast through practice and observation. | • The trainee should be as good as the trainer. If the trainer is not good, transference of knowledge and skills will be poor. |
| • It is economical as it does not require any special settings. Also, mistakes can be corrected immediately. | • While learning, trainee may damage equipment, waste materials, cause accidents frequently. |
| • The trainee gains confidence quickly as he does the work himself in actual setting with help from supervisor. | • Experienced workers cannot use the machinery while it is being used for training. |
| • It is most suitable for unskilled and semi-skilled jobs where the job operations are simple and easy to explain and demonstrate within a short span of time. | |

### 3.2.2 Coaching

Coaching is a kind of daily training and feedback given to employees by immediate supervisors. It involves a continuous process of learning by doing. It may be defined as an informal, unplanned training and development activity provided by supervisors and peers. In coaching, the supervisor explains things and answers questions; he throws light on why things are done the way they are; he offers a model for trainees to copy; conducts lot of decision making meetings with trainees; procedures are agreed upon and the trainee is given enough authority to make divisions and even commit mistakes. Of course, coaching can be a taxing job in that the coach may not possess requisite skills to guide the learner in a systematic way. Sometimes, doing a full day's work may be more important than putting the learner on track.

When to use coaching usefully? Coaching could be put to good use when :

- an employee demonstrates a new competency
- an employee expresses interest in a different job within the organisation
- an employee seeks feedback
- an employee is expressing low morale, violating company policies or practices or having performance problems
- an employee needs help with a new skill following a formal training programme.

Effective working, obviously, requires patience and communication skills. It involves:

- explaining appropriate ways of doing things
- making clear why actions were taken
- stating observations accurately
- offering possible alternatives / suggestions
- following up

### 3.2.3 Mentoring

Mentoring is a relationship in which a senior manager in an organisation assumes the responsibility for grooming a junior person. Technical, interpersonal and political skills are generally conveyed in such a relationship from the more experienced person. A mentor is a teacher, spouse, counsellor, developer of skills and intellect, host, guide, exemplar, and most importantly, supporter and facilitator in the realisation of the vision the young person (protégé) has about the kind of life he wants as an adult. The main objective of mentoring is to help an employee attain psychological maturity and effectiveness and get integrated with the organisation. In a work situation, such mentoring can take place at both formal and informal levels, depending on the prevailing work culture and the commitment from the top management. Formal mentoring can be very fruitful, if management invests time and money in such relationship building exercises. The important features/processes of mentoring may be presented thus (Figure 3.1):

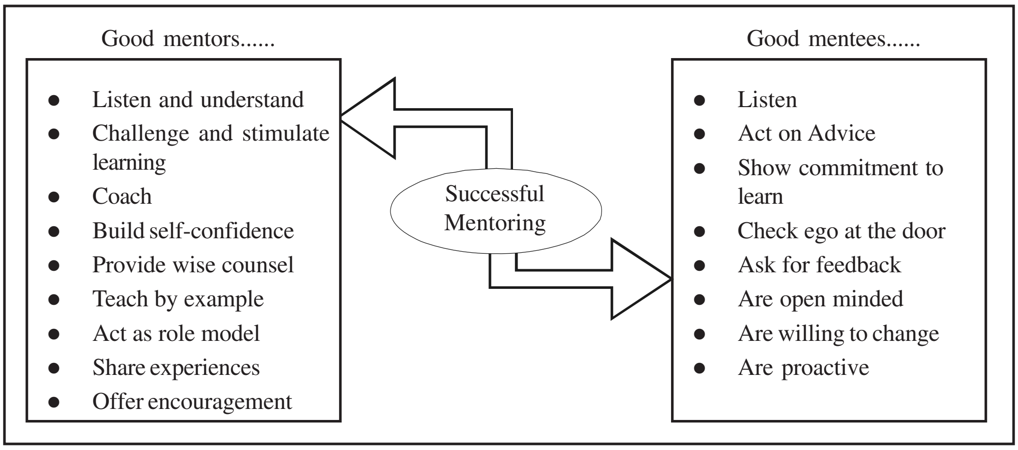


**Figure 3.1: Mentoring Functions**

- ***Career functions:*** Career functions are those aspects of the relationship that enhance career advancement. These include:

    1. *Sponsorship:* Where mentors actively nominate a junior person (called 'mentee') for promotions or desirable positions.
    2. *Exposure and visibility:* Where mentors offer opportunities for mentees to interact with senior executives, demonstrate their abilities and exploit their potential.
    3. *Coaching:* Mentors help mentees to analyse how they are doing their work and to define or redefine their aspirations. Here mentors offer practical advice on how to accomplish objectives and gain recognition from others.
    4. *Protection:* Mentors shield the junior person from harmful situations/seniors.
    5. *Challenging assignments:* Mentors help mentees develop necessary competencies through challenging job assignments and appropriate feedback. Mentors create opportunities for their clients to prove their worth – to demonstrate clearly what they have to offer.

- ***Psychological functions:*** Psychological functions are those aspects that enhance the mentee's sense of competence, and identify effectiveness in a professional role. These include:

    6. *Role modelling:* Mentors offer mentees a pattern of values and behaviours to imitate.
    7. *Acceptance and confirmation:* Mentors offer support, guidance and encouragement to mentees so that they can solve the problems independently and gain confidence in course of time. Mentors also help people to learn about the organisation's culture and understand why things are done in certain ways.
    8. *Counselling:* Mentors help mentees work out their personal problems, learn about what to do and what not to do, offer advice on what works and what doesn't, and do everything to demonstrate improved performance and prepare themselves for greater responsibility.
    9. *Friendship:* Mentors offer practical help and support to mentees so that they can indulge in mutually satisfying social interactions (with peers, subordinates, bosses and customers).

**Table 3.2: Merits and Demerits of Mentoring**

| Merits | Demerits |
|---|---|
| There is an excellent opportunity to learn. | It may create feelings of jealousy among quickly through continuous interaction. other workers who are not able to show equally good performance. |
| Constant guidance helps the mentee to be on track, using facilities to good advantage. | If mentors form overly strong bonds with trainees, unwarranted favouritism may result. This can have a demoralising effect on other workers, affecting their work performance in a negative way. |

Mentoring in India is based on the time-honoured guru-shishya relationship where the guru would do everything to develop the personality of the shishya, offering emotional support, and guidance. Companies like TISCO, Neyveli Lignite Corporation, Polaris, Coca-Cola India have used mentoring systems to good effect in recent times (Economic Times, 25th Oct., 2002). Organisations like General Electric, Intel, Proctor & Gamble have given a lot of importance to mentoring programmes, going even gone to the extent of penalising senior managers if they fail to develop leadership skills among subordinates. Of course, mentoring is not without its problems. Mentors who are dissatisfied with their jobs and those who teach or narrow or distorted view of events may not help a protégé's development. Not all mentors are well prepared to transfer their skills and wisdom to their junior colleagues. When young people are bombarded with conflicting viewpoints – about how things should go – from a series of advisors, they may find it difficult to get ahead with confidence. Mentoring can succeed if (i) there is genuine support and commitment from top management (ii) mentors take up their job seriously and transfer ideas, skills and experiences in a systematic way and (iii) mentees believe in the whole process and carry out things in an appropriate manner.

**Check Your Progress 1**

Fill in the blanks:

1. The ....................... is a four-step instructional process involving preparation, presentation, performance try out and follow up.
2. ....................... is a kind of daily tralining and feedback given to employees by immediate supervisors.
3. ....................... is a relationship in which a senior manager in an organisation assumes the responsibility for grooming a junior person.
4. Mentor actively nominated a ....................... (called 'mentee') for promotions or desirable positions.

### 3.2.4 Job Rotation

This kind of training involves the movement of trainee from one job to another. This helps him to have a general understanding of how the organisation functions. The purpose of job rotation is to provide trainees with a larger organisational perspective and a greater understanding of different functional areas as well as a better sense of their own career objectives and interests. Apart from relieving boredom, job rotation allows trainees to build rapport with a wide range of individuals within the organisation, facilitating future cooperation among departments. The cross-trained personnel offer a great amount of flexibility for organisations when transfers, promotions or replacements become inevitable.

Job rotation may pose several problems, especially when the trainees are rolled on various jobs at frequent intervals. In such a case, trainees do not usually stay long enough in any single phase of the operation to develop a high degree of expertise. For slow learners, there is little room to integrate resources properly. Trainees can become confused when they are exposed to rotating managers, with contrasting styles of operation. Today's manager's commands may be replaced by another set from another manager! Further, job rotation can be quite expensive. A substantial amount of managerial time is lost when trainees change positions, because they must be acquainted with different people and techniques in each department. Development costs can go up and productivity is reduced by moving a trainee into a new position when his efficiency levels begin to improve at the prior job. Inexperienced trainees may fail to handle new tasks in an efficient way. Intelligent and aggressive trainees, on the offer hand, may find the system to be thoroughly boring as they continue to perform more or less similar jobs without any stretch, pull and challenge. To get the best results out of the system, it should be tailored to the needs, interests and capabilities of the individual trainee, and not be a standard sequence that all trainees undergo. Table 3.3 presents the merits and demerits of job rotation:

**Table 3.3: Job Rotation: Merits and Demerits**

| Merits | Demerits |
|---|---|
| • Improves participant's job skills, job satisfaction | • Increased workload for participants |
| • Provides valuable opportunities to network within the organisation | • Constant job change may produce stress and anxiety |
| • Offers faster promotions and higher salaries to quick learners | • Mere multiplication of duties do not enrich the life of a trainee |
| • Lateral transfers may be beneficial in rekindling enthusiasm and developing new talents | • Development costs may shoot up when trainees commit mistakes, handle tasks less optimally |

### 3.2.5 Apprenticeship Training

Most craft workers such as plumbers and carpenters are trained through formal apprenticeship programmes. Apprentices are trainees who spend a prescribed amount of time working with an experienced guide, coach or trainer. Assistantships and internships are similar to apprenticeships because they also demand high levels of participation from the trainee. An internship is a kind of on-the-job training that usually combines job training with classroom instruction in trade schools, colleges or universities. Coaching, as explained above, is similar to apprenticeship because the coach attempts to provide a model for the trainee to copy. One important disadvantage of the apprenticeship methods is the uniform period of training offered to trainees. People have different abilities and learn at varied rates. Those who learn fast may quit the programme in frustration. Slow learners may need additional training time. It is also likely that in these days of rapid changes in technology, old skills may get outdated quickly. Trainees who spend years learning specific skills may find, upon completion of their programmes, that the job skills they acquired are no longer appropriate.

### 3.2.6 Committee Assignments

In this method, trainees are asked to solve an actual organisational problem. The trainees have to work together and offer solution to the problem. Assigning talented employees to important committees can give these employees a broadening experience and can help them to understand the personalities, issues and processes governing the organisation. It helps them to develop team spirit and work unitedly toward common goals. However, managers should very well understand that committee assignments could become notorious time wasting activities.

The above on-the-job methods are cost effective. Workers actually produce while they learn. Since immediate feedback is available, they motivate trainees to observe and learn the right way of doing things. Very few problems arise in the case of transfer of training because the employees learn in the actual work environment where the skills that are learnt are actually used. On-the-job methods may cause disruptions in production schedules. Experienced workers cannot use the facilities that are used in training. Poor learners may damage machinery and equipment. Finally, if the trainer does not possess teaching skills, there is very little benefit to the trainee.

## 3.3 OFF-THE-JOB METHODS

Under this method of training, the trainee is separated from the job situation and his attention is focused upon learning the material related to his future job performance. Since the trainee is not distracted by job requirements, he can focus his entire concentration on learning the job rather than spending his time in performing it. There is an opportunity for freedom of expression for the trainees. Off-the-job training methods are as follows:

a. ***Vestibule training:*** In this method, actual work conditions are simulated in a class room. Material, files and equipment – those that are used in actual job performance are also used in the training. This type of training is commonly used for training personnel for clerical and semi-skilled jobs. The duration of this training ranges from a few days to a few weeks. Theory can be related to practice in this method.

b. ***Role playing:*** It is defined as a method of human interaction that involves realistic behaviour in imaginary situations. This method of training involves action, doing and practice. The participants play the role of certain characters, such as the production manager, mechanical engineer, superintendents, maintenance engineers, quality control inspectors, foreman, workers and the like. This method is mostly used for developing interpersonal interactions and relations.

c. ***Lecture method:*** The lecture is a traditional and direct method of instruction. The instructor organises the material and gives it to a group of trainees in the form of a talk. To be effective, the lecture must motivate and create interest among the trainees. An advantage of lecture method is that it is direct and can be used for a large group of trainees. Thus, costs and time involved are reduced. The major limitation of the lecture method is that it does not provide for transfer of training effectively.

d. ***Conference/discussion approach:*** In this method, the trainer delivers a lecture and involves the trainee in a discussion so that his doubts about the job get clarified. When big organisations use this method, the trainer uses audio-visual aids such as blackboards, mockups and slides; in some cases the lectures are videotaped or audio taped. Even the trainee's presentation can be taped for self-confrontation and self-assessment. The conference is, thus, a group-centred approach where there is a clarification of ideas, communication of procedures and standards to the trainees. Those individuals who have a general educational background and whatever specific skills are required – such as typing, shorthand, office equipment operation, filing, indexing, recording, etc. – may be provided with specific instructions to handle their respective jobs.

e. ***Programmed instruction:*** This method has become popular in recent years. The subject-matter to be learned is presented in a series of carefully planned sequential units. These units are arranged from simple to more complex levels of instruction. The trainee goes through these units by answering questions or filling the blanks. This method is, thus, expensive and time-consuming.

**Check Your Progress 2**

State whether the following statements are true or false:

1. Job instruction training is a four step instructional process involving preparation, presentation, performance tryout and follow up.
2. Coaching is a king of daily training and feedback given to employees by immediate supervisors.
3. Mentoring is a relationship in which a junior manager in an organisation assumes the responsibility for grooming a senior person.
4. Mentoring in India is based on the time-honoured guru- shishya relationship where the guru would do everything to develop the personality of the shishya, offering emotional support, and guidance.

## 3.4 TRAINING TECHNIQUES

### 3.4.1 Demonstration Technique

The usual way of imparting skill is by an experienced trainer performing the working activity, at pre-determined speeds, telling the trainee how to do the task, showing the trainee the movements involved and coaching the trainee whilst he practises. This, we tend to call demonstration, though in fact each of these parts could be a complete session in itself. Often the task is broken down into distinct stages, each one being practised separately. The whole skill is thus built from step-by-step instruction. It will be noted that this technique merely teaches psychomotor dexterity and any resultant principles or theory must be taught by one of the training methods.

It is successful because it uses all of the learner's senses, if properly planned and organized. Visual material, discussion, question and answer techniques will all provide important learning stimuli to back up the demonstration. Needless to say, an essential aspect of this technique from the trainer's point of view is the need for prior rehearsal of the skill, often to a pre-determined speed and quality standard.

A smooth performance during demonstration increases confidence on both sides of the learning relationship, so it is well worthwhile to get in some practice prior to the event. It is essential that demonstrations as far as possible should use the actual equipment in the real workplace, i.e. on-the-job training, if skills are being taught. Another application of demonstration is to illustrate a principle during a knowledge-type session but this may or may not teach a skill afterwards. Alternately, in off-job training situations, realistic and accurate reconstructions of the working environment are desirable, if the trainee is to practise in something like real conditions.

Thus demonstrations need careful, strategic build-up by a competent trainer to be really successful, and considerable coaching skills during the resultant practice by the trainee if they are to reach experienced worker standard within the allotted time span. A typical skill-type session based upon the demonstration and practice technique might look like this:

Commencement.

Check (positioning of trainees, everything ready).

Demonstrate silently speed for task.

Demonstrate the task again, this time with verbal explanation, one stage at a time.

Discussion, question and answer, clarification.

Demonstration by trainees individually with trainer correcting faults.

Trainees dispersing to practise.

Supervised practice by trainees, trainer acting as coach.

The demonstration method begins when you, as trainer, perform an activity or behaviour while learners observe and then later perform. The demonstration can include action performed by someone other than you, such as a videotape or learner. Behaviour modelling and demonstration both allow participants in training to learn through observation before performing on their own.

### 3.4.2 Lecture Technique

This is traditionally the most formal method of instruction, and usually consists of verbal explanation or description of the subject matter, with or without illustration. It has been in use for centuries, and is the preferred learning style to this day in many higher institutions and state organizations. It is also called chalk-and-talk method. As a strategy, it has many advantages for the trainer and several purposes, including:

- It can be used to give an overall view of the subject matter as an introduction, the detail being filled in later (often by a different method).
- The presentation of new techniques and procedures, of which the trainees can have no previous knowledge.
- The stimulation of interest in a new direction, line of thought or development.
- Teaching complex information, which can be precisely worked out beforehand even to the exact word.
- The most obvious application is where there are large numbers of trainees needing information, where participation is not possible because of the sheer volume of people.
- The timing can be worked out exactly and entered in the lesson plan with sure knowledge that the trainer will in fact cover the ground he intends to do.

Seminars are sometimes arranged after a lecture. In a seminar one member has prepared an opening paper based upon the previous lecture, and a group discussion ensures. This gives an opportunity for clarification, development of concepts and exchange of views and ideas on the subject matter.

The trainer should stay in the background so that the trainees can learn to express themselves, discuss and classify their own ideas on the topic. The maximum number of participants should not exceed twenty in any one group, and a seminar can be followed by tutorials.

### 3.4.3 Simulation Games

Not all simulation is to do with psychomotor skills, since it is the core of business and management games, essential in developing supervisory and managerial skills. In this simulated environment, trainees are presented with information about the concern – its market, products, workforce, financial position, etc. – and the trainees assume given management roles usually in groups. These groups then run the company making decisions, dealing with people and taking action. Often the results of the game are computerised, comparing the groups' actions to a pre-determined model of the likely outcome. Feedback is prompt so that analysis of the trainee's action and their likely effects is quickly forthcoming. The simulation of the real life situation aids the transfer of learning from classroom to boardroom.

Several elements are involved in the use of simulation games and exercises. To make them effective for the purpose of learning of various kinds, it is necessary that due attention is paid to several aspects. Such as,

(1) ***Facilitator:*** The facilitator plays the crucial role in behaviour simulation. He is expert on the particular topic which is involved in simulation.

(2) ***Participants:*** Although games are constructed with pre-determined rules, participants should have enough freedom to respond to situations in their own way and learn by their experience.

(3) ***Insight learning:*** It is necessary that behaviour simulation produces insight in learners. One of the roles of the facilitator is to process the data of behaviour generated in the simulation so that the learners are able to see the relationship between what they did and their consequences in terms of the simulation.

(4) ***Cognitive learning:*** The purpose of behaviour simulation is not fulfilled unless the cognitive framework emerges. The facilitator may elect the necessary learning from the participants by asking appropriate questions.

(5) ***Flexibility:*** The facilitator may innovate the rules according to the changes occurring in the group. He should feel free to drop some part of the simulation as the exercise/ game develops and if he feels that this may be required. A distinction should be made between flexibility as a convenient way of getting out of some difficulties and creative flexibility which enhances the value of simulation and adapts to the need of the situations.

(6) ***Debriefing:*** One important dimension of behaviour simulation is sharing the rational and the purpose of simulation after the simulation is over. This may especially be necessary in exercises in which conflicts, competition, trust, cooperation are generated as part of simulation. Debriefing becomes a necessary part of simulation in which attitudes, values, behaviour, etc. are involved.

There are many management games available. Some of the popular ones are - Broken Square for interpersonal cooperation, Hollow Square for interpersonal communication, Hampshire Inbasket for leadership, Lost at Sea for group problem-solving and decision-making; and Prisoner's Dilemma for competition - collaboration.

### 3.4.4 In-Basket Exercise

New managers can make mistakes in relation to personnel policies (e.g. lack of knowledge about overtime policies, disciplinary action, benefits, and so forth) that can result in costly errors : inaccurately paid wages, grievances and subsequent lawsuits. Most personnel professionals, therefore, agree that orienting new managers, whether in one-to-one meetings or an organisation-wide programme, is essential.

The new managers group may include company or industry newcomers, corporate veterans, administrators, team leaders, and supervisors. How can important personnel policies be presented without boring them? Create in-basket exercises of personnel issues in which supervisors can work on simulated policy-related concerns as if they were working through their own in-baskets (also called In-Trays).

Putting together an in-basket exercise is not especially difficult. There are four basic considerations in designing such an in-basket exercise:

(i) Define the general type of problem.

(ii) Define the setting.

(iii) Draft appropriate material.

(iv) Make the exercise realistic.

The development of in-basket exercise is a 3-step process : (a) data gathering; (b) creating the scenario; (c) and review. Each step forms the foundation of the next and builds upon those that precede it. All of them, therefore, require equal attention.

(a) ***Data Gathering:*** Talk to people in the employment, payroll, time-keeping, employee relations, risk management, benefits and employee health areas. Ask them for help.

(b) ***Creating the Scenario:*** Pick one or several departments or situations with which managers interact and understand, such as the business office, the accounting department or maintenance. Avoid basing the case on a highly technical situation or environment. An important part of any manager's job is time management and establishing work priorities.

For the in-basket exercise, 45-60 minutes is a reasonable length of time to ask new managers to work through personnel policies and their corresponding problems. Be sure to include issues that the managers completing the exercise actually have authority over and responsibility for. Once the objective, content and time restrictions have been determined, realism can be added by creating names. Do not identify characters by gender, age, handicaps and so forth.

Prepare items or documents for new managers to deal with, reach to, delegate and so forth. It is often helpful to create a larger pool of items that can be rotated into the in-basket, but assume participants will complete 10-15 items, depending on the time available.

Inexperienced managers frequently feel overwhelmed by the exercise, so try to keep the number of items and the time allowed to complete them realistic. When developing exercises to achieve specific results, it often helps both the developer of the in-basket and those working through it to provide existing forms, notice or memos that can help reference to the proper policy.

(c) ***Review:*** The final step is to review the in-basket for accuracy, realism, and continuity of time factors. Make sure dates match; exercises can be used for a longer period of time if no year is identified in the date. Use the resource people to help with this review. Such a review is most successful if the programme coordinator or trainer facilitates the participant's responses using a chalkboard or flip chart.

As with any training programme, it is best to introduce an in-basket programme with a pilot effort. Piloting allows for mistakes; allows participants to be evaluators as well as students and offer helpful feedback about the exercise; and allows for improvement of the programme for the future.

### 3.4.5 Films and Training

Films not only entertain but also provide a medium to teach leadership at all levels in the leadership development process-self or team development. A good film can touch your heart, your mind, and your conscience. In this training technique participants watch provocative film clips that show characters in serious ethical dilemmas. A rich-and often profound-discussion of corporate ethics is the result.

Scenes from the films Jerry McGuire and In Good Company illustrate the importance of speaking out when something isn't right. The intense opening of the mountain-climbing film Vertical Limit catalyzes a discussion of making difficult ethical decisions in impossibly short time frames. A scene form The Insider shows how one man solves a complex, life-altering ethical dilemma. Scores of additional film scenes dramatize ethical and moral moments of truth in the leadership development training seminar.

The takeaway from Reel Ethics is a new sense of moral courage; one that unforgettably reminds participants that taking ethical stands should be a much higher concern in our culture. They come to understand that it is one thing to talk and theorize about ethics, quite another to behave ethically. And they leave the leadership development training seminar with beliefs and tactics that will enable them to deal successfully-and morally-with the complex ethical challenges that they face at job, at home, and in society.

### 3.4.6 Role Playing

Role plays, provide learners with the opportunity to apply new skills in a safe environment. Role plays sometimes involve the learners acting the part of other people so they can practice newly learned skills. For example, people who are soon to be promoted to be supervisor may participate in role plays during a supervisory training programme in which they are placed in situations where they must counsel employees for disciplinary problems, such as safety violations or excessive absenteeism.

Since role plays mimic a real scenario and require demonstration, they increase the likelihood that training will transfer from the training site to the work site. They also give you the opportunity to supply performance-oriented feedback immediately following the role play. This feedback, coupled with subsequent opportunities to practice the skills, reinforces learning and permits learners to adjust their application based on simulated experience.

A problem situation is simulated by asking the participants to assume the role of a particular person in the situation. The participant interacts with other participants assuming different roles. Mental set of the role is described but no dialogue is provided.

The whole play may be recorded and the trainee may thus be given the opportunity to examine his or her own performance.

Role playing gives the participants varied experiences which are of much use to understand people better. This method teaches human relations skills through actual practice. The exemplary role playing situations are: a grievance discussion, employment interview, a sales presentation, etc.

### 3.4.7 Critical Incidents Technique of Training

After extensive exploration of the various methods utilized in efforts to effect a balanced analytical-experiential training program, it appears that one of the most flexible and penetrating tools is found in the critical incident technique. Already modified for use in culture analysis, the construction of culture-assimilators, and in certain types of cross-cultural interaction training, this technique holds promise of new dimensions of application in the type of cross-cultural interaction training required by the Personal Response Project. The critical incidents technique can be defined as a set of procedures for systematically identifying behaviours that contribute to success or failure of individuals or organisations in specific situations.

The basic steps involved are:

Gather facts (incidents) about what actually happened

Before

during

after the incident

Analyse the content of the verbal report

Infer how to improve performance based on the above feedback

1. ***Gathering facts:*** The methodology usually employed is an open-ended questionnaire, gathering retrospective data. The events should have happened fairly recently: the longer the time period between the events and their gathering, the greater the danger that the users may reply with imagined stereotypical responses. Interviews can also be used, but these must be handled with extreme care not to bias the user.

2. ***Content analysis:*** Subsequent steps in the CIT consist of identifying the content or themes represented by clusters of incidents and conducting "retranslation" exercises during which the analyst or other respondents sort the incidents into content dimensions or categories. These steps help to identify incidents that are judged to represent dimensions of the behaviour being considered.

   This can be done using a simple spreadsheet. Every item is entered as a separate incident to start with, and then each of the incidents is compiled into categories. Category membership is marked as:

   identical

   quite similar

   could be similar.

   This continues until each item is assigned to a category on at least a 'quite similar' basis.

   Each category is then given a name and the number of the responses in the category are counted. These are in turn converted into percentages (of total number of responses) and a report is formulated.

3. ***Creating feedback:*** It is important to consider not only the bad (negative) features of the report, but also the positive ones, so as not to undo good work, or to make destructive recommendations.

   The poor features should be arranged in order of frequency, using the number of responses per category. Same with the good features.

Go back to the software and examine the circumstances that led up to each category of critical incident. Identify what aspect of the interface was responsible for the incident. Sometimes one finds that there is not one, but several aspects of an interaction that lead to a critical incident; it is their conjunction together that makes it critical and it would be an error to focus on one salient aspect - for instance, to focus on the very last event before the incident when a litany of errors has preceeded it.

### 3.4.8 T-Group Training

T-Group (T-Stands for Training) is concerned with increasing the sensitivity of members to their own functioning and to that of the other members and with correcting blind spots and distortions. T-Group is a means to the end of improving the functioning of the groups to which the members will return.

In T-Group the situation is largely left unstructured, and the agenda of each meeting grows out of the members' own functioning. The task and maintenance functions are not clearly distinguishable. T-Groups are composed of individuals trying to learn new skills. The focus in T-Group is on the Group's functioning, with the attitude of individual members being brought only in so far as necessary in order to elucidate the group's ultimate focus.

The purpose of the classroom tends to be internalisation by the learner of a wide range of publicly dictated subject matter. The emphasis is on there-and-then matters, events and relationships removed in time and space from the classroom.

The ambiguity in T-Group purposes probably comes from other sources : the necessity for stating goals vary abstractly (e.g. increased ability to diagnose group phenomena); the deliberate use of ambiguity as a device to force attention to the here-and-now; goal conflicts between members and sub-groups; and the ego-defensive "misunderstanding" of group members about "what we are supposed to be doing here".

An innovation sensitivity training was held under Indian conditions and Indian environment, with great success.

### 3.4.9 Electronic Training

The e-training system and method for computer aided training and certification employs a central network for storing certification information and a plurality of training units. In preferred embodiments, the training units are individual systems comprising training software running on a turn-key based personal computer. An advantage of the invention is that the software is completely customized on each training unit to provide instruction using customized multi-media content, such as high quality digital video footage, taken of the trainee's specific job tasks and work site, as well as questions and instructional scripts customized for the job tasks and work site.

***Computer Based Training (CBT)***

CBT is especially effective for training people to use computer applications because the CBT program can be integrated with the applications so that students can practice using the application as they learn.

Historically, CBTs growth has been hampered by the enormous resources required: human resources to create a CBT program and hardware resources needed to run it. However, the increase in PC computing power, and especially the growing prevalence of computers equipped with CD-ROMs, is making CBT a more viable option for corporations and individuals alike. Many PC applications now come with some modest form of CBT, often called a tutorial.

CBT is also called computer-assisted instruction (CAI).

***Electronic Performance Support Systems (EPSS)***

EPSS is a well-structured system for improving the performance of organisation/institution by means of improving the performance of manager and staff. An integrated electronic environment that is available to and easily accessible by each employee and is structured to provide immediate, individualized on-line access to the full range of information, software, guidance, advice and assistance, data, images, tools, and assessment and monitoring systems to permit job performance with minimal support and intervention by others.

EPSS is a system that provides electronic task guidance and support to the user at the moment of need. EPSS can provide application help, reference information, guided instructions and/or tutorials, subject matter expert advice and hints on how to perform a task more efficiently. An EPSS can combine various technologies to present the desired information. The information can be in the form of text, graphical displays, sound, and video presentations.

An electronic performance support system can also be described as any computer software program or component that improves employee performance by:

1. reducing the complexity or number of steps required to perform a task,
2. providing the performance information an employee needs to perform a task, or
3. providing a decision support system that enables an employee to identify the action that is appropriate for a particular set of conditions.

Electronic Performance Support Systems can help an organization to reduce the cost of training staff while increasing productivity and performance. It can empower an employee to perform tasks with a minimum amount of external intervention or training. By using this type of system an employee, especially a new employee, will not only be able to complete their work more quickly and accurately, but as a secondary benefit they will also learn more about their job and their employer's business.

However, an EPSS must be distinguished from a traditional online help system. In her book, Glory Gery points out that on-line help usually supports a single software application and is not necessarily focused on the entire range of job tasks (which may involve multiple applications), but just that specific software. With online help, cross-referencing is often not available and the information provided is limited and rarely combined with procedures or complex tasks. Perhaps most critically, on-line help can not be customized to the user or the job task; in fact, the same software screen may require different inputs depending on the user and job task.

EPSS must also be differentiated from e-learning simulations that replay a series of steps on-demand within a software application. Simulations are more closely associated with on-demand training, not just-in-time support, because of the longer time considerations, complexity, and media restrictions for playing a simulation. Ted Gannan (2007) describes this differentiation and states that an EPSS can be considered a part of the e-learning category, as it is on-demand learning, and notes that the EPSS modality fits more within the informal learning definition.

From a business perspective, a former Nortel Networks executive, William Bezanson (2002) provides a definition linked to application usability and organizational results:

> A performance support system provides just-in-time, just enough training, information, tools, and help for users of a product or work environment, to enable optimum performance by those users when and where needed, thereby also enhancing the performance of the overall business.

In addition to recommending consideration of an EPSS when knowledge is required to achieve individual performance in a business environment, Bezanson points out that an EPSS should be considered when skilled performers spend significant amount of time helping less skilled performers, when new workers must begin to perform immediately and training is impractical, unavailable or constrained, or employees need to be guided through a complex process/task that can't be memorized. These situations often occur when new systems (e.g. Customer Relationship Management, Enterprise Resource Planning) are introduced, upgraded or consolidated, and in certain call centres when agents must perform using complex systems, processes or products.

**Check Your Progress 3**

Fill in the blanks:

1. The ...................... plays the crucial role in behaviour simulation. He is expert on the particular topic which is involved in simulation.
2. ...................... provide learners with the opportunity to apply new skills in a safe environment.
3. ...................... is a means to the end of improving the functioning of the groups to which the members will return.
4. ...................... is a system that provides electronic task guidance and support to the user at the moment of need.

### 3.4.10 Distance and Internet based Training

Online and distance learning offers flexible, office-based training. Employees can complete the training at their and your business' convenience. Online or distance-learning courses eliminate travel or accommodation costs and often cost less than classroom-based programmes. Smaller businesses without the time or resources to evaluate courses may want to look out for professionally recognised learning providers.

E-learning courses can be fully automated or live. This means that a tutor can interact with employees wherever they may be. Online presentations, e-books and simulations provide a variety of ways to learn. Discussion forums and knowledge-sharing tools allow learners to communicate and discuss issues with each other. You can find about e-learning at the Chartered Institute of Personnel and Development website - Opens in a new window.

***Teletraining***

Mentioned as a modality of Training at a Distance, Teletraining appears to be correlated with the development of the Information/Communication Technologies. In that way, it is the result of years of practical experience that have been conducted with the objective of bringing Training to the person instead of the person having to came to the Training Place.

Teletraining acquired the particular distinction and contours of a Training System, through its potential to increase the range of training solutions in an integrated way. In fact, multimedia platforms and the development of distance data-transmission nets have opened new dimensions and created new discussions around Pedagogic and Didactic matters, as well as the mystical Men/Machine Communication Processes.

Teletraining is training at distance using telematics. Where Telematics is the simultaneous deployment of electronic computing and communication technologies.

Teletraining is training that (a) in which usually live instruction is conveyed in real time via telecommunications facilities, (b) that may be accomplished on a point-to-point basis or on a point-to-multipoint basis, and (c) may assume many forms, such as teleseminars, a teleconference, or an electronic classroom, usually including both audio and video.

Teletraining traditionally is related to distance learning and delineates a perspective of education related only to the aspect of computer-communication technology of distance education, that is referred to the separation of teacher and students in space/ time, and also to the methodologies improving electronic materials for instruction. Following the above traditional approach, teletraining methodology works as an expansion of academic courses in a new technological context of the long distant communication.

Now it will be easy to understand that the historical model of education conflicts with the requirements of the new development of post-industrial society of information. As a fundamental outcome of the paradigm shift from industrial to post-industrial information interactive society, we can forecast the necessity to overcome the strong conceptual "distance" from future scenarios of the productive S.M. enterprises, into a world-wide globalization of the economy and the youth's professional employment all over the world. Therefore we need to look forward to a strategy that can be usefull to modify the conceptual context of traditional education transferred from the traditional schooling systems to the computer based long distance teletraining.

Teletraining improves existing distance learning and training methods by allowing more interaction (than classical distance learning) and more autonomy (than classical training methods). In particular, it is likely to use more multimedia elements:

1. Since teletraining implies an investment in computer equipment anyway, adding multimedia capacities to the equipment can be done with very little extra cost.
2. The need for efficient and autonomous didactic materials encourages the use of computer based training and multimedia tools.

This modality is composed by three characteristics:

- The virtual presence of the trainer;
- The existence of geographical distance between the trainees and the trainer;
- The use of ITT/ICT

***Advantages***

- Adapts to each student's needs and abilities;
- Enables the trainee to learn at his/her own rhythm, adapting the training course to his/her particular needs, specially related to time;
- Helps the student to acquire autonomy and control, developing self-learning power;
- May be adjusted to different phases: initial or continuous training.

***Disadvantages***

- Isolation/lack of human contact;
- Not appropriate for practical tasks;
- Technological platforms are not adjusted to the needs of all People with Disabilities;
- Heavy initial investment for development and equipment.

It is also important to point out that Teletraining is probably the best training solution for those who hope to find employment as a Teleworker. The fundamental reason is that, through this method, the trainee acquires a previous knowledge of the tools that will be used while working.

Nevertheless, the implementation of Teletraining Systems is not an easy task. In a world where technologies are modifying companies and working methods every day, we must adapt our institutions also for the knowledge and behaviour modifications, improving innovation, creativity and flexibility towards change.

### *Video Conferencing*

Video conferencing technology is all the rage among corporations. Recently educational facilities have begun taking advantage of video conferencing technology to support learning and education.

Video conferencing is a real time and interactive tool for companies, students and individuals to communicate via audio, video and computer technology across time zones and locations. Essentially, it is a live connection between people in separate locations that provides full-motion video images and high-quality audio.

Meeting participants see and hear each other during the conference, and can concentrate on the images and interaction among the participants. Video conferencing technology typically includes access to a network (ISDN and IP are the most common), conferencing equipment (monitor, camera, microphone and speakers), an audio system, and a codec (an acronym for coder/decoder). Through this device, video, audio and data signals are compressed during transmission.

The benefits of video conferencing are numerous. Video conferencing saves travel time and money, it urges participants to reach decisions that may not come as easily in a face-to-face meeting, and it gives participants the chance to see others' body language and facial expressions, which are important factors for a sales or a board meeting. Video conference meetings are most successful when the participants have met before, and when they meet on a regular basis. It can also be used to deploy employee training in a lecture format that is both creative and interactive for greater learning and retention. Also, since the attendees must see the speaker, they in turn will stay focused on the speaker's presentation.

Telecommuters benefit from video conferencing because they are able to live where they want to live, and still get their job done through their computer and video conferencing.

When video conferencing is used in the classroom, remote students are able to interact with each other and the instructor, or with guest speakers, and the conferencing technology can transport the students to virtual field trips and connect them with other video conferencing participants at other locations. Video conferencing is accepting of students' various learning styles and conferencing presentations hold students' interest through video clips, graphics, and animations of hard to access locations like a nuclear power plants, laboratories or volcanic islands. For greater interaction, electronic whiteboards can be used while host PCs share documents and scan photos.

Video conferencing plays the role of helping participants communicate fully with remote participants and it gives access to participants who are limited by their physical location. This technology connects groups with their ideas, and it is beneficial for a company's bottom line, or a university's education goals. Video conferencing can also be used as a career or employee training tool. Many colleges are now collaborating with local businesses to offer students certification and business training. Expert subject matter delivered from individuals in the field is easily delivered to students using this new technology. Student can also take advantage of mentoring services offered by companies in distant locations using video conferencing technology. The possibilities are virtually endless.

### *Training via Internet*

Due to rapid changes in technology, new techniques, such as business skills training online via the Internet, are available for employee development that generally offer better results. Employers find the need for continual training of employees to keep up with innovations.

For example with computers forming an essential part of most businesses, it becomes necessary to train staff in any new programs that hit the market that are valuable to the organization. One cannot employ new people each time a new program is invented. One of the best training methods, can be online learning.

Because the use of the Internet, you are not limited in your selection of trainers for your seminars. Outstanding nationally recognized speakers and trainers provide online training in addition to live seminars. They can speak and expertly address any training need you may have. You will discover online training that covers such topics as mentoring, ethics, interpersonal and leadership skills, negotiation, team building, public speaking, business writing and even time and stress management, which can be appropriate for every employee. However, if specialized training is required, you can find expert trainers ready to teach your employees new skills in the areas of human resources, health care and industrial training, accounting, management and so many more.

Because of the online method of delivery, any training you provide your employees is available to all who have Internet access. Online seminars, or webinars, can be live and recorded. The benefit of a live webinar is that they also often come with a telephone number, so that you can call in, making for an interactive experience. The advantage of a recorded webinar is your employees' ability to replay it as many times as they wish, which will help improve retention and comprehension of the material presented.

The scheduling of a live on-site seminar can be complicated, especially if you want all of your employees to attend. You would need to essentially shut down the business for an entire day or even more in order for your employees to participate. This is not the case with an online class, and especially if it is recorded. You could have certain divisions attend in a group setting, and rotate through all of your divisions so that work can still continue.

Time is money and most employers realize the setback their business suffers when employees have to put their work on hold and travel to attend training seminars and programs. It is a catch 22 situation for the employer who finds that if the employee is sent to study then the work suffers and if the employee is kept back then too there is a backlog of work. Online business skills training programs solve this problem by enabling the employer to introduce employee training and development plans through the process of e-learning.

Employees can increase their productivity by following these online employee training and development programs in the comfort of their office or home. Thus, one of the most important benefits of using learning for business skills development is the time saved which also saves money.  E-learning programs are available at the place of convenience to the employee or the employer rather than the other way round.

***Learning Portals***

Learning and online learning applications are changing the way we think about learning. E-Learning offers flexibility and accessibility - you can have access to learning when you want, where you want it and in a way that suits you.

e-Learning has removed the geographical barriers of learning. It has enabled organisations to integrate learning with work, recognising the fact that most learning takes place on the job. E-Learning offers 'just-in-time' training opportunities so that you can find out information, facts, figures, methodologies and learn new skills exactly when you need to.

e-Learning empowers you to take charge of your learning and provides learning in different ways to accommodate different learners. It makes learning exciting, engaging and compelling. Difficult or dull subjects can be made more interesting, easier and more appealing. It is an engaging, active experience with the emphasis on interactivity and 'learning by doing'.

Online communities and networks make e-learning a social activity, which means you will experience a powerful and enduring learning experience. Blended programmes can integrate e-learning with face-to-face workshops, coaching, action learning and a huge range of other learning methods to cover a range of needs, styles and approaches.

e-Learning is cost effective - it can help organisations to save money through improved competencies and skills and reduction in learning times. E-Learning and blended learning bring numerous unique benefits to organisations, employees and customers.

Gartner has identified e-learning as one of 2004's hot technologies, but South African companies which have invested millions in implementing e-learning solutions are finding that these solutions are not being taken up by targeted users. Key to creating a true learning organisation, says SYBILLE MCCLOGHRIE, director of Tilos Business Solutions, is a learning portal that unites various training systems under one banner.

In their drive to implement e-learning, organisations have made mistakes arising from their unfamiliarity with the overall requirements of an e-learning solution. e-Learning offers many advantages over traditional training systems and may in most cases be a superior approach to training delivery. However, the vast number of e-learning suppliers, and the wide variation in technology, functionality and services only add to the confusion around effective e-learning implementation. That's where the learning portal comes in.

An e-learning portal that is compatible with most content authoring tools has the ability to consolidate disparate learning management systems and diverse content under one umbrella, allowing for a diversity of courseware to be incorporated into one consistent front-end.

The e-learning portal is the glue to a learning solution within an organisation. It provides a company with one place of learning, enabling users to log into the portal and have access to all training content, learning management systems, HR systems and more. Also, any third-party system within an organisation can have access from the portal where required.

For an e-learning programme to be accepted by its intended users, it must be relevant. This means it must be aligned with an organisation's values and goals, have the support of senior management, and be linked to all other HR systems, such as performance management.

A portal interface allows clients to push information down to users based on comparisons to key performance indicators (KPIs), balanced scorecards, analytics, and performance management, rather than relying on people to pull down the information in an erratic or unstructured manner. Thus existing investments in technology and related e-learning assets can be exploited to their fullest extent, while change management and adoption issues are minimised.

An e-learning portal is also fundamental in addressing compliance issues, as well as reports for the South African Qualifications Authority (SAQA), for those organisations wishing to claim back part of their Skills Development Levy for training that has been undertaken. A solution that offers some standard reporting functionality will enable you to add further elements through simple configuration rather than customisation. Thus total cost of ownership (TCO) is not prohibitive when it comes to scalability.

**Check Your Progress 4**

1. Mention five on-the-job training methods.

   ......................................................................................................

   ......................................................................................................

2. What do you understand by simulation?

   ......................................................................................................

   ......................................................................................................

3. What is learning portal?

   ......................................................................................................

   ......................................................................................................

***Blended Learning***

The "blended learning" approach incorporates classroom-based training, ad hoc content training and self-study learning over the Web - all of which can in turn be incorporated into a learning strategy. This results in reduced learning and training costs through reduction in travel and accommodation expenses, as well as less time in the classroom.

This integrated learning management environment is ideally suited to providing the robust and interactive assessment and analytical platform required to deliver summarised and high-level training information to management to facilitate and quicken the decision-making process. An e-learning solution that features this component provides the ability to store, mine and extract learning data in the organisation into simple, readable, statistical information.

***A standard framework of Learning***

It is key to an organisation's growth to provide a single place of learning in a company. There should be a single look and feel for the organisation and a standard framework of learning.

A proactive system can push down the right information at the right time and place to correspond with the profile of a person in terms of career and development paths. This gives learners access to the training content/information they need to perform their jobs, which in turn allows critical business decisions to be made faster.

This also assists in the initial creation and the constant reinforcement of corporate identity, within the e-learning space, via one view/entry point of the portal and logon that can be customised to the organisation's brand.

From a corporate social responsibility perspective, the learning portal can be extended to the greater community and families of employees for literacy training, for example.

## 3.5 LET US SUM UP

In this lesson we have discussed various on-the-job and off the job training methods. Formal training methods include (i) on-the-job training covering job instruction training, coaching, mentoring, job rotation, apprenticeship training, committee assignments and (ii) off-the-job training includes lectures, conferences, simulation exercises and programmed instruction.

## 3.6 LESSON END ACTIVITY

What training methods are useful in technical training? Select one of the training methods and explain with illustrations.

## 3.7 KEYWORDS

***Mentoring:*** An experienced employee offering guidance and support to a junior employee so that the latter learns and advances in the organisation.

***Job instruction training:*** Training received directly on the job.

***Obsolescence:*** A condition that results when an employee loses the knowledge or abilities to perform successfully due to changes in the field.

***Feedback:*** The process of providing trainees with information about their performance.

***Job rotation:*** Moving a trainee from job to job so as to provide cross training.

***Role playing:*** A development technique requiring the trainee to assume a role in a given situation and act out behaviours associated with that role.

***Vestibule training:*** A training method involving the creation of training facilities separate from the regular production area but with the same equipment.

***On-the-job training:*** Any training technique that involves allowing the person to learn the job by actually performing it on the job.

***Punishment:*** Reinforcement that is aimed at reducing undesirable behaviour by associating that behaviour with a painful consequence.

***Counselling:*** The discussion of an employee's problem with the general objective of helping the employee cope with it.

***Simulations:*** Any artificial environment that tries to closely mirror an actual condition. These include case studies, decision games, role plays, etc.

***Apprenticeship:*** A training method that puts trainees under the guidance of a master worker, typically for 2-5 years.

***Case:*** An in-depth description of a particular situation an employee might encounter on the job.

***Task analysis:*** Process of determining what the content of a training programme should be on the basis of a study of the tasks and duties involved in the job.

***In-basket:*** A method where the trainee is required to examine a basket full of papers and files relating to his area and make recommendations on problems contained therein.

***Person analysis:*** Assessment of employee performance and the knowledge and skill necessary to reach that level of performance.

## 3.8 QUESTIONS FOR DISCUSSION

1. Explain the various methods of training.
2. Distinguish between induction and training. Explain the importance of on-the-job training.
3. Take any three training methods and compare and contrast them on relevant features.

4. Discuss the main principles of learning with specific reference to the lecture method in the classroom.
5. What are the skills that a trainer needs in using participants training method? Select a participant training method and illustrate your answer with examples.
6. What is role play? Illustrate its usefulness in performance appraisal.
7. Critically examine the distance and internet based training.

**Check Your Progress: Model Answers**

***CYP 1***

1. JIT method
2. Coaching
3. Mentoring
4. junior person

***CYP 2***

1. T, 2. T, 3. F, 4. T

***CYP 3***

1. facilitator
2. Role plays
3. T-Group
4. EPSS

***CYP 4***

1. ***On the Job Training Methods***
   (i) Coaching
   (ii) Mentoring
   (iii) Job Rotation
   (iv) Job Instruction Training
   (v) Aprenticeship Training
2. ***Simulation:*** These are any artifical environment that tries to closely mirror an actual condition. These include case studies, decision games, role plays, etc.
3. ***Learning Portal:*** The e-learning portal is the glue to a learning solution within an organisation. It provides a company with one place of learning, enabling users to log into the portal and have access to all training content, learning management systems, HR systems and more. Also, any third-party system within an organisation can have access from the portal where required.

## 3.9 SUGGESTED READINGS

Rao VSP, *Human Resource Management*, Excel Books, New Delhi, 2005

Rao PL, *Comprehensive HRM*, Excel Books, New Delhi, 2004

Bhattacharyya D K, *Human Resource Management*, Excel Books, New Delhi, 2006

Rao PL, *Training and Development*, Excel Books, New Delhi, 2007

Sahu RK, *Training for Development*, Excel Books, New Delhi, 2005

Naik G. Pandu, *Training and Development*, Excel Books, New Delhi, 2007

# UNIT II

**LESSON**

# 4

# MANAGEMENT DEVELOPMENT

**CONTENTS**



## 4.0 AIMS AND OBJECTIVES

After studying this lesson, you will be able to:

- Define management development
- Describe the differences between training and development
- Outline the steps in the organisation of an management development

## 4.1 INTRODUCTION

Managers are the indispensable resources, the priceless assets of an organisation. They generate creative ideas, translate them into concrete action plans and produce results. When they succeed, they are able to keep everyone in good humour – including shareholders, employees and the general public. They are hailed as 'invincible corporate heroes' and even treated as prized possessions of a country. When they fail, they destroy the scarce corporate resources and make everyone cry. The outcomes of managerial actions, thus, are going to be deep, profound and decisive. To get ahead in the race especially in a complex, dynamic and ever-changing world, managers need to develop their capabilities that go beyond those required by the current job.

## 4.2 CONCEPT OF DEVELOPMENT

Development is an education process as it tries to enhance one's ability to understand and interpret knowledge in a useful way. Development is different from training in that it is often the result of experience and the maturity that comes with it. It is possible to train most people to drive a vehicle, operate a computer, or assemble a radio. However, development in such areas as judging what is right-and-wrong, taking responsibility for results, thinking logically, understanding cause and effect relationships, synthesising experiences to visualise relationships, improving communication skills, etc., may or may not come through over time. Training certainly helps in improving these types of skills. But when the intent is to enhance executives' ability to handle diverse jobs and prepare them for future challenges, the focus must shift to executive development. Executive development focuses more on the manager's personal growth. It is more future oriented and more concerned with education than is employee training.

**Table 4.1: Training versus Development**

| Training | Item | Development |
|---|---|---|
| Learn specific behaviours and actions; demonstrate techniques and processes. | Focus | Understand and interpret knowledge; Develop judgement; Expand capacities for varied assignments. |
| Short term. | Time Frame | Long term. |
| Tries to improve a specific skill relating to a job (mostly technical and mechanical). | Process | Aims at improving the total personality of an individual (largely analytical and conceptual abilities). |
| Meet current requirements of a job; aims at improving employee performance on a currently held job. | Goal | Meet future challenges of the job and the individual; aims at providing learning opportunities designed to help employees grow. |
| Performance appraisals, cost-benefit analysis, passing tests or certification. | Effectiveness Measures | Qualified people available when needed, promotion from within possible, HR-based competitive advantage. |

## 4.3 DEFINITION OF MANAGEMENT DEVELOPMENT

Executive or management development is a planned, systematic and continuous process of learning and growth by which managers develop their conceptual and analytical abilities to manage. It is the result of not only participation in formal courses of instruction but also of actual job experience. It is primarily concerned with improving the performance of managers by giving them stimulating opportunities for growth and development.

**Box 4.1: Features of Executive Development**

- It is a planned effort to improve executives' ability to handle a variety of assignments
- It is not a one-shot deal, but a continuous, ongoing activity
- It aims at improving the total personality of an executive
- It aims at meeting future needs unlike training, which seeks to meet current needs
- It is a long term process, as managers take time to acquire and improve their capabilities
- It is proactive in nature as it focuses attention on the present as well as future requirements of both the organisation and the individual

**Check Your Progress 1**

State whether the following statements are true or false:

1. Development is not an education process as it tries to enhance one's ability to understand and interpret knowledge in a useful way.
2. Executive management development is a planned, systematic and continuous process of learning and growth by which managers develop their conceptual and analytical abilities to manage.
3. Senior management development refers to developing the capability of senior managers to work effectively, not only in their current department, but also to ensure effective performance in other departments within the organisation.
4. The main objectives of senior management developments are to ensure the development of a corps of highly qualified senior managers capable of performing effectively at senior levels of the organisation.

## 4.4 NEED FOR MANAGEMENT DEVELOPMENT

The basic purpose of executive development programmes is to improve managerial performance by imparting knowledge, changing attitudes or increasing skills. Companies spend lavishly on such programmes with a view to attract and retain the best brains in the industry. As with non-managerial personnel, a wide variety of training methods are used for developing managers.

Senior management development refers to developing the capability of senior managers to work effectively, not only in their current department, but also to ensure effective performance in other departments within the organisation.

The main objectives of senior management development are:

- To ensure the development of a corps of highly qualified senior managers capable of performing effectively at senior levels in organization.
- To create a pool of credible candidates who are available for consideration for appointment to chief executive positions.
- To ensure that the senior levels of the organisation are representative of organization.

## 4.5 IMPORTANCE OF MANAGEMENT DEVELOPMENT

Management Development has become indispensable to modern organisations in view of the following reasons:

- For any business, Executive Development is an invaluable investment in the long run. It helps managers to acquire knowledge, skills and abilities (KSAs) required to grapple with complex changes in environment, technology and processes quite successfully. They can have a better grip over market forces and get ahead of others in the race in a confident manner.
- Developmental efforts help executives to realise their own career goals and aspirations in a planned way.
- Executives can show superior performance on the job. By handling varied jobs of increasing difficulty and scope, they become more useful, versatile and productive. The rich experience that they gain over a period of time would help them step into the shoes of their superiors easily.

- Executive Development programmes help managers to broader their outlook, look into various problems dispassionately, examine the consequences carefully, appreciate how others would react to a particular solution and discharge their responsibilities taking a holistic view of the entire organisation.
- The special courses, projects, committee assignments, job rotation and other exercises help managers to have a feel of how to discharge their duties without rubbing people (subordinates, peers, superiors, competitors, customers, etc.) the wrong way.

**Check Your Progress 2**

1. What do you understand by Management Development?

   ....................................................................................................

   ....................................................................................................

2. What are the steps involved in the organisation of management development programme?

   ....................................................................................................

   ....................................................................................................

## 4.6 STEPS IN THE ORGANISATION OF A MANAGEMENT DEVELOPMENT PROGRAMME

The following are the important steps in the organisation of a management development programme:

a. ***Analysis of organisational development needs:*** After deciding to launch a management development programme, a close and critical examination of the present and future development needs of the organisation has to be made. We should know how many and what type of managers are required to meet the present and future requirements.

   A comparison of the already existing talents with those that are required to meet the projected needs will help the top management to take a policy decision as to whether it wishes to fill those positions from within the organisation or from outside sources.

b. ***Appraisal of present management talents:*** In order to make the above suggested comparison, a qualitative assessment of the existing executive talents should be made and an estimate of their potential for development should be added to that. Only then can it be compared with the projected required talents.

c. ***Inventory of management manpower:*** This is prepared to have a complete set of information about each executive in each position. For each member of the executive team, a card is prepared listing such data as name, age, length of service, education, work experience, health record, psychological test results and performance appraisal data, etc. The selection of individuals for a management development programme is made on the basis of the kind of background they possess.

   Such information, when analysed, discloses the strengths as well as weaknesses or deficiencies of managers in certain functions relating to the future needs of the organisations.

d. ***Planning of individual development programmes:*** Guided by the results of the performance appraisal that indicates the strengths and weaknesses of each of the executives, this activity of planning of individual development programme can be performed.

e. ***Establishment of development programmes:*** It is the duty of the HR department to establish the developmental opportunities. The HR department has to identify the existing level of skills, knowledge, etc., of various executives and compare them with their respective job requirements. Thus, it identifies developmental needs and requirements and establishes specific development programmes, like leadership courses, management games, sensitivity training, etc.

f. ***Evaluation of results:*** Executive development programmes consume a lot of time, money and effort. It is, therefore, essential to find out whether the programmes have been on track or not. Programme evaluation will cover the areas where changes need to be undertaken so that the participants would find the same to be relevant and useful for enriching their knowledge and experience in future. Opinion surveys, tests, interviews, observation of trainee reactions, rating of the various components of training, etc., could be used to evaluate executive development programmes.

## 4.7 LET US SUM UP

To be useful and productive, managers need to develop their capabilities at frequent intervals.

Management development is the process in which executives acquire not only skills and competencies in their present jobs but also capabilities for future managerial tasks of increasing difficulty and scope.

Management development, in contrast to employee training, is more future-oriented and concerned with education.

Analysing development needs, appraising current talents, preparing executive inventory, planning and establishment of individual development programmes, and evaluating the success are the main steps in the process of executive development.

## 4.8 LESSON END ACTIVITY

'Successful development requires top management support and an understanding of the relationship of development to other HR activities' Discuss.

## 4.9 KEYWORDS

***Training:*** A planned programme designed to improve performance and bring about measurable changes in knowledge, skills, attitude and social behaviour of employees.

***Development:*** Broadening an individual's knowledge, skills and abilities for future responsibilities.

***Management Development:*** The process in which managers (executives) acquire not only skills and competence in their present jobs but also capabilities for future managerial tasks of increasing difficulty and scope.

## 4.10 QUESTIONS FOR DISCUSSION

1. Define management development. Discuss its objectives.
2. What is importance of management development for an organisation?
3. Discuss the steps involved in a management development programme.

**Check Your Progress: Model Answers**

***CYP 1***

1. F, 2. T, 3. T, 4. T

***CYP 2***

1. ***Management Development:*** It is the process in which executives acquire not only skills and competence in their present jobs but also capabilities for future managerial tasks of increasing difficulty and scope.
2. ***Steps in a Management Development Programme:***
   (i) Analysis of organisational development needs,
   (ii) Appraisal of present management talents,
   (iii) Inventory of managemen manpower,
   (iv) Planning for individual development programmes,
   (v) Establishment of development programme, and
   (vi) Evaluation of results

## 4.11 SUGGESTED READINGS

Rao VSP, *Human Resource Management*, Excel Books, New Delhi, 2005

Rao PL, *Comprehensive HRM*, Excel Books, New Delhi, 2004

Bhattacharyya D K, *Human Resource Management*, Excel Books, New Delhi, 2006

Rao PL, *Training and Development*, Excel Books, New Delhi, 2007

Sahu RK, *Training for Development*, Excel Books, New Delhi, 2005

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# LESSON

# 5

# METHODS OF MANAGEMENT DEVELOPMENT

**CONTENTS**

## 5.0 AIMS AND OBJECTIVES

The purpose of this lesson is to throw light on the various executive development programmes that are currently in use in India. After studying this lesson, you will be able to:

- Discuss the various methods of developing managers
- List critical factors impacting the choice of a suitable method of management development

## 5.1 INTRODUCTION

Management development programmes help in acquiring and developing different types of managerial skills and knowledge. Different types of techniques are used to acquire and develop various types of managerial skills and knowledge. They are (See Table 5.1):

**Table 5.1: Methods of Developing Managers**

| | | |
|---|---|---|
| 1. | Decision-making skills | (a) In-basket<br>(b) Business game<br>(c) Case study |
| 2. | Interpersonal skills | (a) Role play<br>(b) Sensitivity training<br>(c) Behaviour Modelling |
| 3. | Job knowledge | (a) On-the-job experiences<br>(b) Coaching<br>(c) Understudy |
| 4. | Organisational knowledge | (a) Job rotation<br>(b) Multiple management |
| 5. | General knowledge | (a) Special courses<br>(b) Special meetings<br>(c) Specific readings |
| 6. | Specific individual needs<br>(b) Committee assignments | (a) Special projects |

## 5.2 DECISION-MAKING SKILLS

The main job of a manager is to make both strategic and routine decisions. His ability to take effective decisions can be enhanced by developing decision-making skills through various techniques, as explained below:

### 5.2.1 In-basket

In this method, the participant is given a number of business papers such as memoranda, reports and telephone messages that would typically cross a manager's desk. The papers, presented in no particular sequence, call for actions ranging from urgent to routine handling. The participant is required to act on the information contained in these papers. Assigning a priority to each particular matter is initially required.

If the trainee is asked to decide issues within a time-frame, it creates a healthy competition among participants. The method is simple and easy to follow. Trainees learn quickly as they have to list priorities, make assumptions, assign work to others and get things done within a time-frame. Since participants hail from various sections, it is easy to put out inter-departmental fires. On the negative side, the method is somewhat academic and removed from real life situations. The participants, knowing full well that they are handling an imaginary situation, may not be too excited about the whole exercise and may not fully commit themselves to the task.

### 5.2.2 Case Study

This is a training method that employs simulated business problems for trainees to solve. The individual is expected to study the information given in the case and make decisions based on the situation. If the student is provided a case involving an actual company, he is expected to research the firm to gain a better appreciation of its financial condition and corporate culture. Typically, the case method is used in the class room with an instructor who serves as a facilitator. Experienced trainers readily point out that the case study is most appropriate where:

- analytic, problem-solving and thinking skills are most important
- the KSAs are complex and participants need time to master them.
- active participation is required
- the process of learning (questioning, interpreting etc.) is as important as the content
- team problem solving and interaction are possible

**Table 5.2: Merits and Demerits of the Case Study Method**

| Merits | Demerits |
|---|---|
| • Improves problem-solving skills of participants.<br>• Trainees can apply theory to practical problems and learn quickly. It is a way of learning by doing.<br>• Trainees learn how others solve a situation in their own unique way. They get a feel of how others work at a problem and begin to appreciate each other's thinking.<br>• Case studies can provide interesting debates among trainees, as well as excellent opportunities for individuals to defend their analytical and judgemental abilities.<br>• If the case reflects a real life situation, participants take keen interest and examine the cross-currents with an open and inquisitive mind. | • Good case studies do not originate easily. They are costly and time-consuming (collect data, analyse, report, summarise) exercises.<br>• Examining historical evidence may fail to develop the analytical and reasoning abilities of participants.<br>• Cases, sometimes, are not sufficiently realistic to be useful.<br>• Cases may contain information inappropriate to the kinds of decisions that trainees would make in a real setting.<br>• Indiscriminate use of case studies may not help participants who are not mature enough to analyse and participate in discussions actively.<br>• A trainee who is not skilled in this technique can undermine its usefulness.<br>• The case study method have little or nothing in common with the trainee's workplace, which may limit its effectiveness. |

The success of this method is closely linked to the maturity and experience of the trainer who should facilitate the group's learning, keep participants on track and help them see the underlying management concepts in the case clearly. Further, it is also necessary to come up with good case material based on real life situations and present the same before trainees in an interesting manner. When cases are meaningful and are similar to work related situations, trainees can certainly improve their decision-making skills and problem-solving abilities.

**Box 5.1: When using Case Studies**

- Be clear about learning objectives and explore possible ways to realise the objectives
- Decide which objectives would be best served by the case method
- Find out the available cases that might work or consider developing your own
- Set up the activity – including the case material, the room and the schedule
- Observe the principles that guide effective group interactions
- Provide an opportunity to all trainees to participate meaningfully and try to keep the groups small.
- Stop for process checks and get set to intervene when interactions go out of hand
- Allow for different learning styles
- Clarify the trainer's role as a facilitator
- Bridge the gap between theory and practice

***Source:*** Einseidel A.A., Case studies: Indispensable Tools for Trainers, *Training and Development*, August 1995.

### 5.2.3 Business Games

Simulations that represent actual business situations are known as business games. These simulations attempt to duplicate selected factors in a specific situation, which are then manipulated by the participants. Business games involve two or more hypothetical organisations competing in a given product market. The participants are assigned such roles as Managing Director, General Manager, Marketing Manager, etc. They make decisions affecting price levels, production volume and inventory levels. The results of their decisions are manipulated by a computer programme, with the results simulating those of an actual business situation. Participants are able to see how their decisions affect the other groups and vice versa.

**Table 5.3: Merits and Demerits of the Business Game Method**

| Merits | Demerits |
|---|---|
| ● Business games compress time; events that take painfully long time are made to occur in a matter of hours. | ● Difficult and expensive to develop and use good business games. |
| ● One can learn from mistakes, take a different course of action by looking at the consequences and improve performance. | ● They are often far removed from reality. In real life, an executive may get unlimited chances to find his way through the jungle, depending on his mental make-up (instead of choosing from an imaginative list of alternatives). |
| ● They promote increased understanding of complex relationships among organisational units. | ● Participants may become so engrossed in pushing others to the wall that they fail to grasp the underlying management principles being taught. |
| ● “They help trainees develop their problem solving skills as well as to focus attention on planning rather than just putting out fires.” | ● Creativity may take a back seat when unorthodox strategies advanced by innovative participants may not find acceptance from others in the race. |
| ● Prompt feedback facilitates quick learning. | |

## 5.3 INTERPERSONAL SKILLS

A manager can achieve results only when he is able to put individuals on the right track. He must interact with people actively and make them work unitedly. Managerial skills in the area of inter-personal relations can be enhanced through various techniques, viz., Role Play and Sensitivity Training.

### 5.3.1 Role Play

This is a technique in which some problem – real or imaginary – involving human interaction is presented and then spontaneously acted out. Participants may assume the roles of specific organisational members in a given situation and then act out their roles. For example, a trainee might be asked to play the role of a supervisor who is required to discipline an employee smoking in the plant in violation of the rules. Another participant would assume the role of the employee. The individual playing the supervisory role would then proceed to take whatever action he deems appropriate. This action then provides the basis for discussion and comments by the groups.

Roleplay develops interpersonal skills among participants. They learn by doing things. Immediate feedback helps them correct mistakes, change, switch gears hats and reorient their focus in a right way. The competitive atmosphere spurs them to participate actively, listen to what others say, observe and analyse behavioural responses and improve their own performance by putting their textual learning to test.

On the negative side, realism is sometimes lacking in role-playing, so the learning experience is diminished. It is not easy to duplicate the pressures and realities of actual decision-making on the job; and individuals, often act very differently in real-life situations than they do in acting out a simulated exercise. Many trainees are often uncomfortable in role-playing situations, and trainers must introduce the situations well so that learning can take place. To this end, trainers should:

- ensure that members of the group are comfortable with each other
- select and prepare the role players by introducing a specific situation
- help participants prepare; ask them to prepare potential characters
- realise that volunteers make better role players
- prepare observers by giving them specific tasks (e.g, evaluation, feedback)
- guide the role play enactment over its bumps (since it is not scripted)
- keep it short
- discuss the enactment and prepare bulleted points of what was learned

### 5.3.2 Sensitivity Training

This is a method of changing behaviour through unstructured group interaction. Sensitivity training is sought to help individuals toward better relations with others. The primary focus is on reducing interpersonal friction.

In sensitivity training, the actual technique employed is T-group (T stands for training). It is a small group of ten to twelve people assisted by a professional behavioural scientist who acts as a catalyst and trainer for the group. There is no specified agenda. He merely creates the opportunity for group members to express their ideas and feelings freely. Since the trainer has no leadership role to play, the group must work out its own methods of proceeding. A leaderless and agendum-free group session is on. They can discuss anything they like. Individuals are allowed to focus on behaviour rather than on duties. As members engage in the dialogue, they are encouraged to learn about themselves as they interact with others.

**Box 5.2: Features of T-Group Training**

- T-Group consists of 10-12 persons.
- A leader acts as a catalyst and provides a free and open environment for discussion
- There is no specified agenda
- Members express their ideas, feelings and thoughts freely and openly
- The focus is on behaviour rather than on duties
- The aim is to achieve behaviour effectiveness in transactions with one's environment

***Benefit and Costs***

The benefits and costs of sensitivity training have been summarised through Table 5.4.

**Table 5.4: Sensitivity – A Balance Sheet**

| Liabilities | Assets |
|---|---|
| 1. The programme of sensitivity training is considered to be a waste of time. Even participants who are themselves favourably impressed cannot point out the specific benefits and neither can their associates. | 1. A majority of the trainees feel that the experience gained during training is uniquely valuable, as it develops the personality. |
| 2. T-Group leaders are considered to be amateur headshrinkers; they are like children playing with fire. | 2. Practically speaking, there is no real hazard for the emotionally healthy participants; and sick participants are not admitted to the training. |
| 3. The T-Group experience is an immoral and unjustified invasion of privacy, based on false assumptions about the nature of human relationship at work. | 3. Even hardheaded business managers have a softhearted appeal for sensitivity training because they acknowledge the positive value of the training. Many organisations have started paying impressive amounts for training. |
| 4. The process of sensitivity training involves an emotional blood bath; emotional buffeting creates a frightening threat to an individual who is a trainee; it can shatter personal defences and damage future capabilities. Sessions of sensitivity training may – as happens quite often – result in suicide of the interests in the organisation. It may take months, if not years, to repair the damage caused by sensitivity training. | 4. Research on sensitivity training also strongly attests to the benefits of training to employees in an organisation. |
| 5. Sensitivity training has a tendency to result in undesirable behaviour of employees; for the trainee (who is immature) will find it easier to feel hostile without feeling guilty during training. The team work also gets adversely affected because of T-Group training. | 5. Research on sensitivity training also reveals that participants have developed added realism and honesty in their relationships. Before-and-after tests indicate significant changes in attitudes and behaviour and in personal growth. |

**Check Your Progress 1**

State whether the following statements are true or false:

1. A manager can achieve results only when he is able to put individuals on the right track.
2. Role-play is a technique in which some problem - real or imaginary - involving human interaction is presented and then spontaneously acted out.
3. Sensitivity training is not a method of changing behaviour through unstructured group interaction.
4. Sensitivity training is sought to help individuals towards better relations with others.

## 5.4 JOB KNOWLEDGE

In addition to decision-making skills and inter-personal skills, managers should also possess job knowledge to perform their jobs effectively. Trainers acquire job knowledge through on-the-job experience, coaching and understudy.

### 5.4.1 On-the-job Experience

On-the-job techniques are most widely used. No other technique may interest the trainee so much as the location of the learner is not an artificial one in the classroom techniques. The success of these techniques depends on the immediate supervisor and his teaching abilities. On-the-job techniques are especially useful for certain groups like scientific and technical personnel.

Though the costs of training initially appear to be low, they may turn out to be high when wastages of all kinds are considered under this type of training.

### 5.4.2 Behaviour Modelling

This is an approach that demonstrates desired behaviour, gives trainees the chance to practice and role-play those behaviours and receive feedback. The basic behaviour modelling involves the following steps:

- ***Learning points:*** At the beginning, the essential goals and objectives of the programme are stated. In some cases the learning points are a sequence of behaviours that are to be taught.
- ***Modelling:*** Trainees watch films or viedotapes in which a model manager is portrayed dealing with an employee in an effort to improve his performance. The model shows specifically how to deal with the situation and demonstrates the learning points.
- ***Role playing:*** Trainees participate in extensive rehearsal of the behaviours shown by the models.
- ***Social reinforcement:*** The trainer offers reinforcement in the form of praise and constructive feedback based on how the trainee performs in the role-playing situation.
- ***Transfer of learning:*** Finally, trainees are encouraged to apply their new skills when they return to their jobs.

Behaviour modelling can be effective. Several controlled studies have demonstrated success in helping managers interact with employees, handle discipline, introduce change and increase productivity. This method of learning in isolation may prove to be inadequate, but in combination with other off-the-job techniques may prove to be useful.

### 5.4.3 Coaching

In coaching, the trainee is placed under a particular supervisor who acts as an instructor and teaches job knowledge and skills to the trainee. He tells him what he wants him to do, how it can be done and follows up while it is being done and corrects errors. The act of coaching can be done in several ways. The executive, apart from asking trainees to do the routine work, may ask them to tackle some complex problems by giving them a chance to participate in decision-making. For effective coaching, a healthy and open relationship must exist between employees and their supervisors. Many firms conduct formal training courses to improve the coaching skills of their managers.

In coaching, participants can learn by actually doing a piece of work and obtain feedback on performance quickly. However, there is no guarantee that supervisors will be able to coach in an effective way. It is easy for the 'coach' to fall short in guiding the learner systematically, even if he knows which systematic experiences are best. Sometimes doing the job on hand may score over learning and watching. Many skills that have an intellectual component are best learned from a book or lecture before coaching could take place. Further, in many cases, the learner cannot develop much beyond the limits of his own boss's abilities. Coaching would work well if the coach provides a good model with whom the trainee can identify, if both can be open with each other, if the coach accepts his responsibility fully, and if he provides the trainee with recognition of his improvement and appropriate rewards.

### 5.4.4 Understudy

An understudy is a person who is in training to assume at a future time, the full responsibility of the position currently held by his superior. This method supplies the organisation a person with as much competence as the superior to fill his post which may fall vacant because of promotion, retirement or transfer. An understudy is usually chosen by the head of a particular department. The head will then teach him what all his job involves. The superior involves him in decision-making by discussing the daily operating problems as well.

Understudy assignments help the superior to lighten his workload by delegating some portion of his work to a designated person. The understudy, in turn, gets an opportunity to learn the superior's job and get ready for challenging roles at a later date. It is beneficial from the organisation’s point of view also as it will not be at the receiving end when an executive suddenly leaves his job. On the negative side, the designation of a person as an understudy may spark off jealousy and rivalry among competing subordinates. Since the understudy has been specially picked up, others who are left out in the race may get a feeling that competition for promotions is over. This would affect the motivation level of both the one who is designated (who tends to breathe easy, take the assignment for granted and even relax for a while) and the other personnel (who tend to carry the bitter feelings for a long, long time). The whole exercise would be beneficial only when trainees get a real opportunity to deal with challenging or interesting assignments (instead of performing paper shuffling chores).

## 5.5 ORGANISATIONAL KNOWLEDGE

In addition to job knowledge, managers should also possess knowledge of various jobs, products, markets, finances creditors of the organisation, etc. The techniques of imparting organisational knowledge are job rotation and multiple management.

### 5.5.1 Job Rotation

The transferring of executives from job to job and from department to department in a systematic manner is called job rotation. The idea behind this is to give them the required diversified skills and a broader outlook, which are very important at upper management levels. The management should provide a variety of job experiences for those judged to have the potential for higher ranks before they are promoted. Job rotation increases the inter-departmental cooperation and reduces the monotony of the work.

### 5.5.2 Multiple Management

Multiple management is a system in which permanent advisory committees of managers study problems of the company and make recommendations to higher management. It is also called a Junior-board of executives. These committees discuss the actual problems and different alternative solutions after which the decisions are taken. Multiple management technique offers several advantages: it helps board members to gain first hand experience in various important aspects of business; it becomes easy to spot people with talent; juniors get a chance to improve their problem solving skills; and more importantly it is an inexpensive way of training a good number of executives to do things on their own and develop fast.

**Check Your Progress 2**

Fill in the blanks:

1. ......................... is a technique in which some problem–real or imaginary– involving human interaction is presented and then spotaneously acted out.
2. The trainer offers ......................... in the form of praise and constructive feedback based on how the trainee performs in the role-playing situation.
3. An ......................... is a person who is in training to assume at a future time, the full responsibility of the position currently held by his superior.

## 5.6 GENERAL KNOWLEDGE

In addition to job knowledge and organisational knowledge, managers should possess general knowledge, as the external environment interacts with and influences the business. The general knowledge includes the knowledge about the economic conditions of the country and the world in general, in respect of major areas such as prices, GNP per capita income, various other industries, other sectors of the economy, political conditions, social factors, etc. General knowledge can be acquired through special courses, special meetings and specific readings.

a. ***Special courses:*** Special courses – like the workshops or executive development programmes organised by the institutes, universities and colleges – help the trainees to acquire general knowledge.

b. ***Special meetings:*** Special meetings organised in Consumers' Forums, Voluntary Organisations, etc., help the trainees develop their general knowledge.

c. ***Specific readings:*** Specific articles published by various journals, specific portions of important books are provided to the trainees to improve their general knowledge.

## 5.7 SPECIFIC INDIVIDUAL NEEDS

Some trainees may be weak in some areas. Such trainees are provided with special facilities for development. These facilities include special projects and committee assignments

a. ***Special projects:*** In this method, a trainee is put on a project closely related to the objectives of his department. For example, a new recruit in a property evaluation firm may be asked to do a small project reviewing the prospects of selling commercial space in satellite townships (like Gurgaon, Rohtak and Ghaziabad) near Delhi. The project will give a first hand experience of the problems and prospects in space selling to the new recruit.

b. ***Committee assignment:*** In this method, an adhoc committee is appointed to discuss, evaluate and offer suggestions relating to an important aspect of business. For example, a group of experts may be asked to look into the feasibility of developing a Software Technology Park in an upcoming area by the Delhi Development Authority.

## 5.8 OTHER OFF-THE-JOB METHODS

### 5.8.1 Conferences

The conference method is another commonly used method of executive development. Topics such as human relations, safety education, customer relations, sales training, are often discussed, debated, spoken about at conferences specially organised and designed for the purpose. A conference is a meeting of people to discuss a subject of common interest. The conference is structured around a small group meeting wherein a leader helps the group identify and define a problem, guides the discussion along desired lines and summarises the views that represent the consensus of the group in dealing with the problem. The participants exchange notes, opinions, ideas on the subject in a systematic, planned way. A conference may be divided into small groups for focused discussions. Participants are expected to air their opinions and thoughts freely. In order to ensure its success, (i) participants are expected to come prepared for the conference, (ii) the conference leader should conduct the sessions according to a plan, giving enough room for healthy interchange of different viewpoints, (iii) the discussion should proceed along desired lines, and (iv) the size of the group should not be too large.

### 5.8.2 Lectures

Lectures are formal presentations on a topic by an experienced and knowledgeable person. The presentation is generally supported by discussions, case studies, audio-visual aids and film shows. It is a simple and inexpensive way of imparting knowledge on a topic of special importance to a large audience. There could be a speedy interchange of ideas on a specific topic. The method may often degenerate into a kind of one-way traffic where the presenter tries to get ahead without paying attention to the reactions of the audience. If the lecture is not interesting enough, the audience may not participate and offer any feedback. The listeners play a largely non-participatory role. They may ask questions but they never get the feel of what is being talked about. Moreover, participants do not share each other's experiences and hence the learning is confined to what the presenter has to say.

The method could be used effectively if the following things are kept in mind:

- The presentation should be interesting, lively and leave enough room for healthy discussions mid-way.
- The presenter must possess excellent communication and interpersonal skills. Adequate preparation must precede the actual presentation.
- To enrich the presentation, audio-visual aids, examples, cases, and real-life incidents should be used freely, encouraging the audience to participate freely. Better to set time limits to the lecture, since listeners tend to switch off completely beyond a point (say, one or two hours).

### 5.8.3 Group Discussion

In this method, papers are presented by two or three trainees on a selected topic, followed by a stimulating discussions. The topics for discussion are selected in advance and the papers concerning the same, written by various participants, are printed and circulated beforehand. It is a variant of the lecture method and is generally preferred where the intention is to give wide circulation and participation to a number of experts sharing their experiences with a fairly large group of individuals.

### 5.8.4 Programmed Instruction (PI)

It is based on certain behavioural laws, particularly dealing with reinforcement. Reinforcement means rewarding a correct response and punishing a wrong one. A major feature of PI is that it offers immediate feedback on whether the trainee has answered questions correctly or not.

PI is a learner-oriented technique which presents subject matter to the trainees in small, sequential steps, requiring frequent responses from the trainee and immediately offering him of their accuracy or otherwise. If the response is accurate, he takes up the next level; if not, he is asked to go back and start again. The instructions are carefully planned moving from the simple to complex ones in a smooth way.

A major plus point of the method is that it allows the trainee to learn in small steps at a pace and rate suitable to him. He takes active part throughout the programme. Printed instructions could be offered by experts, keeping individual differences in mind. Regular feedback helps the trainer to improve material continuously. A computer-aided format can be placed in the hands of trainers with an instruction manual for getting excellent results. On the negative side, the impersonal atmosphere may not be very stimulating. The cost of designing such programmes is generally high. It is not suitable for trying to bring about behavioural changes.

## 5.9 SELECTION OF A SUITABLE METHOD

The success of any management development programme largely depends on the selection of the method. The objectives of the programme should be kept in mind while choosing a particular method. However, no single technique may prove to be sufficient, but only a suitable combination of techniques may yield results.

The following Table 5.5 may help in making a suitable choice:

**Table 5.5: Suitability of Executive Development Techniques**

| Technique | Suitability |
|---|---|
| Job Rotation | To develop diversified skills and broaden the outlook of an executive |
| Understudy | To aid succession planning by developing the skills of juniors according to a pre-set plan |
| Multiple Management | To assist managers in expanding their outlook and knowledge in various functional areas |
| Case Study | To develop analytical, reasoning and problem-solving skills |
| Role Playing | To translate theoretical knowledge into action plans and to promote good human relations skills among trainees |
| Behaviour Modelling | To teach inter-personnel and cognitive skills |
| In-basket | To promote situational judgement and social sensitivity |
| Business Games | To develop smart thinking, quick reactions, initiative, organising and leadership skills |
| Sensitivity Training | To promote self awareness and its impact on others |
| Conference | To improve and expand knowledge, attitudes and develop interpersonal skills |
| Lecture | To impart conceptual knowledge to a large audience within a short span of time |

**Check Your Progress 3**

1. Programmed Instruction is low on
   (a) feedback
   (b) relevance
   (c) participation
   (d) transference
   (e) repetition
2. Role playing is often used to
   (a) model behaviour
   (b) change results
   (c) learn skills
   (d) change attitudes
   (e) offer feedback
3. Business Games
   (a) improve fire-fighting skills
   (b) promote cooperation among participants
   (c) compress time
   (d) are easy to develop
   (e) encourage creativity

## 5.10 ORGANIZATIONAL DEVELOPMENT THROUGH HUMAN RESOURCE DEVELOPMENT

For many years now, the term Human Resources Development [HRD] has been bandied about to mean training or a logical extension of it. What has to be clearly understood is the while HRD encompasses the entire process of training; it is a much wider concept. Training mean educating narrowly, mainly by instruction whereas development indicates an unfolding process and carries an implication of growth and maturity.

Training, therefore, is to bridge a short-term gap between job requirement and the employees present knowledge, attitude and skills whereas development is a long-term involvement and commitment. Training is to meet specific need but development is more broad-based and concerned with the total person. While training can be piecemeal and sporadic, development is an On-going process which needs full support from top management and endorsed as one of their basic organizational values.

HRD is one of the most important functions for organizational growth and development and includes long-term, broad-based activities which would also ensure organizational Effectiveness. It is the elixir of the business enterprise.

Organizations in the public, private and non-profit sector use OD and HRD strategies and interventions to enhance organizational performance. Today customers, donors, employees and regulators demand more transparent and participatory process. This requires that accountability be designed in, performance standards set, strategy implemented and stakeholders satisfied. Organizations often struggle with these new demands for enhanced performance. By late seventies the concept of HRD and the need for having separate HRD departments picked up momentum. In Pareek and Rao's model of HRD department the objective of this department is to facilitate learning and change in the organizations. This department is supposed to have learning specialists who facilitate change process. In their model, OD was conceived as one of the main tasks of the HRD department. Thus an attempt was made to institutionalize OD through HRD departments. As the departments picked up momentum a lot of OD work had begun to be done through the HRD departments. Infact most change interventions have been and are being made by the HRD departments (as differentiated from the Personnel departments). The HRD Managers in India do undertake a number of interventions which may be classified as OD interventions. The nature of interventions undertaken by the HRD departments include:

- Cultural change through new performance management systems
- TQM based interventions
- Survey Feedback
- Role clarity and Role negotiation exercises
- Training
- Career Planning and Succession exercise
- Assessment Centers and promotion policies
- Visioning and value clarification exercises
- Performance coaching workshops
- Team building interventions

A great deal of work has been done in India regarding the use of HRD Audit as an OD intervention and is a unique feature of Indian organizations. The senior author's experience in initiating OD with the aid of HRD audit has shown the following results:

- The audit in several organizations resulted in establishing several organizational systems and processes such as potential & performance appraisal, career planning, training, mentoring,
- Formulation of clear cut policies including promotion policy, communication policy, reward and recognition policy, etc.
- Helped in developing trust, collaboration, team work,
- Human Orientation gets injected into the business process with opportunities for growth and development provided to all employees.
- More role clarity and direction to the employees in terms of their work leading to higher level of role efficacy.

The above consequences indicate that HRD Audit is cost effective and can give many insights into a company's organizations. While various methods like individual & group interviews, workshop, questionnaires and observation can be used as tools, the success of the audit as an intervention depends on the efficiency of implementation in the post-audit phase.

Total Quality Management, from its inception, intuitively recognized the importance of bringing organizations and individuals together through teams and processes. These two elements (teams and processes) brought new emphasis on training and technologies. The true heart of TQM is in this central role of blending organizations with its individual performers in competitively meeting customer needs (demands). In simplified terms, HRD + OD = TQM.

## 5.11 LET US SUM UP

Various methods are used to develop managerial skills and knowledge including in-basket, case study, behaviour modelling, role play, sensitivity training, business game, coaching, job rotation, multiple management, conferences, lectures, programmed instruction etc.

## 5.12 LESSON END ACTIVITY

Suppose that you are going to design a training programme for newly-hired first-line sales managers. Results from the needs assessment indicate than they will need training on company policies and procedures, handling customer complaints and motivating sales personnel. What learning principles will you build into the programme? What training methods will you choose? Explain your answer.

## 5.13 KEYWORDS

***Management game:*** It is a learning exercise representing a real-life situation where trainees compete with each other to achieve specific objectives.

***Simulation method:*** It is a method employed to develop a situation that is close to reality where people learn by doing things – in a controlled environment.

***Programmed learning:*** A kind of individual study where trainees learn through a series of small steps, e.g., Linear programming.

***Understudy:*** A development method whereby potential managers are given the chance to temporarily relieve an experienced manager of part of his job and act as his substitute during the period, giving him vital insights into the overall job that would make him the automatic choice in the succession process.

***Behaviour modelling:*** An approach that demonstrates desired behaviour and gives trainees the chance to practice and role-play those behaviours and receive feedback.

## 5.14 QUESTIONS FOR DISCUSSION

1. Define Sensitivity Training. Discuss its merits and demerits.
2. Write short notes on:
   (a) Business Games
   (b) Multiple Management
   (c) In-basket Exercise
   (d) Job Rotation
3. Human Resource Development is nothing but looking at the development of manpower of an organisation in the light of its requirements. Do your agree? Give reasons for your views.
4. State the importance of executive development, keeping the Indian conditions in mind.
5. Explain the principal executive training methods and suggest a suitable training package for middle level executives in a large organisation.
6. Discuss the merits and demerits of case study as a method of executive development.
7. Differentiate between training and development. Why is executive development necessary?
8. Explain the merits and demerits of case study as a method of developing executives.
9. Describe the pros and cons of five management development methods.

**Check Your Progress: Model Answers**

***CYP 1***

1. T, 2. T, 3. F, 4. T

***CYP 2***

1. Role play
2. Social reinforcement
3. understudy

***CYP 3***

1. (b)
2. (d)
3. (c)

## 5.15 SUGGESTED READINGS

Rao VSP, *Human Resource Management*, Excel Books, New Delhi, 2005

Rao PL, *Comprehensive HRM*, Excel Books, New Delhi, 2004

Bhattacharyya D K, *Human Resource Management*, Excel Books, New Delhi, 2006

Rao PL, *Training and Development*, Excel Books, New Delhi, 2007

Sahu RK, *Training for Development*, Excel Books, New Delhi, 2005

Naik G. Pandu, *Training and Development*, Excel Books, New Delhi, 2007

# UNIT III

# LESSON

# 6

# INTRODUCTION TO LEARNING

CONTENTS



## 6.0 AIMS AND OBJECTIVES

After studying this lesson, you will be able to:

- Define learning, reinforcement, punishment and extinction
- Explain theories of learning
- Describe various learning curves
- Discuss linkage of learning with training and learning organisation.

## 6.1 INTRODUCTION

Learning as used here, refers to concerted activity that increases the capacity and willingness of individuals, groups, organizations and communities to acquire and productively apply new knowledge and skills, to grow and mature and to adapt successfully to changes and challenges. Such learning empowers individuals and organizations to make wise choices, solve problems and break new ground. In particular, it is sustainable, it is a lifelong, renewable process for people and for the institutions that serves people. Learning certainly includes academic studies and occupational training through high school and beyond. But it also encompasses the physical, cognitive, emotional and social development of children in the earliest years of their lives.

It includes the capacity of organizations to anticipate and adapt to evolving values, technologies, performance standards and constituent expectations. And it includes the capacity of geographic communities and communities of common interest to respond with understanding and initiative to broad changes that represent threats or opportunities.

## 6.2 TYPES OF LEARNING

1. ***Perceptual learning:*** ability to learn to recognize stimuli that have been seen before
   - Primary function is to identify and categorize objects and situations
   - Changes within the sensory systems of the brain
2. ***Stimulus-response learning:*** ability to learn to perform a particular behavior when a certain stimulus is present:
   - Establishment of connections between sensory systems and motor systems
   - *Classical conditioning:* association between two stimuli:
     - Unconditioned Stimulus (US), Unconditioned Response (UR), Conditioned Stimulus (CS), Conditioned Response (CR)
     - Hebb rule - if a synapse repeatedly becomes active at about the same time that the postsynaptic neuron fires, changes will take place in the structure or chemistry of the synapse that will strengthen it
     - Rabbit experiment - tone paired with puff of air
   - *Instrumental conditioning:* association between a response and a stimulus; allows an organism to adjust its behavior according to the consequences of that behavior:
     - Reinforcement: positive and negative
     - Punishment
3. ***Motor learning:*** establishment of changes within the motor system
4. ***Relational learning:*** involves connections between different areas of the association cortex
5. ***Spatial learning:*** involves learning about the relations among many stimuli
6. ***Episodic learning:*** remembering sequences of events that we witness
7. ***Observational learning:*** learning by watching and imitation other people

## 6.3 THEORIES OF LEARNING

A learning theory is an attempt to describe how people and animals learn, thereby helping us understand the inherently complex process of learning.

There are three main categories or philosophical frameworks under which learning theories fall: behaviorism, cognitivism, and constructivism. Behaviorism focuses only on the objectively observable aspects of learning. Cognitive theories look beyond behavior to explain brain-based learning. And constructivism views learning as a process in which the learner actively constructs or builds new ideas or concepts.

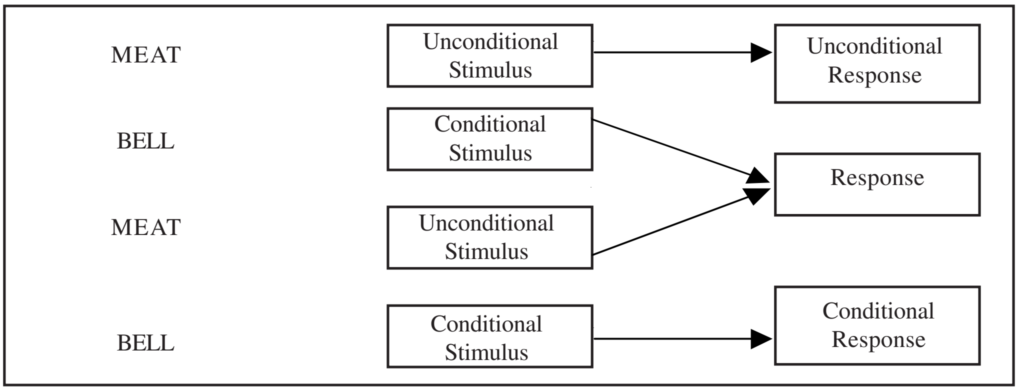
It is also important to take account of informal learning theories, and to consider the philosophical anthropology implied by any theory.

### 6.3.1 Classical Conditioning

Classical conditioning is one of the simplest forms of learning, yet it has a powerful effect on our attitudes, likes and dislikes, and emotional responses. We have all learned to respond in specific ways to a variety of words and symbols. Our lives are profoundly influenced by associations we learn through classical conditioning. Ivan Pavlov's research on the conditioned reflex in dogs revealed much of what we know about the principles of classical conditioning.

***Classical Conditioning of Pavlov:*** Ivan Pavlov (1849 - 1936) organized and directed research in physiology at the Institute of Experimental Medicine in St. Petersburg, Russia from 1891 until his death in 1936. His book "Conditioned Reflexes" is one of the classic works in psychology.

Classical conditioning is modifying behaviour so that a conditioned stimulus is paired with an unconditioned stimulus and elicits an unconditioned behaviour. Ivan Pavlov, a Russian psychologist developed classical conditioning theory based on his experiments to teach a dog to salivate in response to the ringing of a bell. When Pavlov presented meat (unconditioned stimulus) to the dog, he noticed a great deal of salivation (conditioned response). But, when merely bell was rung, no salivation was noticed in the dog. What Pavlov did next was to link the meat and the ringing of the bell. He did this several times. Afterwards, he merely rang the bell without presenting the meat. Now, the dog began to salivate as soon as the bell rang. After a while, the dog would salivate merely at the sound of the bell, even if no meat were presented. In effect, the dog had learned to respond, i.e., to salivate at the sound of bell, since it was conditioned to link the sound of the bell with the offering of meat.




***Source:*** Ricky W Griffin and Gregory Moorhead " Organizational Behaviour", Hougton Mifflin (1986) page 106

**Figure 6.1: Classical Conditioning Theory**

Classical conditioning introduces a simple cause-and-effect relationship between one stimulus and response. It also makes the response reflective or involuntary after the stimulus-response relationship has been established. This leaves no ground for making choices, which factor differentiates human beings from dogs. Under certain situations, classical conditioning does explain human behaviour. For example, if a student is always reprimanded by his Principal when he is summoned to the principal's office, he may become nervous whenever asked to come to the principal's office because of this association.

The Elements and Processes in Classical Conditioning:

***Reflex:*** A reflex is an involuntary response to a particular stimulus. There are two kinds of reflexes:

(i) ***Conditioned Reflex:*** This is a "learned" reflex rather than a naturally occurring one.

(ii) ***Unconditioned Reflex:*** This is a "unlearned" reflex. Example, salivation in response to food. Unconditioned reflexes are built into the nervous systems of most vertebrates.

The Conditioned and Unconditioned Stimulus and Response: Pavlov continued to investigate the circumstances under which a conditioned reflex is formed. Dogs do not need to be conditioned to salivate to food, so salivation of food is an unlearned or unconditioned response (UR). Any stimulus (such as food) that without learning will automatically elicit (bring forth) an unconditioned response is called an unconditioned stimulus (US).

### 6.3.2 Operant Conditioning

Operant conditioning argues that behaviour is a function of its consequences. People learn to behave to get something they want or avoid something they don't want. Operant behaviour means voluntary or learned behaviour in contrast to reflexive or unlearned behaviour. The tendency to repeat such behaviour is influenced by the reinforcement or lack of reinforcement brought about by the consequences of the behaviour. Reinforcement therefore strengthens behaviour and increases the likelihood that it will be repeated.

What Pavlov did for classical conditioning, the Harvard psychologist B.F Skinner did for operant conditioning.

Operant conditioning induces a voluntary change in behaviour and learning occurs as a "consequence" of such change. It is also known as reinforcement theory and it suggests that behaviour is a function of its consequences. It is based upon the premise that behaviour or job performance is not a function of inner thoughts, feelings, emotions or perceptions but is keyed to the nature of the outcome of such behaviour. The consequences of a given behaviour would determine whether the same behaviour is likely to occur in future or not. Based upon this direct relationship between the consequences and behaviour, the management can study and identify this relationship and try to modify and control behaviour. Thus, the behaviour can be controlled by manipulating its consequences. This relationship is built around two principles:

- The behaviour that results in positive rewards tends to be repeated and behaviour with negative consequences tends not to be repeated.
- Based upon such consequences, the behaviour can be predicted and controlled.

Hence, certain types of consequences can be used to increase the occurrence of a desired behaviour and other types of consequences can be used to decrease the occurrence of undesired behaviour. The consequences of behaviour are used to influence, or shape behaviour through three strategies: reinforcement, punishment and extinction. Thus, operant conditioning is the process of modifying behaviour through the use of positive or negative consequences following specific behaviours.

From an organizational point of view, any stimulus from the work environment will elicit a response. The consequence of such a response will determine the nature of the future response. For example, working hard and getting the promotion will probably cause the person to keep working hard in the future.

**Check Your Progress 1**

Fill in the blanks:

1. .......................... involves connections between different areas of the association cortex.
2. A .......................... is an attempt to describe how people and animals learn, thereby helping us understand the inherently complex process of learning.
3. .......................... argues that behaviour is a function of its consequences.

### 6.3.3 Cognitive Learning Theory

Behaviourists such as Skinner and Watson believed that learning through operant and classical conditioning would be explained without reference to internal mental processes. Today, however, a growing number of psychologists stress the role of mental processes. They choose to broaden the study of learning to include such cognitive processes as thinking, knowing, problem solving, remembering and forming mental representations. According to cognitive theorists, these processes are critically important in a more complete, more comprehensive view of learning.

1. ***Wolfang Kohler (1887-1967):*** Learning by insight: A German Psychologist studied anthropoid apes and became convinced that they behave intelligently and were capable of problem solving. In his book 'The Mentality of Apes' (1925), Kohler describes experiments he conducted on chimpanzees confined in caged areas.

   In one experiment, Kohler hung a bunch of bananas inside the caged area but overhead, out of reach of the apes, boxes and sticks were left around the cage. Kohler observed the chimp's unsuccessful attempts to reach the bananas by jumping or swinging sticks at them. Eventually, the chimps solved the problem by piling the boxes one on top of the other until they could reach the bananas.

   In another experiment, Sultan, the brightest of the chimps, was given one short stick; beyond reach outside the cage were a longer stick and a bunch of bananas. After failing to reach the bananas with the short stick, Sultan used it to drag the longer stick within reach. Then, finding that the long stick did not reach the bananas, Sultan finally solved the problem by fitting the two sticks together to form one long stick. With this stick, he successfully retrieved the bananas.

   Kohler observed that the chimps sometimes appeared to give up in their attempts to get the bananas. However, after an interval they returned and came up with the solution to the problem as if it had come to them in a flash of insight. Kohler insisted that insight, rather than trial-and-error learning, accounted for the chimps successes because they could easily repeat the solution and transfer this learning to similar problems.

Learning by insight occurs when there is a sudden realization of the relationship between elements in a problem situation so that a solution becomes apparent. Kohler's major contribution is his notion of learning by insight. In human terms, a solution gained through insight is more easily learned, less likely to be forgotten, and more readily transferred to new problems than a solution learned through rote memorization.

2. ***Edward Tolman (1886 - 1959):*** Latent Learning and Cognitive Maps: Edward Tolman differed with the prevailing ideas on learning:

   (i) He believed that learning could take place without reinforcing.

   (ii) He differentiated between learning and performance. He maintained that latent learning could occur, i.e., learning could occur without apparent reinforcement but not be demonstrated until the organism was motivated to do so.

   The following experiment by Tolman and Honzik (1930) supported this position. The experiment consisted of three groups of rats that were placed in a maze daily for 17 days. The first group always received a food reward at the end of the maze. The second group never received a reward, and the third group did not receive a food reward until the 11th day. The first group showed a steady improvement in performance over the 17-day period. The second group showed gradual improvement. The third group, after being rewarded on the 11th day showed a marked improvement the next day and from then on outperformed the rats that had been rewarded daily. The rapid improvement of the third group indicated to Tolman that latent learning had occurred – that the rats had actually learned the maze during the first 11 days.

   In later studies, Tolman showed how rats quickly learned to rearrange learned cognitive maps and find their way through increasingly complex mazes with ease.

### 6.3.4 Social Learning

Albert Bandura contends that many behaviours or responses are acquired through observational learning. Observational learning, sometimes called modelling results when we observe the behaviours of others and note the consequences of that behaviour. The person who demonstrates the behaviour or whose behaviour is imitated is called a role model. Parents, movie stars and sports personalities are often powerful models. The effectiveness of a model is related to his or her status, competence and power. Other important factors are the age, sex, attractiveness, and ethnicity of the model. Whether learned behaviours are actually performed depends largely on whether the person expects to be rewarded for the behaviour.

Social learning integrates the cognitive and operant approaches to learning. It recognizes that learning does not take place only because of environmental stimuli (classical and operant conditioning) or of individual determinism (cognitive approach) but is a blend of both views. It also emphasizes that people acquire new behaviours by observing or imitating others in a social setting. In addition, learning can also be gained by discipline and self-control and an inner desire to acquire knowledge or skills irrespective of the external rewards or consequences. This process of self-control is also partially a reflection of societal and cultural influences on the development and growth of human beings.

### 6.3.5 Reinforcement, Punishment and Extinction

Reinforcement and punishment, the core tools of operant conditioning, are either positive (delivered following a response), or negative (withdrawn following a response). This creates a total of four basic consequences, with the addition of a fifth procedure known as extinction (i.e. no change in consequences following a response).

It's important to note that organisms are not spoken of as being reinforced, punished, or extinguished; it is the response that is reinforced, punished, or extinguished. Additionally, reinforcement, punishment, and extinction are not terms whose use is restricted to the laboratory. Naturally occurring consequences can also be said to reinforce, punish, or extinguish behavior and are not always delivered by people.

- ***Reinforcement*** is a consequence that causes a behavior to occur with greater frequency.
- ***Punishment*** is a consequence that causes a behavior to occur with less frequency.
- ***Extinction*** is the lack of any consequence following a behavior. When a behavior is inconsequential, producing neither favorable nor unfavorable consequences, it will occur with less frequency.

Four contexts of operant conditioning: Here the terms "positive" and "negative" are not used in their popular sense, but rather: "positive" refers to addition, and "negative" refers to subtraction. What is added or subtracted may be either reinforcement or punishment. Hence positive punishment is sometimes a confusing term, as it denotes the addition of punishment (such as spanking or an electric shock), a context that may seem very negative in the lay sense. The four procedures are:

1. ***Positive reinforcement*** occurs when a behavior (response) is followed by a favorable stimulus (commonly seen as pleasant) that increases the frequency of that behavior. In the Skinner box experiment, a stimulus such as food or sugar solution can be delivered when the rat engages in a target behavior, such as pressing a lever.
2. ***Negative reinforcement*** occurs when a behavior (response) is followed by the removal of an aversive stimulus (commonly seen as unpleasant) thereby increasing that behavior's frequency. In the Skinner box experiment, negative reinforcement can be a loud noise continuously sounding inside the rat's cage until it engages in the target behavior, such as pressing a lever, upon which the loud noise is removed.
3. ***Positive punishment*** (also called "Punishment by contingent stimulation") occurs when a behavior (response) is followed by an aversive stimulus, such as introducing a shock or loud noise, resulting in a decrease in that behavior.
4. ***Negative punishment*** (also called "Punishment by contingent withdrawal") occurs when a behavior (response) is followed by the removal of a favorable stimulus, such as taking away a child's toy following an undesired behavior, resulting in a decrease in that behavior.

**Check Your Progress 2**

State whether the following statements are true or false:

1. Classical conditioning is modifying behaviour so that a conditioned stimulus is paired with an unconditioned stimulus and elicits an unconditioned behaviour.
2. Operant behaviour means voluntary or learned behaviour in contrast to reflexive or unlearned behaviour.
3. Behaviorists such as Skinner and Watson believed that learning through operant and classical conditioning would be explained without reference to internal mental processes.
4. Social learning integrates the cognitive and operant approaches to learning.

## 6.4 LEARNING CURVES

The term learning curve refers to a relationship between the duration of learning or experience and the resulting progress. It is a graph that depicts rate of learning, especially a graph of progress in the mastery of a skill against the time required for such mastery.

In the immediate context of learning, "steep learning curve" is used in two opposite contexts. Originally it referred to quick progress in learning during the initial stages followed by gradually lesser improvements with further practice.

Another specific context of the term "learning curve" involves the effort required to acquire a new skill (e.g., expertise with a new tool) over a specific period of time. In this context, expressions such as "fast learning curve", "short learning curve", and "steep learning curve" are used. In this sense, "steep learning curve" represents the need to make significant progress in the initial stages so that a person may start using the new skill with reasonable efficiency, a need often associated with increased efforts in learning.

Conversely, the expressions gradual or flat learning curve imply that the acquisition of a skill may be gradual, so that a reasonable use of the new skill is possible at early stages with a relatively light amount of training.

The concept of the learning curve was introduced by the 19th-century German psychologist Hermann Ebbinghaus in his study of the efficiency of memorization. Ebbinghaus tested his long-term memory by attempting to memorize a series of nonsense syllables. He found that the more he repeated the series, the more of it he could remember, until finally he could recall the whole list.

It is a cliché today to refer to a "steep learning curve" to indicate that something is difficult to learn. In practice, a curve of the amount learned against the number of trials (in experiments) or over time (in reality) is just the opposite: if something is difficult, the line rises slowly or shallowly. So the steep curve refers to the demands of the task rather than a description of the process.

As the figure of a fairly typical learning "curve" shows, it does not proceed smoothly: the plateaux and troughs are normal features of the process.

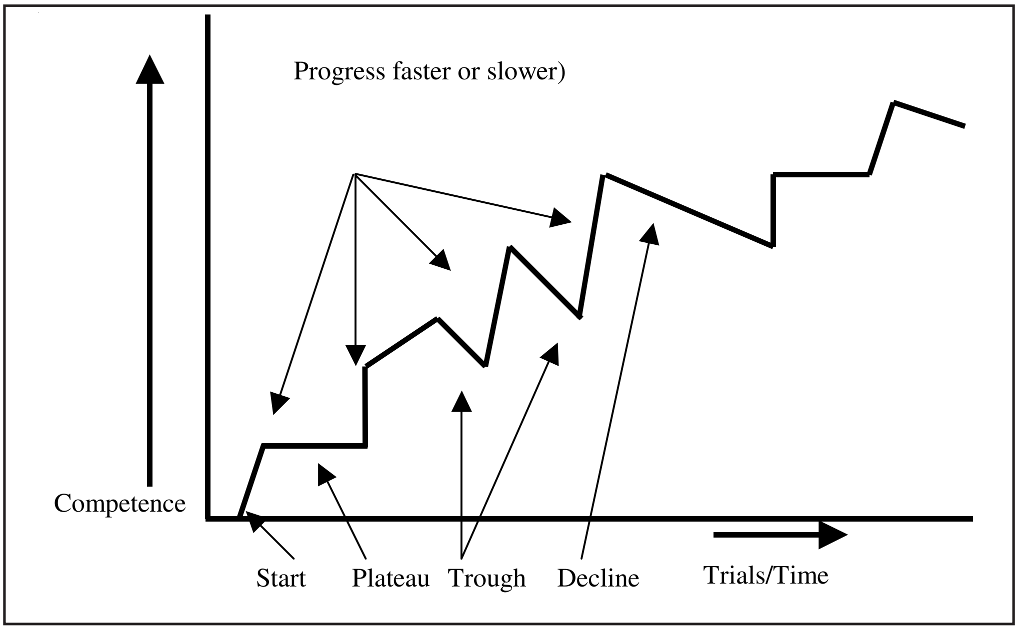



**Figure 6.2: A learning “Curve” is far from a Straight Progress**

In the acquisition of skills, a major issue is the reliability of the performance. Any novice can get it right occasionally (beginner's luck), but it is consistency which counts, and the progress of learning is often assessed on this basis. The following stages are an adaptation of Reynolds' (1965) model. She also points out that learning skills is largely a matter of them "soaking in", so that performance becomes less self-conscious as learning progresses, and that the transition from one phase to another is marked by a release of energy, in the form of the freedom to concentrate on other things. (The horizontal line represents a notional threshold of "competence")

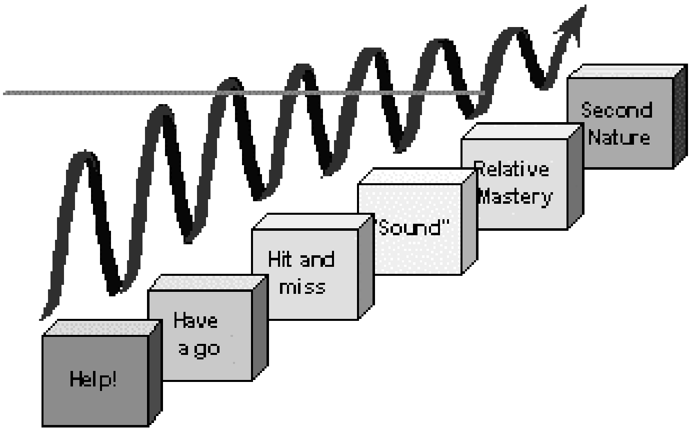



**Figure 6.3**

**Check Your Progress 3**

1. Define learning.

   ..........................................................................................................

   ..........................................................................................................

2. Mention the four theories of learning.

   ..........................................................................................................

   ..........................................................................................................

3. What is reinforcement?

   ..........................................................................................................

   ..........................................................................................................

## 6.5 LINKAGE OF LEARNING WITH TRAINING AND LEARNING ORGANISATION

In simple terms education provides a knowledge base that underpins any other activities the individual may engage in at a later stage. Training is not as general and tends to concentrate on skills development. "Development" allows both activities to be integrated. It has been described as "the general enhancement and growth of an individual's skills and abilities through conscious and unconscious learning".

Development therefore includes both education and training as well as a range of other activities such as coaching, looking, listening and mentoring. Learning is the outcome of both training-led and education-led approaches to development, yet learning itself is complex. It is far more than the shifting of knowledge or information from educator/trainer to the learner.

The words learning and training can often be used interchangeably, but for a training professional it is important to be able to describe the similarities and differences. Looking at these can help training professionals define their roles and assess their priorities. The words learning and training have six letters in common and touch the same field of interest - education. Often the words are used interchangeably, but some say there is a subtle distinction between the two. Training is the conscious and planned process of transferring knowledge, skills and attitudes to others. Learning is the processing and assimilation of what we hear, see or experience that alters or improves our knowledge, skills and attitudes.

Training is something you do. Learning is something that happens. Learning should be the major outcome of training. Sometimes having a trainer speeds up the learning process. Training is successful if learning occurs. Changed behaviour in the workplace is essential if organisations are going to grow and develop. Planned training that relates to the current organisational direction can make a real difference because, the level of performance and improvement needed today requires learning, lots of learning. In most industries and government, there is no clear path to success and no clear path to follow.

At the heart of a learning organization lies the belief that enormous human potential lies locked and undeveloped in our organizations. Central to this belief is the conviction that when all members of an organization fully develop and exercise their essential human capacities, the resulting congruence between personal and organizational visions, goals and objectives will release this potential. According to Senge, a learning organization is one that is structured in a manner consistent with the essence(s) of human nature. Senge is concerned with what he calls the "higher" human essences, and believes that learning gets to the heart of what it means to be human.

Real learning is not just limited to understanding what is necessary to survive ("adaptive learning"), but also includes what he calls "generative learning." Generative learning expands a human being's capacity to create the results he or she truly desires.

Though learning may be a fundamental human essence, the process of learning is quite complex. Learning itself includes three different activities: thinking, communicating and cooperating. When our capacities to think, communicate and cooperate are enhanced, so is our ability to learn. Thus, a learning organization is one which fosters and enhances these activities for its members and members of the community in which it exists.

Traditional organizations change by reacting to events. Their "reference points" are external and often based in the past or on the competition. They are often change-averse. Learning organizations, by contrast, are vision-led and creative. Their reference points are internal and anchored in the future they intend to create. They embrace change rather than merely react to it.

In a work setting, learning occurs as part of the job. A fellow employee will show you how to complete a certain task, for example, how to log on and use a computer program. You may wish to learn about a specific company policy, so you will look it up on the corporate intranet site (the internal website for viewing by company employees only).

Many leading companies are providing just-in-time learning modules. These brief (two or three minute) e-learning (online) programs cover a specific issue. They are designed to be available 24/7, precisely at the time an employee needs to know something specific. The modules cover specific topics - how to fill in a form, company policy, 'what to do' scenarios, etc.

Wherever possible, all of us should engage in both formal and informal learning, remembering that each make a contribution to our enjoyment of life and our ability to grow and adapt in our personal and business spheres.

Given that the success of any organization is founded on the knowledge of the people who work for it, these activities will and, indeed, must continue. However, individual learning is only a prerequisite to organizational learning.

Simply summing individual learning is inadequate to model organizational learning. The following definition outlines the essential difference between the two: A learning organization actively creates, captures, transfers, and mobilizes knowledge to enable it to adapt to a changing environment. Thus, the key aspect of organizational learning is the interaction that takes place among individuals.

A learning organization does not rely on passive or ad hoc process in the hope that organizational learning will take place through serendipity or as a by-product of normal work. A learning organization actively promotes, facilitates, and rewards collective learning. Capturing individual learning is the first step to making it useful to an organization. There are many methods for capturing knowledge and experience, such as publications, activity reports, lessons learned, interviews, and presentations. Capturing includes organizing knowledge in ways that people can find it; multiple structures facilitate searches regardless of the user's perspective (e.g., who, what, when, where, why,and how). Capturing also includes storage in repositories, databases, or libraries to insure that the knowledge will be available when and as needed.

## 6.6 LET US SUM UP

Learning as used here, refers to concerted activity that increases the capacity and willingness of individuals, groups, organizations and communities to acquire and productively apply new knowledge and skills, to grow and mature and to adapt successfully to changes and challenges.

There are three main categories or philosophical frameworks under which learning theories fall: behaviorism, cognitivism, and constructivism. Behaviorism focuses only on the objectively observable aspects of learning. Cognitive theories look beyond behavior to explain brain-based learning. And constructivism views learning as a process in which the learner actively constructs or builds new ideas or concepts.

Classical conditioning is one of the simplest forms of learning, yet it has a powerful effect on our attitudes, likes and dislikes, and emotional responses.

Classical conditioning is modifying behaviour so that a conditioned stimulus is paired with an unconditioned stimulus and elicits an unconditioned behaviour.

Operant conditioning argues that behaviour is a function of its consequences. People learn to behave to get something they want or avoid something they don't want.Operant conditioning induces a voluntary change in behaviour and learning occurs as a "consequence" of such change.

Today, however, a growing number of psychologists stress the role of mental processes. They choose to broaden the study of learning to include such cognitive processes as thinking, knowing, problem solving, remembering and forming mental representations. According to cognitive theorists, these processes are critically important in a more complete, more comprehensive view of learning.Social learning integrates the cognitive and operant approaches to learning.

The term learning curve refers to a relationship between the duration of learning or experience and the resulting progress. It is a graph that depicts rate of learning, especially a graph of progress in the mastery of a skill against the time required for such mastery.

## 6.7 LESSON END ACTIVITY

Explain the concept of learning in detail with examples. How does learning differ from the change in behaviour that occurs due to natural growing up?

## 6.8 KEYWORDS

***Learning:*** A permanent change in behaviour as a result of experience.

***Classical Conditioning:*** It is modifying behaviour so that a conditioned stimulus is paired with an unconditioned stimulus and elicits and unconditioned behaviour.

***Operant Conditioning:*** It induces a voluntary change in behaviour and learning occurs as a consequence of such change.

***Social Learning:*** It integrates the cognitive and operant approaches to learning.

***Reinforcement:*** The process by which certain types of behaviours are strengthened.

## 6.9 QUESTIONS FOR DISCUSSION

1. What is learning? How does it take place?
2. Define the terms learning, reinforcement, punishment and extinction.
3. What are positive and negative consequences in shaping behaviour and how should they be managed?
4. Discuss the nature of classical conditioning and operant conditioning. How do they differ from each other?
5. Contrast Classical conditioning, Operant conditioning and Social learning.
6. What are the major dimensions of social learning theory?

**Check Your Progress: Model Answers**

***CYP 1***

1. Relational learning
2. learning theory
3. Operant conditioning

***CYP 2***

1. T, 2. T, 3. T, 4. T

***CYP 3***

1. ***Learning:*** It is the process of having one's behaviour modified, more or less permanently, by what he does and the consequences of his action, or by what he observes.
2. ***Theories of Learning:***
   (i) Classical Conditioning
   (ii) Operant Conditioning

*Contd....*

(iii) Cognitive Learning

(iv) Social Learning

3. ***Reinforcement:*** It is the process by which certain types of behaviours are strengthened. It is the attempt to develop or strengthen desirable behaviour by either bestowing positive consequences or withholding negative consequences.

## 6.10 SUGGESTED READINGS

Rao VSP, *Human Resource Management*, Excel Books, New Delhi, 2005

Rao PL, *Comprehensive HRM*, Excel Books, New Delhi, 2004

Bhattacharyya D K, *Human Resource Management*, Excel Books, New Delhi, 2006

Rao PL, *Training and Development*, Excel Books, New Delhi, 2007

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Naik G. Pandu, *Training and Development*, Excel Books, New Delhi, 2007

# LESSON
# 7

# LEARNING ORGANISATION

CONTENTS



## 7.0 AIMS AND OBJECTIVES

After studying this lesson, you will be able to:

- Understand the concept and features of learning organisation
- Distinguish between traditional and learning organisations
- Describe historical evolution of learning organisation
- Distinguish between learning organisation and organisational learning
- Determinants of learning organisation

## 7.1 INTRODUCTION

According to Peter Senge (The Fifth Discipline), instead of adapting to environmental changes, organisations have to anticipate and learn from change. Reacting to environmental changes with routine, standard responses, often produces only short-run solutions, (adaptive, single-loop learning). Instead, the focus must be on continuous experimentation and feedback; anticipating changes and discovering new ways of creating products and services (double-loop, generative learning). Learning organisations go beyond merely adapting to change; instead, they strive to anticipate and learn from change.

## 7.2 CHARACTERISTICS OF LEARNING ORGANISATION

Brian Dumaine summarised the five characteristics of a learning organisation, thus:

- People tend to put aside their old ways of doing, thinking (mental model),
- Learn to be open with others (personal mastery),
- Understand how their company really works (systems thinking),
- For a plan everyone can agree on (Shared vision), and
- Then work together to achieve that vision (team learning).

## 7.3 DIFFERENCE BETWEEN TRADITIONAL AND LEARNING ORGANISATIONS

A learning organisation has both the drive and the capabilities to improve its performance continuously based on experience. It tries to add value to customers by identifying new needs and then developing innovative ways to satisfy those needs. The following table illustrates why learning organisations are gaining importance especially in the context of managing change intelligently.

**Table 7.1: Traditional Versus Learning Organisations (Senge, 1993)**

| Function | Traditional Organisations | Learning Organisations |
|---|---|---|
| Determination of overall direction | Vision is provided by top management. | There is a shared vision that can emerge from many places, but top management is responsible for ensuring that this vision exists and is nurtured. |
| Formulation and implementation of ideas | Top management decides what is to be done, and the rest of the organisation acts on these ideas. | Formulation and implementation of ideas takes place at all levels of the organisation. |
| Nature of organisational thinking | Each person is responsible for his or her own job responsibilities, and the focus is on developing individual competence. | Personnel understand their own jobs, as well as the way, in which their own work interrelates and influences that of other personnel. |
| Conflict resolution | Conflicts are resolved through the use of power and hierarchical influence. | Conflicts are resolved through the use of collaborative learning and the integration of diverse viewpoints of personnel through the organisations. |
| Leadership and motivation | The role of the leader is to establish the organisation's vision, provide rewards and punishments as appropriate, and maintain overall control of employee activities. | The role of the leader is to build a shared vision, empower the personnel, inspire commitment, and encourage effective decision-making throughout the enterprise through the use of empowerment and charismatic leadership. |

## 7.4 ORGANISATIONAL LEARNING

Organizational learning is currently the focus of considerable attention, and it is addressed by a broad range of literatures. Organization theory, industrial econ omics, economic history, and business, management and innovation studies all approach the question of how organizations learn. A number of branches of psychology are also revealing on the issue.

Organizational learning is an area of knowledge within organizational theory that studies models and theories about the way an organization learns and adapts. The technical view assumes that organizational learning is about the effective processing, interpretation of, and response to, information both inside and outside the organization. This information may be quantitative or qualitative, but is generally explicit and in the public domain…. The social perspective on organization learning focuses on the way people make sense of their experiences at work. These experiences may derive from explicit sources such as financial information, or they may be derived from tacit sources, such as the 'feel' that s skilled craftsperson has, or the intuition possessed by a skilled strategist. From this view, learning is something that can emerge from social interactions, normally in the natural work setting. In the case of explicit information it involves a joint process of making sense of data… The more tacit and 'embodied' forms of learning involve situated practices, observation and emulation of skilled practitioners and socialization into a community of practice.

Organizational learning is the process by which an organization gains new knowledge about its environment, goals, and processes. Herbert Simon (1997) posits three ways in which organizations learn: (1) individuals within the organization learn some new fact or procedure, (2) the organization ingests outsiders with knowledge not already in the organization, and (3) the organization incorporates new knowledge into its files and computer systems. As broader organizations, governments and policy-making communities also learn.

The field of organizational learning explores ways to design organizations so that they fulfill their function effectively, encourage people to reach their full potential, and, at the same time, help the world to be a better place.

Although theorists of learning organizations have often drawn on ideas from organizational learning, there has been little traffic in the reverse direction. Moreover, since the central concerns have been somewhat different, the two literatures have developed along divergent tracks. The literature on organizational learning has concentrated on the detached collection and analysis of the processes involved in individual and collective learning inside organizations; whereas the learning organizations literature has an action orientation, and is geared toward using specific diagnostic and evaluative methodological tools which can help to identify, promote and evaluate the quality of learning processes inside organizations.

We could argue that organizational learning is the 'activity and the process by which organizations eventually reach the ideal of a learning organization' (Finger and Brand 1999: 136).

**Check Your Progress 1**

State whether the following statements are true or false:

1. Organizational learning is an area of knowledge within organizational theory that studies models and theories about the way an organisation learns and adapts.

*Contd....*

2. The technical view assumes that organizational learning is about the effective processing, interpretation of, and response to, information both inside and outside the organisation.
3. Organizational knowledge is not the process by which an organisation gains knowledge about its environment, goals and processes.
4. A learning organisation has both the drive and the capabilities to improve its performance continuously based on experience.

## 7.5 INSTRUMENTS ON LEARNING ORGANISATION

Taking the humanistic view of organisational change, Peter Senge writes:….. "if a learning organisation were an engineering innovation, such as an airplane or the personal computer, the components would be called 'technologies'. For an innovation in human behaviour, the components need to be seen as disciplines." To follow his organisational learning path, he proposes a lifelong study and practices of five interrelated disciplines, which he describes "more like artistic disciplines than traditional management disciplines." In contrast to a business process like accounting, which he says is good for "keeping scores", the five disciplines are aimed at the 'subtler tasks' of enhancing an organisation's creative capabilities. Moreover, practising the five disciplines is not just about achieving business performance goals. It also concerns having a personal stake in shaping the company's character. The five disciplines are:

1. ***Personal Mastery:*** This is the ability to clarify what one must desire in life and work and then consciously apply the principles and values most important to achieving those goals. Buliding self-awareness and sensitivity to one's strengths and weaknesses is critical to the process. Another dimension of personal mastery is managing creative tension, which is the gap between the goal aspired to the current ability.
2. ***Mental Models:*** These are unarticulated and unrecognised assumptions that shape one's view of the world. They are the judgments and the perceptions from past experiences that influence what one hears and says and how one reacts to others. It is not easy to bring mental models to the surface, because most people are blinded by a confirmation bias that resists change. (A confirmation bias is a tendency to seek evidence and advocate positions consistent with prior belief). On a personal level, mental models cause people to draw conclusions before examining all the facts or hearing all points of view. From a business standpoint, mental models shape a manager's views of market conditions and strategies. While mental models may be right or wrong, the key is what they are and how they influence thinking.
3. ***Building Shared Visions:*** Whether a vision is created by an entire company or a team of two does not matter. The point is that it be created jointly. In turn, the collective capability of the group to realise the vision is more powerful than any of the single individuals. For example, Senge notes that in the 1970s, researchers at Xerox's Palo Alto research centre had a vision to create a user-friendly computer years before the transition from mainframes to personal computers took place. Although their experiments failed to produce the unit they had hoped for, their early vision created many of the technical stepping-stones to today's PCs.
4. ***Team Learning:*** It is widely accepted that people who work well together can learn more and accomplish more than they can by themselves. But not all teams tap the power of collective thinking. The disciplines of building shared visions,

practising personal mastery and bringing mental models to the surface are all critical to the team communication that leads to productive learning and action. Effective group learning involves listening to others without confirmation bias, exposing new ideas through constructive disagreement and being comfortable not knowing the answer to every question.

5. ***Systems Thinking:*** This is a conceptual framework that defines a system as a set of inter-related parts. To understand the system requires an understanding of how all the parts connect and interact. A business is a complex system, with many subsystems. Applying system thinking to business means looking at functions (e.g., manufacturing, finance, marketing, etc.), not as isolated sets of tasks but as part of a larger system. The relationship of the parts influences the performance of the whole.

**Check Your Progress 2**

Describe the following:

1. Personal Mastery

   ........................................................................................................

   ........................................................................................................

2. System Thinking

   ........................................................................................................

   ........................................................................................................

## 7.6 ESSENTIALS FOR DEVELOPING A LEARNING ORGANISATION

The essence of organisational learning is the organization's ability to use the amazing mental capacity of all its members to create the kind of processes that will improve its own.

Essentials for Developing a Learning Organisation can be discussed as follows:

### 7.6.1 Solid Foundation

Before a Learning Organisations can be implemented , a solid foundation can be made by taking into account the following:

***Awareness***

Organisations must be aware that learning is necessary before they can develop into a Learning Organisation. This may seem to be a strange statement but this learning must take place at all levels; not just the Management level. Once the company has excepted the need for change, it is then responsible for creating the appropriate environment for this change to occur in.

***Environment***

Centralised, mechanistic structures do not create a good environment. Individuals do not have a comprehensive picture of the whole organisation and its goals. This causes political and parochial systems to be set up which stifle the learning process. Therefore a more flexible, organic structure must be formed. By organic, we mean a flatter structure which encourages innovations. The flatter structure also promotes passing of information between workers and so creating a more informed work force.

It is necessary for management to take on a new philosophy; to encourage openness, reflectivity and accept error and uncertainty. Members need to be able to question decisions without the fear of reprimand. This questioning can often highlight problems at an early stage and reduce time consuming errors. One way of over-coming this fear is to introduce anonymity so that questions can be asked or suggestions made but the source is not necessarily known.

***Leadership***

Leaders should foster the Systems Thinking concept and encourage learning to help both the individual and organisation in learning. It is the leader's responsibility to help restructure the individual views of team members. For example, they need to help the teams understand that competition is a form of learning; not a hostile act.

Management must provide commitment for long-term learning in the form of resources. The amount of resources available (money, personnel and time) determines the quantity and quality of learning. This means that the organisation must be prepared to support this.

***Empowerment***

The locus of control shifts from managers to workers. This is where the term Empowerment is introduced. The workers become responsible for their actions; but the managers do not lose their involvement. They still need to encourage, enthuse and co-ordinate the workers. Equal participation must be allowed at all levels so that members can learn from each other simultaneously. This is unlike traditionally learning that involves a top-down structure (classroom-type example) which is time consuming.

***Learning***

Companies can learn to achieve these aims in Learning Labs. These are small-scale models of real-life settings where management teams learn how to learn together through simulation games. They need to find out what failure is like so that they can learn from their mistakes in the future. These managers are then responsible for setting up an open, flexible atmosphere in their organisations to encourage their workers to follow their learning example.

Anonymity has already been mentioned and can be achieved through electronic conferencing. This type of conferencing can also encourage different sites to communicate and share knowledge, thus making a company truly a Learning Organisation.

### 7.6.2 Clear and Well-defined Strategy

It is possible to identify three generic strategies that highlight possible routes to developing Learning Organisations. The specific tools required to implement any of these depends on the strategy adopted, but the initiatives that they represent are generic throughout. The three strategies are:

***Accidental:*** For many companies, adopting a learning organisation philosophy is the second step to achieving this Holy Grail. They may already be taking steps to achieve their business goals that, in hindsight, fit the framework for implementing a Learning Organisation. This is the accidental approach in that it was not initiated through awareness of the Learning Organisation concept.

***Subversive:*** Once an organisation has discovered the Learning Organisation philosophy, they must make a decision as to how they want to proceed. This is a choice between a subversive and a declared strategy. The subversive strategy differs from an accidental one in the level of awareness; but it is not secretive! Thus, while not openly endorsing the Learning Organisation ideal, they are able to exploit the ideas and techniques.

***Declared:*** The other option is the declared approach. This is self explanatory. The principles of Learning Organisations are adopted as part of the company ethos, become company "speak" and are manifest openly in all company initiatives.

### 7.6.3 Golden Rules

1. Encourage Change
2. Encourage Experimentation
3. Communicate Success and Failure
4. Facilitate Learning from the Surrounding Environment
5. Facilitate Learning from Employees
6. Reward Learning
7. A Proper Selfishness
8. A Sense of Caring

## 7.7 LET US SUM UP

Hopefully reading this lesson has given you an insight into the Learning Organisation philosophy. With any luck it should have given you a few pointers and ideas to implement it in your own company.

The perfect Learning Organisation is not an attainable goal,it is merely a desirable concept. There is no correct implementation of the Learning Organisation. Every company can continuously adapt and adjust and some will be better Learning Organisations than others, but every one of them has something new to learn.

Finally it should be mentioned that the Learning Organisation is just a means to a business goal, created to improve productivity and most importantly profit. Quite how long this philosophy will remain fashionable is unknown. What is certain is that for any company in today's global marketplace continuous change and adaptation is the only way to survive.

## 7.8 LESSON END ACTIVITY

Identify and discuss the steps to initiate the process of organisational learning in an organisation.

## 7.9 KEYWORDS

***Learning Organizations:*** Learning organizations are organizations where people continually expand their capacity to create the results they truly desire, where new and expansive patterns of thinking are nurtured, where collective aspiration is set free, and where people are continually learning to see the whole together.

***Shared Visions:***To create a shared vision, large numbers of people within the organisation must draft it, empowering them to create a single image of the future.

***Personal Mastery:*** It is the process of continually clarifying and deepening an individual's personal vision.

***Systems Thinking:*** This is the ability to see the bigger picture, to look at the interrelationships of a system as opposed to simple cause-effect chains.

## 7.10 QUESTIONS FOR DISCUSSION

1. It is said that a learning organisation is one where there is continuous learning. Do you agree? Why or why not?
2. What are the features of typical learning organisation? How do these features enhance the capacity to learn in a learning organisation?
3. Senge's approach to a learning organisation focuses on five disciplines. How does the practice of these five disciplines help us to achieve the business performance goals and also help to shape the character of the company?
4. Discuss some of the common elements which support organisational learning.

**Check Your Progress: Model Answers**

***CYP 1***

1. T, 2. T, 3. F, 4. T

***CYP 2***

1. Personal mastery is the process of continually clarifying and deepening an individual's personal vision. This is a matter of personal choice for the individual and involves continually assessing the gap between their current and desired proficiencies in an objective manner, and practising and refining skills until they are internalised. This develops self esteem and creates the confidence to tackle new challenges.
2. ***Systems Thinking:*** The cornerstone of any learning organisation is the fifth discipline - systems thinking. This is the ability to see the bigger picture, to look at the interrelationships of a system as opposed to simple cause-effect chains; allowing continuous processes to be studied rather than single snapshots. The fifth discipline shows us that the essential properties of a system are not determined by the sum of its parts but by the process of interactions between those parts.

## 7.11 SUGGESTED READINGS

Rao VSP, *Human Resource Management*, Excel Books, New Delhi, 2005

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# UNIT IV

# LESSON

# 8

# PERFORMANCE APPRAISAL

**CONTENTS**



## 8.0 AIMS AND OBJECTIVES

The purpose of this lesson is to enable the students to have a firsthand view of the concepts of performance appraisal. After studying this lesson, you will be able to:

- Describe the meaning and objectives of performance appraisal
- Explain the steps involved in the performance appraisal
- Discuss advantages and disadvantages of performance appraisal

## 8.1 INTRODUCTION

After an employee has been selected for a job, has been trained to do it and has worked on it for a period of time, his performance should be evaluated. Performance Evaluation or Appraisal is the process of deciding how employees do their jobs. Performance here refers to the degree of accomplishment of the tasks that make up an individual's job. It indicates how well an individual is fulfilling the job requirements. Often the term is confused with efforts, which means energy expended and used in a wrong sense. Performance is always measured in terms of results. A bank employee, for example, may exert a great deal of effort while preparing for the CAIIB examination but manages to get a poor grade. In this case the effort expended is high but performance is low.

## 8.2 DEFINITION OF PERFORMANCE APPRAISAL

Performance appraisal is a method of evaluating the behaviour of employees in the workspot, normally including both the quantitative and qualitative aspects of job performance. It is a systematic and objective way of evaluating both work-related behaviour and potential of employees. It is a process that involves determining and communicating to an employee how he or she is performing the job and ideally, establishing a plan of improvement.

**Box 8.1: What is Performance Appraisal?**

- ***Identification:*** Means determining what areas of work the manager should be examining when measuring performance - essentially focusing on performance that affects organisational success.
- ***Measurement:*** Entails making managerial judgements of how good or bad employee performance was.
- ***Management:*** Appraisal should be more than a post-mortem examination of past events, criticising or praising workers for their performance in the preceding year. Instead, it must take a future oriented view of what workers can do to realise their potential.

## 8.3 FEATURES OF PERFORMANCE APPRAISAL

The main characteristics of performance appraisal may be listed thus:

- The appraised is a systematic process involving three steps:
  a. Setting work standards.
  b. Assessing employee's actual performance relative to these standards.
  c. Offering feedback to the employee so that he can eliminate deficiencies and improve performance in course of time.
- It tries to find out how well the employee is performing the job and tries to establish a plan for further improvement.
- The appraisal is carried out periodically, according to a definite plan. It is certainly not a one shot deal.
- Performance appraisal is not a past-oriented activity, with the intention of putting poor performers in a spot. Rather, it is a future oriented activity showing employees where things have gone wrong, how to set everything in order, and deliver results using their potential in a proper way.

- Performance appraisal is not job evaluation. Performance appraisal refers to how well someone is doing an assigned job. Job evaluation, on the other hand, determines how much a job is worth to the organisation and therefore, what range of pay should be assigned to the job.
- Performance appraisal is not limited to 'calling the fouls'. Its focus is on employee development. It forces managers to become coaches rather then judges. The appraisal process provides an opportunity to identify issues for discussion, eliminate any potential problems, and set new goals for achieving high performance.
- Performance appraisal may be formal or informal. The informal evaluation is more likely to be subjective and influenced by personal factors. Some employees are liked better than others and have, for that reason only, better chances of receiving various kinds of rewards than others. The formal system is likely to be more fair and objective, since it is carried out in a systematic manner, using printed appraisal forms.

## 8.4 OBJECTIVES OF PERFORMANCE APPRAISAL

Performance appraisal could be taken either for evaluating the performance of employees or for developing them. The evaluation is of two types: telling the employee where he stands and using the data for personnel decisions concerning pay, promotions, etc. The developmental objectives focus on finding individual and organisational strengths and weaknesses; developing healthy superior-subordinate relations; and offering appropriate counselling/coaching to the employee with a view to develop his potential in future.

Appraisal of employees serves several useful purposes:

a. ***Compensation decisions:*** It can serve as a basis for pay raises. Managers need performance appraisal to identify employees who are performing at or above expected levels. This approach to compensation is at the heart of the idea that raises should be given for merit rather than for seniority. Under merit systems, employee receives raises based on performance.

b. ***Promotion decisions:*** It can serve as a useful basis for job change or promotion. When merit is the basis for reward, the person doing the best job receives the promotion. If relevant work aspects are measured properly, it helps in minimising feelings of frustration of those who are not promoted.

c. ***Training and development programmes:*** It can serve as a guide for formulating a suitable training and development programme. Performance appraisal can inform employees about their progress and tell them what skills they need to develop to become eligible for pay raises or promotions or both.

d. ***Feedback:*** Performance appraisal enables the employee to know how well he is doing on the job. It tells him what he can do to improve his present performance and go up the 'organisational ladder'.

e. ***Personal development:*** Performance appraisal can help reveal the causes of good and poor employee performance. Through discussions with individual employees, a line manager can find out why they perform as they do and what steps can be initiated to improve their performance.

**Box 8.2: Benefits of Performance Appraisal**

Employer perspective [Administrative uses]

- Despite imperfect measurement techniques, individual differences in performance can make a difference to company performance.
- Documentation of performance appraisal and feedback may be required for legal defence.
- Appraisal offers a rational basis for constructing a bonus or merit system.
- Appraisal dimensions and standards can help to implement strategic goals and clarify performance expectations.

Employee perspective [Developmental purposes]

- Individual feedback helps people to rectify their mistakes and get ahead, focusing more on their unique strengths.
- Assessment and reorganisation of performance levels can motivate employees to improve their performance.

**Check Your Progress 1**

State whether the following statements are true or false:

1. Performance appraisal could be taken either for evaluating the performance of employees or for developing them.
2. Performance appraisal can not help reveal the causes of good and poor employee performance.
3. Performance appraisal is a method of evaluating the behaviour of employees in the work spot, normally including both the quantitative and qualitative aspects of job performance.
4. Appraisal should be more than a post -mortem examination of past events, criticizing or praising workers for their performance in the preceding year.

## 8.5 PERFORMANCE APPRAISAL PROCESS

Performance appraisal is planned, developed and implemented through a series of steps:

a. ***Establish performance standards:*** Appraisal systems require performance standards, which serve as benchmarks against which performance is measured. To be useful, standards should relate to the desired results of each job. What about those appraisals which are carried out without any clear-cut criteria? Observe the following case:

   Raju, who had just finished his first year as an office assistant was summoned to his manager's office for his annual performance review. Slightly uneasy, but confident that he has done a good job, Raju arrived at his manager's office at the appointed hour. After the initial exchange of pleasantries, Raju was given a copy of an appraisal form, which was completed as follows:

**Box 8.3: Yearly Performance Review**

| | |
|---|---|
| Name of the Employee: | Mr Raju |
| Date: | 31.12.1999 |
| Use the following scale to rate the employee | |
| (1 poor 2 below average 3 average 4 good 5 excellent) | |
| a. Absenteeism | 1 2 3 4 5 |
| b. Quality of work | 1 2 3 4 5 |
| c. Quantity of work | 1 2 3 4 5 |
| d. Attitude toward the job | 1 2 3 4 5 |
| e. Personality-related factors | 1 2 3 4 5 |
| f. Interpersonal relations | 1 2 3 4 5 |
| (Bold letters indicate the actual rating by the manager as on 31.12.1999) | |
| Supervisor___________ | Employee_________ |

Raju got the shock of his life. Why did he not receive any negative feedback about his performance until now? How did the manager rate his personality and interpersonal behaviour so badly? Looking at his unhappy reactions, the manager proceeded to explain how he has failed to win the confidence of his teammates. He also advised Raju to talk to him directly instead of writing to the Director of the company. Speechless and dejected, Raju left the office, wondering as to what he must to do to improve his performance and obtain better grades.

To avoid embarrassments of this kind, performance standards must be clear to both the appraiser and the appraisee. The performance standards or goals must be developed after a thorough analysis of the job. Goals must be written down. Just talking about them is not enough. They must be measurable within certain time and cost considerations. For example, the regional sales officer may be asked: "The sales of colour television sets in Ghaziabad must increase by 1000 per month in the next six months and the budget toward promotional expenses would Rs 5,000 per month."

**Box 8.4: Criteria for Identifying and Writing Good Performance Goals**

- What is the task to be accomplished?
- What will it look like when it is accomplished?
- When must it be completed?
- What are the cost considerations?

b. ***Communicate the standards:*** Performance appraisal involves at least two parties; the appraiser who does the appraisal and the appraisee whose performance is being evaluated. Both are expected to do certain things. The appraiser should prepare job descriptions clearly; help the appraisee set his goals and targets; analyse results objectively; offer coaching and guidance to the appraisee whenever required and reward good results. The appraisee should be very clear about what he is doing and why he is doing it. For this purpose, performance standards must be communicated to appraisees and their reactions should be noted down right away. If necessary, these standards must be revised or modified. As pointed out by De Cenzo and Robbins, "too many jobs have vague performance standards and the problem is compounded when these standards are set in isolation and do not involve the employee".

c. ***Measure actual performance:*** After the performance standards are set and accepted, the next step is to measure actual performance. This requires the use of dependable performance measures, the ratings used to evaluate performance. Performance measures – to be helpful – must be easy to use, reliable, and report on the critical behaviours that determine performance. Four common sources of information which are generally used by managers regarding how to measure actual performance are personal observation, statistical reports, oral reports and written reports.

Performance measures may be objective or subjective. Objective performance measures are indications of job performance that can be verified by others and are usually quantitative. Objective criteria include quality of production, degree of training needed and accidents in a given period, absenteeism, length of service, etc. Subjective performance measures are ratings that are based on the personal standards or opinions of those doing the evaluation, and are not verifiable by others. Subjective criteria include ratings by superiors, (knowledge about) overall goals, and (contribution to) socio-cultural values of the environment. It should be noted here that objective criteria can be laid down while evaluating lower level jobs which are specific and defined clearly. This is not the case with middle level positions that are complex and vague.

**Box 8.5: Measurement of Performance of a Telephone Operator**

A telephone company supervisor, while measuring the performance of a telephone operator may observe the following:

- Use of company procedures such as staying calm, following company rules and regulations, etc.
- Pleasant phone manners such as speaking politely in a courteous tone.
- Call-placement accuracy: placing operated assisted calls accurately.

The rater's monitoring of an operator's calls is direct observation. The actual on-line performance is evaluated directly. For example, if a written test is held for telephone operators about company rules and regulations for handling emergency calls, international calls, etc., then the process of evaluation becomes indirect as it is based on a written report about the performance of operators in the test.

d. ***Compare actual performance with standards and discuss the appraisal:*** Actual performance may be better than expected and sometimes it may go off the track. Whatever be the consequences, there is a way to communicate and discuss the final outcome. The assessment of another person's contribution and ability is not an easy task. It has serious emotional overtones as it affects the self-esteem of the appraisee. Any appraisal based on subjective criteria is likely to be questioned by the appraisee and leave him quite dejected and unhappy when the appraisal turns out to be negative.

e. ***Taking corrective action, if necessary:*** Corrective action is of two types: one puts out the fires immediately, while the other destroys the root of the problem permanently. Immediate action sets things right and get things back on track whereas the basic corrective action gets to the source of deviations and seeks to adjust the difference permanently. Basic corrective steps seek to find out how and why performance deviates.

## 8.6 NEED FOR PERFORMANCE APPRAISAL

Performance Appraisal is an objective system to judge the ability of an individual employee to perform his tasks. A good performance appraisal system should focus on the individual and his development, besides helping him to achieve the desired performance. This means that while the results are important the organization should also examine and prepare its human capital to achieve this result. This holds true even for new inductees.

There is a strong linkage between induction, training and appraisal. In a large number of firms worldwide, a new recruit is expected to discuss his schedule of work in achieving his induction objective. This schedule of work becomes a part of his job for the next few months.

The system by which organizations evaluate individual job performance. More over it is about the employee performance and the accountability. As the world is now global village and your competitor is watching you, so the organizations need high performance. At the same time the employees need back on their performance guide for their future behavior.

So the output of the organization depends upon the feedback provided to the employee timely. Especially the newcomer to the organization needs to understand their jobs and their work setting. The longer-service employees also want positive feedback on the good things they do. The employees feel sense of belongingness in return. HRD section always takes this opportunity to evaluate the performance of the employees. The appraisal system also helps the management of the organisation to help the managers with placement, pay, and other HR decisions. The HRD section of the organisation carries out the appraisal for the following uses:

- It allows the employee, the Manager to take necessary about the improvement of the performance.
- The system also helps in promotion and pays increase of the deserving employees after their evaluation and also prepares the next person for the succession plan.

**Check Your Progress 2**

Fill in the blanks:

1. ........................ is a method of evaluating the behaviour of employees in the workspot.
2. ........................ serve as a useful basis for job change or promotion.
3. ......................................... requires the use of dependable performance measures, the ratins used to evaluate performance.

## 8.7 ESSENTIALS OF PERFORMANCE APPRAISAL

Performance appraisal system should be effective as a number of crucial decisions are made on the basis of score or rating given by the appraiser, which in turn, is heavily based on the appraisal system. An appraisal system, to be effective, should possess the following essential characteristics:

a. ***Reliability and validity:*** Appraisal system should provide consistent, reliable and valid information and data, which can be used to defend the organisation even in legal challenges. If two appraisers are equally qualified and competent to appraise an employee with the help of the same appraisal technique, their ratings should agree with each other. The technique them demonstrably satisfies the conditions of inter-rater reliability. Appraisals must also satisfy the condition of validity, by measuring what they are supposed to measure. For example, if appraisal is made for potential of an employee for promotion, it should supply the information and data relating to potentialities of the employee to take up higher responsibilities and carry on activities at higher level.

b. ***Job relatedness:*** The appraisal technique should measure the performance and provide information in job related activities/areas.

c. ***Standardisation:*** Appraisal forms, procedures, administration of techniques, ratings, etc., should be standardised as appraisal decisions affect all employees of the group.

d. ***Practical viability:*** The techniques should be practically viable to administer, possible to implement and economical to undertake continuously.

e. ***Legal sanction:*** Appraisals must meet the laws of the land. They must comply with provisions of various statutes relating to labour.

f. ***Training to appraisers:*** Because appraisal is important and sometimes difficult, it would be useful to provide training to appraisers viz., some insights and ideas on rating, documenting appraisals and conducting appraisal interviews. Familiarity with rating errors can improve rater's performance and this may inject the needed confidence in appraisers to look into performance ratings more objectively.

g. ***Open communication:*** Most employees want to know how well they are performing the job. A good appraisal system provides the needed feedback on a continuing basis. The appraisal interviews should permit both parties to learn about the gaps and prepare themselves for future. To this end, managers should clearly explain their performance expectations to their subordinates in advance of the appraisals period. Once this is known, it becomes easy for employees to learn about the yardsticks and, if possible, try to improve their performance in future.

h. ***Employee access to results:*** Employees should know the rules of the game. They should receive adequate feedback on their performance. If performance appraisals are meant for improving employee performance, then withholding appraisal result would not serve any purpose. Employees simply cannot perform better without having access to this information. Permitting employees to review the results of their appraisal allows them to detect any errors that may have been made. If they disagree with the evaluation, they can even challenge the same through formal channels.

i. ***Due process:*** It follows then that formal procedures should be developed to enable employees who disagree with appraisal results (which are considered to be inaccurate or unfair). They must have the means for pursuing their grievances and having them addressed objectively.

Performance appraisal should be used primarily to develop employees as valuable resources. Only then it would show promising results. When management uses it as a whip or fails to understand its limitations, it fails. The key is not which form or which method is used (Mathis and Jackson).

## 8.8 PROBLEMS OF PERFORMANCE APPRAISAL

The problems inherent in performance appraisal may be listed thus:

### 8.8.1 Judgement Errors

People commit mistakes while evaluating people and their performance. Biases and judgement errors of various kinds may spoil the show. Bias here refers to distortion of a measurement. These are of various types:

i. ***First impressions (primacy effect):*** The appraiser's first impression of a candidate may colour his evaluation of all subsequent behaviour. In the case of negative primacy effect, the employee may seem to do nothing right; in the case of a positive primacy effect, the employee can do no wrong (Harris, p.192).

ii. ***Halo:*** The Halo error occurs when one aspect of the subordinate's performance affects the rater's evaluation of other performance dimensions. If a worker has few absences, his supervisor might give the worker a high rating in all other areas of work. Similarly, an employee might be rated high on performance simply because he has a good dress sense and comes to office punctually!

iii. ***Horn effect:*** The rater's bias is in the other direction, where one negative quality of the employee is being rated harshly. For example, the ratee rarely smiles, so he cannot get along with people!

iv. ***Leniency:*** Depending on rater's own mental make-up at the time of appraisal, raters may be rated very strictly or very leniently. Appraisers generally find evaluating others difficult, especially where negative ratings have to be given. A professor might hesitate to fail a candidate when all other students have cleared the examination. The leniency error can render an appraisal system ineffective. If everyone is to be rated high, the system has not done anything to differentiate among employees.

v. ***Central tendency:*** An alternative to the leniency effect is the central tendency, which occurs when appraisers rate all employees as average performers. For example, a professor, with a view to play it safe, might give a class grades nearly equal to B, regardless of the differences in individual performance.

vi. ***Stereotyping:*** Stereotyping is a mental picture that an individual holds about a person because of that person's sex, age, religion, caste, etc. By generalising behaviour on the basis of such blurred images, the rater grossly overestimates or underestimates a person's performance. For example, employees from rural areas might be rated poorly by raters having a sophisticated urban background, if they view rural background negatively.

vii. ***Recency effect:*** In this case, the rater gives greater weightage to recent occurrences than earlier performance. For example, an excellent performance that may be six or seven months old is conveniently forgotten while giving a poor rating to an employee's performance which is not so good in recent weeks. Alternatively, the appraisal process may suffer due to a 'spill over effect' which takes place when past performance influences present ratings.

### 8.8.2 Poor Appraisal Forms

The appraisal process might also be influenced by the following factors relating to the forms that are used by raters:

- The rating scale may be quite vague and unclear.
- The rating form may ignore important aspects of job performance.
- The rating form may contain additional, irrelevant performance dimensions.
- The forms may be too long and complex.

### 8.8.3 Lack of Rater Preparedness

The raters may not be adequately trained to carry out performance management activities. This becomes a serious limitation when the technical competence of a ratee is going to be evaluated by a rater who has limited functional specialisation in that area. The raters may not have sufficient time to carry out appraisals systematically and conduct thorough feedback sessions. Sometimes the raters may not be competent to do the evaluations owing to a poor self-image and lack of self-confidence. They may also get confused when the objectives of appraisal are somewhat vague and unclear.

**Box 8.6: Why Performance Appraisals Fail?**

- Manager lacks information concerning an employee's actual performance.
- Standards to evaluate an employee's performance are not clear.
- Manager does not take appraisal seriously.
- Manager is not prepared for the appraisal review with the employee.
- Manager is not honest/sincere during the evaluation.
- Manager lacks appraisal skills.
- Employee does not receive ongoing performance feedback.
- Insufficient resources offered to reward performance.
- There is ineffective discussion of employee development.
- Manager uses unclear/ambiguous language in the evaluation process.

***See*** (i) C.O. Longnecker and S.J. Golf, "Why performance Appraisals still fail?", Journal of Compensation and Benefits, 4, Nov-Dec. 1990.
(ii) P. Falcone, "7 Deadly Sins of Performance Appraisals", Supervisory Management, 30 Jan, 1994.

### 8.8.4 Ineffective Organisational Policies and Practices

If the sincere appraisal effort put in by a rater is not suitably rewarded, the motivation to do the job thoroughly finishes off. Sometimes, low ratings given by raters are viewed negatively by management – as a sign of failure on the part of rater or as an indication of employee discontent. So, most employees receive satisfactory ratings, despite poor performance. Normally, the rater's immediate supervisor must approve the ratings. However, in actual practice, this does not happen. As a result, the rater 'goes off the hook' and causes considerable damage to the rating process.

**Check Your Progress 3**

1. What do you understand by performance appraisal?

   ..................................................................................................

   ..................................................................................................

2. Mention four problems associated with performance appraisal.

   ..................................................................................................

   ..................................................................................................

3. Mention five essentials of performance appraisal.

   ..................................................................................................

   ..................................................................................................

## 8.9 LET US SUM UP

Performance appraised systems are designed to improve performance, they broadly cover three areas: define performance, facilitate performance and encourage performance.

The appraisal systems are used for a variety of development and administrative purposes.

Appraisals can be done either informally or systematically. Systematic appraisals are done annually.

Appraisals should be carried out in an objective manner, scrupulously following the criteria laid down for this propose. When appraisals take a subjective route, several problems crop up instantaneously: such as rating errors, poor forms, lack of rater preparedness, ineffective organisational policies and practices.

## 8.10 LESSON END ACTIVITY

'The higher the position an employee occupies in an organisation, the easier it is to appraise his or her performance objectively. Do you agree or disagree? Discuss.

## 8.11 KEYWORDS

***Performance appraisal:*** A systematic and objective way of evaluating both work related behaviour and potential of employees

***Halo effect:*** Bias which occurs when the rater’s personal opinion of a specific trait of employee influences the rater’s overall assessment of performance.

***Rater bias:*** Error that occurs when a rater's values or prejudices distort the rating.

***Contrast error:*** Tendency to rate people relative to other people rather than to performance standards.

***Central tendency:*** The reluctance to use the extremes of a rating scale and to thereby fail to adequately differentiate employees being rated.

***Impression management:*** Efforts by employees to obtain higher ratings by portraying an image desired by their supervisors.

## 8.12 QUESTIONS FOR DISCUSSION

1. Describe, in detail, the process of performance appraisal.
2. What are the objectives of performance appraisal in an organisation?
3. Discuss the problems of performance appraisal.
4. What are the essentials characteristics of effective performance appraisal system?

**Check Your Progress: Model Answers**

***CYP 1***

1. T, 2. F, 3. T, 4. T

***CYP 2***

1. Performanc Appraisal
2. Promotion Decisions
3. Measure Actual Performance

***CYP 3***

1. ***Performance Appraisal:*** Performance appraisal is a method of evaluating the behaviour of employees in the workspot, normally including both the quantitative and qualitative aspects of job performance.
2. ***Problems of Performance Appraisal:***
   (i) Judgement errors
   (ii) Poor performance forms
   (iii) Lack of rater preparedness
   (iv) Ineffective organisational policies
3. ***Essentials of Performance Appraisal:***
   (i) Reliability and validity
   (ii) Employee access to results
   (iii) Due process
   (iv) Legal sanction
   (v) Practical viability

## 8.13 SUGGESTED READINGS

Rao VSP, *Human Resource Management*, Excel Books, New Delhi, 2005

Rao PL, *Comprehensive HRM*, Excel Books, New Delhi, 2004

Bhattacharyya D K, *Human Resource Management*, Excel Books, New Delhi, 2006

Rao PL, *Training and Development*, Excel Books, New Delhi, 2007

Sahu RK, *Training for Development*, Excel Books, New Delhi, 2005

Naik G. Pandu, *Training and Development*, Excel Books, New Delhi, 2007

# LESSON
# 9

# METHODS OF PERFORMANCE APPRAISAL

**CONTENTS**

## 9.0 AIMS AND OBJECTIVES

After studying this lesson, you will be able to:

- Outline various methods of performance appraisal
- Distinguish between traditional and modern methods of performance appraisal
- Explain potential appraisal

## 9.1 INTRODUCTION

Performance evaluation requires dependable performance appraisal methods. Performance appraisal methods are the techniques used to evaluate performance. To be useful, they must be easy to use, be reliable, and report on the critical behaviours that determine performance. One dimension of performance measures is whether they are objective or subjective. Objective performance measures are those indications of job performance that verifiable by others. Subjective performance measures are these rating that are not verifiable by others.

## 9.2 TRADITIONAL AND MODERN METHODS OF PERFORMANCE APPRAISAL

Traditionally, performance appraisal has been used as just a method for determining and justifying the salaries of the employees. Than it began to be used a tool for determining rewards (a rise in the pay) and punishments (a cut in the pay) for the past performance of the employees.

This approach was a past oriented approach which focused only on the past performance of the employees i.e. during a past specified period of time. This approach did not consider the developmental aspects of the employee performance i.e. his training and development needs or career developmental possibilities. The primary concern of the traditional approach is to judge the performance of the organization as a whole by the past performances of its employees.

Therefore, this approach is also called as the overall approach. In 1950s the performance appraisal was recognized as a complete system in itself and the Modern Approach to performance appraisal was developed.

The modern approach to performance development has made the performance appraisal process more formal and structured. Now, the performance appraisal is taken as a tool to identify better performing employees from others, employees' training needs, career development paths, rewards and bonuses and their promotions to the next levels.

Appraisals have become a continuous and periodic activity in the organizations. The results of performance appraisals are used to take various other HR decisions like promotions, demotions, transfers, training and development, reward outcomes. The modern approach to performance appraisals includes a feedback process that helps to strengthen the relationships between superiors and subordinates and improve communication throughout the organization.

The modern approach to performance appraisal is a future oriented approach and is developmental in nature. This recognizes employees as individuals and focuses on their development.

### 9.2.1 Graphic Rating Scale

Under this method, a printed form, as shown below, is used to evaluate the performance of an employee. A variety of traits may be used in these types of rating devices, the most common being the quantity and quality of work. The rating scales can also be adapted by including traits that the company considers important for effectiveness on the job. A model of a graphic rating scale is given below.

**Box 9.1: Typical Graphic Rating Scale**

Employee Name.................. Job title ................
Department ......................... Rate .......................
Data ....................................

| | Unsatis-factory | Fair | Satis-factory | Good | Outstanding |
|---|---|---|---|---|---|
| • Quantity of work<br>Volume of work under normal working conditions | | | | | |
| • Quality of work<br>neatness, thoroughness and accuracy of work | | | | | |
| • Knowledge of job<br>A clear understanding of the factors connected with the job | | | | | |
| • Attitude<br>Exhibits enthusiasm and cooperativeness on the job | | | | | |
| • Dependability<br>Conscientious, thorough, reliable, accurate, with respect to attendance, reliefs, lunch breaks, etc. | | | | | |
| • Cooperation<br>Willingness and ability to work with others to produce desired goals. | | | | | |

From the graphic rating scales, experts can be obtained about the performance standards of employees. For instance, if the employee has serious gaps in technical-professional knowledge (knows only rudimentary phases of job); lacks the knowledge to bring about an increase in productivity; is reluctant to make decisions on his own (on even when he makes decisions they are unreliable and substandard); declines to accept responsibility; fails to plan ahead effectively; wastes and misuses resources; etc., then it can safely be inferred that the standards of performance of the employee are dismal and disappointing.

The rating scale is the most common method of evaluation of an employee's performance today. One positive point in favour of the rating scale is that it is easy to understand, easy to use and permits a statistical tabulation of scores of employees. When ratings are objective in nature, they can be effectively used as evaluators. The graphic rating scale may, however, suffer from a long standing disadvantage, i.e., it may be arbitrary and the rating may be subjective. Another pitfall is that each characteristic is equally important in evaluation of the employee's performance and so on.

### 9.2.2 Straight Ranking Method

This is a relatively easy method of performance evaluation. Under this method, the ranking of an employee in a work group is done against that of another employee. The relative position of each employee is expressed in terms of his numerical rank. It may also be done by ranking a person on his job performance against another member of the competitive group. The quintessence of this method is that employees are ranked according to their relative levels of performance. While using this method, the evaluator is asked to rate employees from highest to lowest on some overall criterion. Though it is relatively easier to rank the best and the worst employees, it is very difficult to rank the average employees. Generally, evaluators pick the top and bottom employees first and then select the next highest and next lowest and move towards the average (middle) employees. The longstanding limitations of this method are:

- The 'whole man' is compared with another 'whole man' in this method. In practice, it is very difficult to compare individuals possessing varied behavioural traits.
- This method speaks only of the position where an employee stands in his group. It does not tell anything about how much better or how much worse an employee is when compared to another employee.
- When a large number of employees are working, ranking of individuals becomes a vexing issue.
- There is no systematic procedure for ranking individuals in the organisation. The ranking system does not eliminate the possibility of snap judgements.

In order to overcome the above limitations, a paired comparison technique has been advanced by organisational scholars.

### 9.2.3 Paired Comparison Method

Ranking becomes more reliable and easier under the paired comparison method. Each worker is compared with all other employees in the group; for every trait, the worker is compared with all other employees. For instance, when there are five employees to be compared, then A's performance is compared with that of B's and decision is arrived at as to whose is better or worse. Next, B is also compared with all others. Since A is already compared with B, this time B is to be compared with only C, D and E. By this method, when there are five employees, fifteen decisions are made (comparisons). The number of decisions to be made can be determined with the help of the formulae n (n-2). Ranking the employees by the paired comparison method may be illustrated as shown in the Table 9.1.

Trait: 'Quantity of work'

**Table 9.1: Employee Rated**

| As compared to | A | B | C | D | E |
|---|---|---|---|---|---|
| A | | + | – | + | – |
| B | – | | + | – | + |
| C | + | – | | + | – |
| D | – | + | – | | – |
| E | + | – | + | + | |

For several individual traits, paired comparisons are made, tabulated and then rank is assigned to each worker. Though this method seems to be logical, it is not applicable when a group is large. When the group becomes too large, the number of comparisons to be made may become frighteningly excessive. For instance, when n=100, comparisons to be made are 100 (100-2) = 100 (98) = 9800.

### 9.2.4 Critical Incident Methods

Under this method, the manager prepares lists of statements of every effective and ineffective behaviour of an employee. These critical incidents or events represent the outstanding or poor behaviour of employees on the job. The manager maintains logs on each employee, whereby he periodically records critical incidents of the workers' behaviour. At the end of the rating period, these recorded critical incidents are used in the evaluation of the workers' performance. An example of a good critical incident of a sales assistant is the following:

July 20 – The sales clerk patiently attended to the customer's complaint. He is polite, prompt, enthusiastic in solving the customer's problem.

On the other hand, the bad critical incident may appear as under:

July 20 – The sales assistant stayed 45 minutes over on his break during the busiest part of the day. He failed to answer the store manager's call thrice. He is lazy, negligent, stubborn and uninterested in work.

This method provides an objective basis for conducting a thorough discussion of an employee's performance. This method avoids recently bias (most recent incidents get too much emphasis). This method suffers, however, from the following limitations:

- Negative incidents may be more noticeable than positive incidents.
- The supervisors have a tendency to unload a series of complaints about incidents during an annual performance review session.
- It results in very close supervision which may not be liked by the employee.
- The recording of incidents may be a chore for the manager concerned, who may be too busy or forget to do it.

Most frequently, the critical incidents method is applied to evaluate the performance of superiors.

**Check Your Progress 1**

Fill in the blanks:

1. ......................... measures are those indications of job performance that verifiable by others.
2. The ......................... to performance appraisal is a future oriented approach and is development in nature.
3. .............................. represents the outstanding or poor behaviour of employees on the job.
4. ......................... becomes more reliable and easier under the paired comparison method.

### 9.2.5 Group Appraisal

In this method, an employee is appraised by a group of appraisers. This group consists of the immediate supervisor of the employee, other supervisors who have close contact with the employee's work, manager or head of the department and consultants. The head of the department or manager may be the Chairman of the group and the immediate supervisor may act as the Coordinator for the group activities. This group uses any one of multiple techniques discussed earlier. The immediate supervisor enlightens other members about the job characteristics, demands, standards of performance, etc. Then the group appraises the performance of the employee, compares the actual performance with standards, finds out the deviations, discusses the reasons therefor, suggests ways for improvement of performance, prepares an action plan, studies the need for change in the job analysis and standards and recommends changes, if necessary.

This method eliminates 'personal bias' to a large extent, as performance is evaluated by multiple raters. But it is a very time consuming process.

### 9.2.6 Counselling

A key step missing in today's performance appraisal cycle is performance counseling. The results of appraisal are at best used to decide training needs and at worse not followed upon. However without a discussion or reflection on what are the training needs or why the employee had these needs, the employee often fails to participate in the rest of cycle. The root cause for this situation is the inability of managers and HR people to effectively counsel others.

A counselor is a helper who helps you to make a decision - not more, not less.

Counseling seeks to help towards constructive change, in some aspect of their life via media a caring relationship and within agreed boundaries.

Sometimes when faced with a situation that calls for decision-making, a counselee is not able understand the situation. Hence they are left confused as to how to proceed. At this stage they need a person who they can talk to about the situation so that more light is thrown on the situation. Several issues are clarified and they develop an understanding of the situation first of all. Once the situation is clear to the decision-maker then the counselor can guide him to the concerned resource people who have specialized knowledge to solve specific issues.

There are several approaches to counseling, but all should aim to help the counselee. The most powerful approach I have seen is the client-centered approach. At its heart is the growth of the counselee. In this approach the fundamental assumption made is that the client has potential to solving the problem himself. So the counselor merely facilitates him in his problem situation by acting like a sounding board. By taking the stand that the client has potential and can grow, the counselor distinguishes him from a professional who gets paid for solving the problem of the counselee. You have to separate the person from the problem. So in this perspective you concentrate on issues such as coping with the issue, potential and growth of counselee.

### 9.2.7 Performance Appraisal Feedback

Performance appraisal process is incomplete without the feedback given to the employee about his appraisal and his performance. But the way of giving as well as receiving the feedback differs from person to person and their way of handling and their outlook towards the issue.

Therefore, on the part of the person receiving the feedback, the following points are important to be taken care of:

- The employee should have a positive attitude towards the feedback processo
  He should listen to the suggestions of the appraiser calmly and try to incorporate them in his plans
- He should not hesitate to ask for the help of his superiors

- Should have a co-operative attitude during the feedback meeting.
- Don't judge the appraiser as a person.
- Should take the feedback objectively.
- Should not judge the appraiser as a person on the basis of the feedback.

On the part of the appraiser or the manager/person giving the feedback, the following points are to be taken care of:

- The appraiser should make the receiver feel comfortable during the feedback meeting.
- The appraiser should make it a two - way conversation i.e. let the employee speak.
- Listen to the employee and note his points, suggestions, problems etc.
- The appraiser should not adopt a confrontational approach towards the meeting. The goal is not to criticize the employee.
- Provide a constructive feedback to the employee i.e. in a way which will motivate him to perform better.
- Have a positive attitude towards the process
- Try to understand the reasons of his failure.
- Be fair and objective
- Prepare yourself for what to say and how to say.
- Make the appraisal feedback meeting useful and productive for the organization and the employee.

### 9.2.8 Confidential Methods

It is mostly used in government organisations. It is a descriptive report prepared, generally at the end of every year, by the employee's immediate superior. The report highlights the strengths and weaknesses of the subordinate. The report is not databased. The impressions of the superior about the subordinate are merely recorded there. It does not offer any feedback to the appraisee. The appraisee is not very sure about why his ratings have fallen despite his best efforts, why others are rated high when compared to him, how to rectify his mistakes, if any; on what basis he is going to be evaluated next year, etc. Since the report is generally not made public and hence no feedback is available, the subjective analysis of the superior is likely to be hotly contested. In recent years, due to pressure from courts and trade unions, the details of a negative confidential report are given to the appraisee.

### 9.2.9 Behavioural Anchored Rating Scale (BARS)

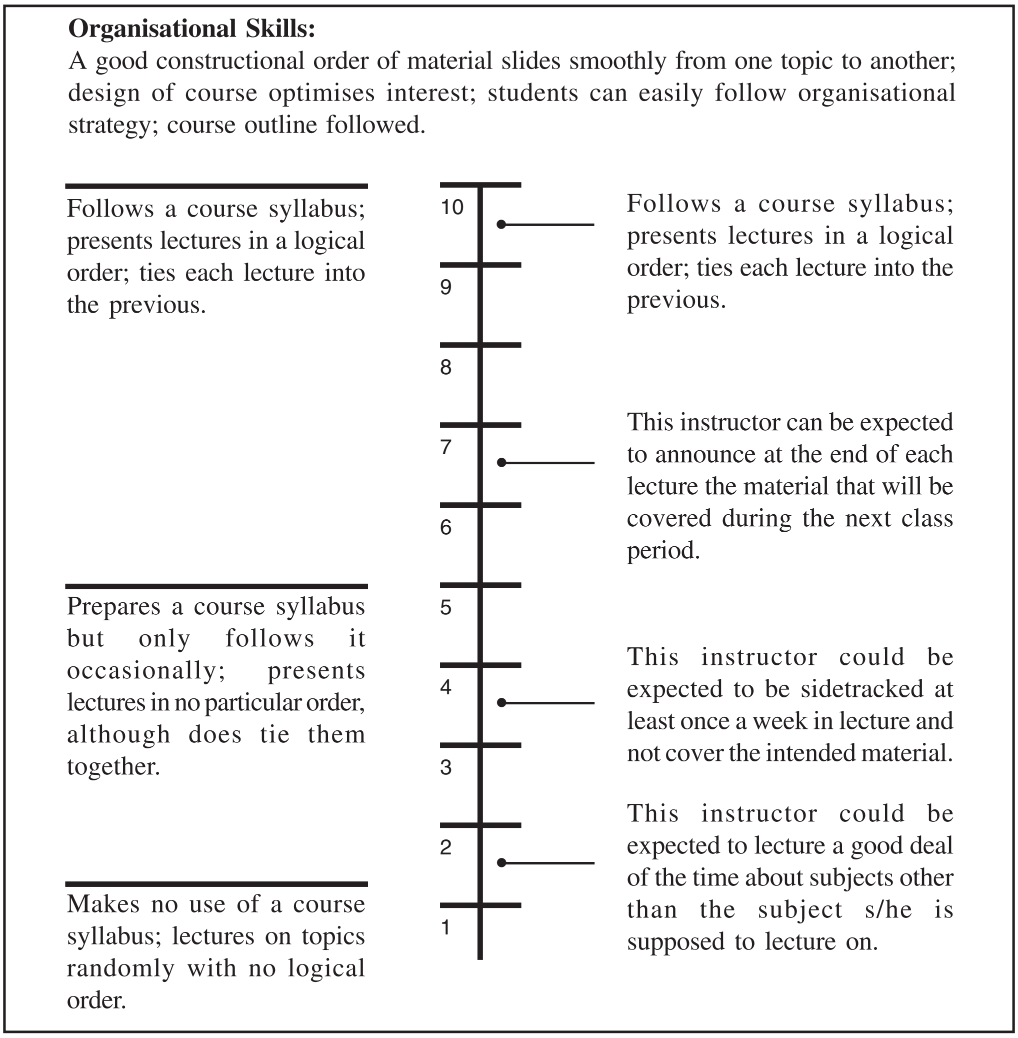
Also known as the behavioural expectations scale, this method represents the latest innovation in performance appraisal. It is a combination of the rating scale and critical incident techniques of employee performance evaluation. The critical incidents serve as anchor statements on a scale and the rating form usually contains six to eight specifically defined performance dimensions. Figure 9.1represents a BARS scale for a college professor.

How to construct BARS? Developing a BARS follows a general format which combines techniques employed in the critical incident method and weighted checklist rating scales. Emphasis is pinpointed on pooling the thinking of people who will use the scales as both evaluators and evaluees.

***Step I:*** Collect critical incidents: People with knowledge of the job to be probed, such as job holders and supervisors, describe specific examples of effective and ineffective behaviour related to job performance.

***Step II:*** Identify performance dimensions: The people assigned the task of developing the instrument, cluster the incidents into a small set of key performance dimensions. Generally, between five and ten dimensions account for most of the performance. Examples of performance dimensions include technical competence, relationships with customers, handling of paperwork and meeting day-to-day deadlines. While developing varying levels of performance for each dimension (anchors), specific examples of behaviour should be used, which could later be scaled in terms of good, average or below average performance.

***Step III:*** Reclassification of incidents: Another group of participants knowledgeable about the job is instructed to retranslate or reclassify the critical incidents generated (in Step II) previously. They are given the definition of job dimension and told to assign each critical incident to the dimension that it best describes. At this stage, incidents for which there is lower than 75 per cent agreement are discarded as being too subjective.




***Source:*** Adapted from H. John Bernardin and Richard W. Beatty, Performance Appraisal: Assessing Human Behaviour at Work (Boston: Kent Publishing Company, 1984).

**Figure 9.1: A Sample Behaviourally Anchored Rating Scale for a College Professor**

***Step IV:*** Assigning scale values to the incidents: Each incident is then rated on a one-to-seven or one-to-nine scale with respect of how well it represents performance on the appropriate dimension. A rating of one represents ineffective performance; the top scale value indicates very effective performance. The second group of participants usually assigns the scale values. Means and standard deviations are then calculated for the scale values assigned to each incident. Typically, incidents that have standard deviations of 1.50 or less (on a 7-point scale) are retained.

***Step V:*** Producing the final instrument: About six or seven incidents for each performance dimension – all having met both the retranslating and standard deviation criteria – will be used as behavioural anchors. The final BARS instrument consists of a series of vertical scales (one for each dimension) anchored (or measured) by the final incidents. Each incident is positioned on the scale according to its mean value.

Because the above process typically requires considerable employee participation, its acceptance by both supervisors and their subordinates may be greater. Proponents of BARS also claim that such a system differentiates among behaviour, performance and results and consequently is able to provide a basis for setting developmental goals for the employee. Because it is job-specific and identifies observable and measurable behaviour, it is a more reliable and valid method for performance appraisal.

Researchers, after surveying several studies on BARS, concluded that "despite the intuitive appeal of BARS, findings from research have not been encouraging". It has not proved to be superior to other methods in overcoming rater errors or in achieving psychometric soundness. A specific deficiency is that the behaviours used are activity oriented rather than results oriented. This creates a potential problem for supervisors doing the evaluation, who may be forced to deal with employees who are performing the activity but not accomplishing the desired goals. Further, it is time consuming and expensive to create BARS. They also demand several appraisal forms to accommodate different types of jobs in an organisation. In a college, lecturers, office clerks, library staff, technical staff and gardening staff all have different jobs; separate BARS forms would need to be developed for each. In view of the lack of compelling evidence demonstrating the superiority of BARS over traditional techniques such as graphic rating scales, decotis concluded that: "It may be time to quit hedging about the efficacy of behavioural scaling strategies and conclude that this method has no clear-cut advantages over more traditional and easier methods of performance evaluation".

### 9.2.10 Assessment Centres

This method of appraising was first applied in German Army in 1930. Later business and industrial houses started using this method. This is not a technique of performance appraisal by itself. In fact it is a system or organisation, where assessment of several individuals is done by various experts using various techniques. These techniques include the methods discussed before in addition to in-basket, role playing, case studies, simulation exercises, structured in sight, transactional analysis, etc.

In this approach, individuals from various departments are brought together to spend two or three days working on individual or group assignments similar to the ones they would be handling when promoted. Observers rank the performance of each and every participant in order of merit. Since assessment centres are basically meant for evaluating the potential of candidates to be considered for promotion, training or development, they offer an excellent means for conducting evaluation processes in an objective way. All assessees get an equal opportunity to show their talents and capabilities and secure promotion based on merit. Since evaluators know the position requirements intimately and are trained to perform the evaluation process in an objective manner, the performance ratings may find favour with a majority of the employees. A considerable amount of research evidence is available to support the contention that people chosen by this method prove better than those chosen by other methods. The centre enables individuals working in low status departments to compete with people from well-known departments and enlarge their promotion chances. Such opportunities, when created on a regular basis, will go a long way in improving the morale of promising candidates working in 'less important' positions.

### 9.2.11 Field Review Method

Where subjective performance measures are used, there is scope for rater's biases influencing the evaluation process. To avoid this, some employees use the field review method. In this method, a trained, skilled representative of the HR department goes into the 'field' and assists line supervisors with their ratings of their respective subordinates. The HR specialist requests from the immediate supervisor specific information about the employees performance. Based on this information, the expert prepares a report which is sent to the supervisor for review, changes, approval and discussion with the employee who is being rated. The ratings are done on standardised forms.

Since an expert is handling the appraisal process, in consultation with the supervisor, the ratings are more reliable. However, the use of HR experts makes this approach costly and impractical for many organisations.

**Check Your Progress 2**

Multiple Choice Questions – Select the most appropriate one

1. The basis for performance standards is
   a. Managers  b. HR plans
   c. Employees  d. Compensation plans
   e. Job analysis.
2. One of the following is a future-oriented appraisal technique:
   a. MBO  b. Rating scale
   c. Checklist  d. BARS
   e. Field review method.
3. Performance appraisals serve as building blocks of
   a. Recruiting  b. Career planning
   c. Manpower planning  d. Selecting
   e. Job analysis.
4. Which of the following techniques is least susceptible to personal bias?
   a. Forced choice  b. Critical incidents
   c. Rating scales  d. Checklists
   e. BARS

*Contd....*

5. A disadvantage of rating scales is

   a. Cost    b. Feedback

   c. Time involved    d. Quantification of scores

   e. Little training needed

### 9.2.12 Human Resource Accounting (HRA)

HRA is a sophisticated way to measure (in financial terms) the effectiveness of personnel management activities and the use of people in an organisation. It is the process of accounting for people as an organisational resource. It tries to place a value on organisational human resources as assets and not as expenses. The HRA process shows the investment the organisation makes in its people and how the value of these people changes over time. The acquisition cost of employees is compared to the replacement cost from time to time. The value of employees is increased by investments made by the company to improve the quality of its human resources such as training, development, and skills acquired by employees over a period of time through experience, etc. When qualified, competent people leave an organisation, the value of human assets goes down. In this method, employee performance is evaluated in terms of costs and contributions of employees. Human resource costs include expenditure incurred by the company in hiring, training, compensating and developing people. The contributions of human resources is the money value of labour productivity. The cost of human resources may be taken as the standard. Employee performance can be measured in terms of employee contribution to the organisation. Employee performance can be taken as positive when contribution is more than the cost and performance can be viewed as negative if cost is more than contribution. Positive performance can be measured in terms of percentage of excess of employee contribution over the cost of employee. Similarly negative performance can be calculated in terms of percentage of deficit in employee contribution compared to the cost of employee. These percentages can be ranked to 'Zero Level' as shown in the Table 9.2.

**Table 9.2: 'Zero Level'**

| Rank | Rating | Percentage of surplus/Deficit of contribution to cost of employee |
|---|---|---|
| 1. | Extremely good performance | Over 200 |
| 2. | Good performance | 150 – 200 |
| 3. | Slightly good performance | 100 – 150 |
| 4. | Neither poor nor good | 0 – 100 |
| 5. | Slightly poor performance | 0 |
| 6. | Poor performance | 0 to (– 50) |
| 7. | Extremely poor performance | (–50) to (–100) |

This technique has not developed fully and is still in the transitionary stage.

### 9.2.13 Management by Objectives

MBO requires the management to set specific, measurable goals with each employee and then periodically discuss the latter's progress towards these goals. This technique emphasises participatively set goals (that are agreed upon by the superior and the employee) that are tangible, verifiable and measurable. MBO focuses attention on what must be accomplished (goals) rather than how it is to be accomplished. It is, thus, a kind of goal setting and appraisal programme involving six steps:

- ***Set the organisation's goals:*** Establish an organisationwide plan for next year and set company goals.
- ***Set departmental goals:*** Departmental heads at this stage take the broader company goals (such as improving profits by 20 per cent, increasing market share by 10 per cent etc.) and, with their superiors, jointly set goals for their departments.
- ***Discuss departmental goals:*** The departmental goals are now put to discussion in a departmental meeting with subordinates. The departmental heads would require the subordinates to set their own preliminary individual goals, focusing mostly on what they can do to achieve the department's goals.
- ***Define expected results:*** In the next step, the departmental heads and their subordinates agree on a set of participatorily set short term, and individual performance targets.
- ***Performance reviews:*** Departmental heads compare each employee's actual and targeted performance, either periodically or annually. While periodic review is intended to identify and solve specific performance problems, the annual review is conducted to assess and reward one's overall contribution to the organisation. Because employees are evaluated on their performance results, MBO is often called a result-based performance appraisal system.
- ***Provide feedback:*** Both parties now discuss and evaluate the actual progress made in achieving goals, where things have gone off the track, how best to rectify the mistakes made in the past, and how the employee could meet the targets next time, focusing attention on his strengths.

However, setting clearly measurable goals is not an easy task. MBO demands a great deal of time to set verifiable goals at all levels of an organisation. In the race to define everything rigidly, some of the qualitative aspects might be ignored (such as employee attitudes, job satisfaction etc.) Often the superior may set goals at a frustratingly high level, whereas the subordinate may wish to have it at a comfortable level. At times, the short-term goals may take precedence over long term goal. The only way to overcome these problems is to allow managers at all levels to explain, coordinate and guide the programme in a persuasive, democratic way. The jointly set targets must be fair and attainable. Both the superiors and the subordinates must be taught how to set realistic goals and be familiarised with the results for which they are finally held responsible.

## 9.3 360-DEGREE FEEDBACK SYSTEM

A 360-degree feedback, system collects performance information from multiple parties, including one's subordinates peers, supervisor and customers. Corporations like GE, Reliance, Crompton Greaves, Wipro, Infosys, Thermax, NTPC, Thomas Cook, SBI, Aditya Birla Group, Mafatlal Group etc., are all using this tool to discover home truths about their managers. Although originally developed (by TV Rao and others in mid-eighties at IIM, Ahmedabad) as a fact-finding and self-correction technique, the 360-degree feedback is also currently used to design promotion and reward. A major advantage of this system is that the feedback comes from multiple sources. If a manager has six subordinates, the manager does not know which subordinate said what, as the results are summarised and averaged. For example, one may criticise the boss for standing too close to people, another may comment on the boss's aggressive tone, the third may take objection to the boss's naughty ways of attending telephone calls and shuffling papers while a meeting is on. Since such feedback is offered anonymously, the subordinates may unburden themselves of negative ratings somewhat freely.

**Table 9.3: Merits and Demerits of 360-degree Technique**

| Merits | Demerits |
|---|---|
| Evaluates methods applied to achieve targets. | Ignores performance in terms of reaching goals. |
| Reveals strengths and weaknesses in management style. | Colleague's responses tend to be biased. |
| Forces inflexible managers to initiate self-change. | Assessees deny the truth of negative feedback. |
| Creates an atmosphere of teamwork and improvement. | • The system can be used to humiliate people. |
| Unearths truths about organizational culture and ambience. | Linking findings to rewards can prove to be unfair. |

In actual practice, the 360-degree system can be a very sensitive issue. The system may fail to deliver results, if it is not designed and implemented properly.

## 9.4 APPRAISAL INTERVIEW AND FEEDBACK

The post appraisal interview is an essential part of the performance appraisal system. The employee gets useful feedback information about how effectively and efficiently he is able to discharge the assigned duties. It also gives the opportunity to the employee to explain his views about the ratings, standards, rating methods, internal and external causes for low level of performance. The appraiser gets a chance to explain the employee his rating, the traits and behaviours he has taken into account for appraisal, etc. He can utilise this opportunity to offer constructive suggestions, and help, guide and coach the employee for his advancement. The post appraisal interview helps both parties to review standards, and set new standards based on the experience gained. It, thus, serves to meet the following objectives:

1. to let employees know where they stand;
2. to help employees do a better job by clarifying what is expected of them;
3. to plan opportunities for development and growth;
4. to strengthen the superior-subordinate working relationship by developing a mutual agreement of goals;
5. to provide an opportunity for employees to express themselves on performance-related issues.

### 9.4.1 Feedback Defined

The term 'workplace feedback' implies two things; (a) Job performance – whether 'x' is capably performing specific tasks that have been assigned (b) work-related behaviour – the way 'x' performs his tasks, whether 'x' speaks politely to customers and works cooperatively with other team members. The appraiser and the appraisee need to follow certain things while giving and receiving feedback. These are discussed below: (Pareek, pp.127-146).

a. ***Adequate preparation:*** The appraisal process should be a continuous one. Informal sessions could be held every now and then to put the employee on track. Formal meetings could take place on a fortnightly, monthly or quarterly basis depending on the progress shown by the employee from time to time. When ratees are rated on various jobs, the meetings could be held more frequently to clarify doubts. For holding performance-related discussions, the rater and ratee could select a location where they can relax and exchange notes with ease. Such one-to-one meetings must be conducted in an atmosphere of mutual trust, understanding and friendship. The hierarchical boundaries should be ignored and positional arrogance should be forgotten.

b. ***Describe behaviour:*** The rater should give detailed feedback to the employee. This involves questions such as

- What happened?
- Where and when did it occur?
- Who was involved?
- How did it affect others?

Statements such as: "The ad copy you wrote just didn't click. Try to put a little more energy into your sales presentations", "I just don't like the way you displayed the items"; do not help the employee because there is no information based on which he can make changes in his actions. Detailed feedback should be specific and accurate. It must give answers to the questions just mentioned above. In the presentation example, an improved way of giving feedback could be: "your presentation is full of ideas but you don't seem to be excited when you were suggesting them; (what he has been doing) your voice is very soft and rate of speaking is low. Our surveys show that your audience think you sound bored with your topic. (Perhaps a small digression here could define where and when and who his listeners are) Could you make the points more clear to the audience by means of concrete examples and interesting ancedotes (redirect energies in a right way?)". While describing behaviour, certain precautions need to be observed:

i. *Acts, not attitudes*

- Never attack personality, educational background, physique, etc. Do not comment on employee's attitudes.
- The right way : you were late twice last week.
- The wrong way : you just don't care about coming in on time.

ii. *Future oriented*

- Do not dwell on the past; focus on the future, review the past, observe the current performance and use both to improve employee performance in future.

iii. *Goal-oriented*

- Each one of us walks along our own path. There may be hurdles on the way. We may overstep and go off the rails. We may obstruct others from realising their goals. But if all of us focus on overall goals and move like teammates, the effort will not go waste.

iv. *Listen to the recipient*

- The reactions of the feedback recipient should never be ignored. The appraiser should give feedback when the appraisee is ready to accept it. This, of course, depends on the appraiser's relationship with the recipient and the recipient's capacity to receive feedback.

v. *Descriptive, not evaluative*

- ♦ The feedback should not be judgemental. It should be descriptive and allow the recipient to think and take appropriate action. Consider the statements, which reflect this spirit:
  - – Your remark made me 'angry'
  - – In the last 10 minutes, you repeated the same statement 4 times.
- ♦ On the other hand, evaluative feedback in the form of statements: "your behaviour is not proper, you suffer from inferiority complex, you should be bold enough to say no" will not help the recipient.

vi. *Data-based feedback*

- ♦ Effective feedback gives specific information about where the recipient has gone wrong and gives him data in the form of observations, feelings and other things which his behaviour has evoked.

  Wrong way : 'Do not interrupt'.
- ♦ Right way : You interrupted A, B, C without allowing them to complete their points of view.

vii. *Suggestive*

- ♦ The supervisor may offer constructive suggestions aimed at improving the behaviour of the recipient. These should however, be in the form of various alternatives open to the recipient for improving his own ways of doing things. The supervisor should not prescribe actions – what exactly the recipient should do – because that only makes the employee (i) depend on the former for advice and guidance, (ii) ineffective since he is not involved in the decision taken.

viii. *Reinforcement*

- ♦ Effective feedback should help a person decide about which style of behaviour he should continue to use. To this end, the supervisor should identify job behaviours and performance of the employee that help achieve goals and encourage the employee to repeat such behaviours and grow gradually.

ix. *Continuous*

- ♦ Feedback should not be an annual ritual carried out in a mechanical way. It should be a continuous, on going process of reinforcing right behaviours and checking wrong ways of doing things (Poertner and Miller).

x. *Need-based and solicited*

- ♦ Feedback would be effective if the recipient genuinely wants to take it and mends those of his behaviours that are not in tune with job requirements. It should be such that the recipient could think about it and do something to improve his behavioural responses. For example, feedback given to a person on his stammering may not help because it would only reinforce his negative self-image and he cannot do anything about his stammering in the normal course.

c. ***Proper timing:*** Feedback should be well-timed. It should be given immediately after the event has taken place. For example the statement, '3 weeks ago I passed you in the corridor; you didn't say hello' – does not serve the purpose as the recipient has no interest to reflect on the event unless the consequences are negative. Timing also means that the recipient of the feedback should be in a position to receive feedback and use it.

d. ***Help both parties:*** To be effective, feedback should satisfy the needs of the rater as well as the ratee. The rater may want to help, to influence and to establish a better relationship. To this end, he must move closer to the ratee, understand his problems and suggest remedial steps in a friendly tone. The ratee on his part should listen to the feedback information given by the rater carefully. There is no use overreacting to feedback. When the ratee is praised for showing promise and talent, he should not take it for granted that he does no wrong. A negative comment of the rater likewise, should not influence the ratee's behaviour too badly. The ratee should keep all feedback in perspective and learn from all such information without writing off inappropriate feedback as rude and obnoxious. The ratee should remain calm and cordial throughout the feedback session. He should not be afraid to ask questions. To this end, he must:

- ❖ Ask for details, especially when he/she is bombarded with inappropriate feedback.
- ❖ State clearly what he heard from the feedback to make sure that his/her interpretation matches the intention of the appraiser.
- ❖ Seek suggestions for future action. The purpose of feedback is to share information that will help him/her plan the future. Always ask the appraiser to help develop a plan for changing your future actions.
- ❖ Remember to thank the person giving the feedback. Saying 'thanks' demonstrates that your behaviour always remains professional and sets a positive tone for your next interaction.

**Check Your Progress 3**

True/False Questions

1. Subjective measures in performance appraisal are most desirable.
2. Performance appraisals can reduce bias.
3. Employee self appraisals are a good way to decide promotions.
4. Using multiple raters improves evaluations.
5. Assessment centre technique is costly and time-consuming.
6. Rating scales are particularly subject to bias.
7. Evaluation interviews require careful preparation.
8. Behavioural techniques focus attention on ratings rather than on observation.
9. Objective appraisal measures are always popular with employees.
10. Job analysis is the basis for performance standards.

## 9.5 LET US SUM UP

Three types of appraisal methods are generally used: individual evaluation methods, multiple person evaluation methods and other methods, including HRA, assessment centre, and 360 degree feedback, etc.

To improve the reliability and validity of ratings, it is essential to train raters (apart from setting an objective set of criteria for evaluating performance). A variety of suggestions are advanced by HR professionals to overcome these problems. Recent approaches to performance management have involved more parties in the whole process of evaluation including subordinates, peers, customers etc.

Giving and receiving feedback is not an easy task. If done properly, both organisation and employee will immensely benefit from such an exercise.

## 9.6 LESSON END ACTIVITY

You are heading a 250-member medium-sized company that has just had a fantastic year. Everyone pulled together and worked hard to give a big boost to company profits. Unfortunately, due to rise in input costs, you are forced to offer only a 3 per cent rise in salaries across the board. At appraisal time, how would you communicate praise for a job well done coupled with your limited ability to reward such outstanding performance? Now assume you can afford to hand out some handsome bonuses or raises. What would be the best way to evaluate employees when everyone has done exceptionally well?

## 9.7 KEYWORDS

***Ranking:*** Listing employees from best to worst.

***MBO:*** An approach in which employee and supervisor jointly establish clear, measurable performance jobs for the future.

***Rating scale:*** A method which requires the rater to provide a subjective performance evaluation along a scale from low to high.

***Checklist:*** Performance appraisal tool that uses a lot of statements or words that are checked by raters.

***Forced choice:*** A method requiring the rater to select the most descriptive statement in each pair of statements about the employee being rated.

***Paired comparison:*** A method that compels raters to compare each employee with all other employees who are being rated in the same group.

***360 degree feedback:*** Information is gathered from a variety of sources in this system, including subordinates who complete performance appraisals, then the results are summarised for the employee and necessary improvements are discussed.

***Human resource accounting:*** It is a sophisticated way to measure the effectiveness of personnel management activities and the use of people in an organisation.

***Behaviourally anchored ratios scale:*** It is an absolute assessment technique wherein critical incidents are identified and a range of performance possibilities (from poor to good) are described for each dimension.

***Assessment centre:*** It is an appraisal technique that relies on multiple types of evaluation and multiple raters.

## 9.8 QUESTIONS FOR DISCUSSION

1. Discuss the merits and demerits of critical incident technique and graphic rating scales.
2. Why does current thinking indicate that appraisal for training should be conducted separately from appraisal for promotion?
3. To what extent can appraisal problems be minimised through computerisation and by taking adequate precautions?
4. Explain the post appraisal interview problem between the superior and the subordinate.
5. Evaluate the significance of performance appraisal in an educational institution. How would you make it more effective?
6. "Performance appraisal is not merely for appraisal but is for accomplishment and improvement of performance". Discuss.
7. Distinguish performance appraisal from potential appraisal.
8. What are the three methods of appraisal? Which method would you prefer as an employee? As a manager? Why?
9. Describe how to prepare a BARS for a payroll clerk.
10. Suppose you are a supervisor. What errors might you make when doing an employees' performance appraisal?
11. Why is training of appraisers so important to an effective performance appraisal system?
12. How would you get an interviewee to talk during an appraisal interview?
13. Discuss the pros and cons of using different potential raters to appraise a person's performance.
14. 'The higher the position an employee occupies in an organisation, the easier it is to appraise his or her performance objectively. Do you agree or disagree? Discuss.

**Check Your Progress: Model Answers**

***CYP 1***

1. Objective performance
2. modern approach
3. critical incidents or events
4. Ranking

***CYP 2***

1. c, 2. a, 3. b, 4. e, 5. b

***CYP 3***

1. F, 2. T, 3. F, 4. T, 5. T, 6. T, 7. T
8. F, 9. F, 10. T

## 9.9 SUGGESTED READINGS

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# UNIT V

# LESSON
# 10

## MANAGING CAREERS

**CONTENTS**

## 10.0 AIMS AND OBJECTIVES

The lesson focuses attention on career planning, individual and organisational career development, career management and effective career planning. After studying this lesson, you will be able to:

- Define career, career planning and career development
- Identify the five stages involved in a career
- Understand the importance of career anchors
- Explain the process of career planning
- Outline the components of career development systems
- Learn about using career self assessment instrument(s)
- Describe the important elements of career management
- Underscore the importance of effective career planning
- Elaborate the process of succession planning and succession management.

## 10.1 INTRODUCTION

Companies now-a-days, are designing career programmes with a view to increase employee productivity, prevent job "burn out" and obsolescence, and improve the quality of employees' work lives. Thanks to the LPG era (liberalisation, privatisation and globalisation) individuals, too, are expected to develop new and better personal skills of self-assessment and career planning to be in the race, especially since companies do not have the resources to completely plan individuals' careers. Effective career planning should become an inescapable fact of organisational life because it helps companies meet internal staffing requirements and reduce turnover while it helps employees meet their needs for challenge and achievement of career goals.

## 10.2 CONCEPT OF CAREER

A career is a sequence of positions held by a person during the course of a lifetime. It comprises of a series of work related activities that provide continuity, order and meaning to a person’s life. This is an objective view of a person’s career. There is also a subjective element in the concept of career. A career consists of the changes in values, attitudes and motivation that occur as a person grows older.

In both the perceptions, the primary focus is on the individual. The underlying assumption is that a person can shape his destiny through a series of well-planned and well-timed, positive moves. However, it must be stated here as a word of caution, mere planning does not ensure career success. A person’s career is shaped by many complex factors, e.g., performance, education, experience, influential parents, caste links and a certain amount of luck. As Davis stated, “When people rely largely on luck, however, they seldom are prepared for the career opportunities that arise. Successful people identify their career goals, plan and then take action. For them ‘luck’ occurs when opportunity meets preparation!”

## 10.3 FEATURES OF CAREER

Some of the important features of the term ‘career’ may be stated thus:

a. ***A career develops over time:*** It covers objective conditions (such as job, duties, responsibilities) and also includes subjective reactions (such as enthusiasm, boredom, etc.)

b. It is the individual who ultimately must judge the success of his career. He must set his own criteria for success, and such criteria can be far ranging (e.g., pay, adventure, working with new people in new environments, helping others, etc.).

c. The important element in one's career is experiencing psychological success which basically is, feeling a sense of personal accomplishment and fulfillment. Psychological success energises our efforts and impels us to undertake new challenges, and scale new heights, that foster our growth over time.

d. The typical career of a person today would probably include many different positions, transitions and organisations more so than in the past, when employees were less mobile and organisations more stable as employers.

## 10.4 IMPORTANT TERMS IN CAREER PLANNING

Before proceeding further, let's look into the terms that are commonly used in career planning:

1. ***Career:*** A career is all the jobs that are held during one's working life.
2. ***Career goals:*** Future positions one tries to reach as part of a career.
3. ***Career cycle:*** The stages through which a person's career evolves.
4. ***Career paths:*** These are flexible lines of progression through which employees typically move.
5. ***Career anchors:*** They are distinct patterns of self-perceived talents, attitudes, motives and values that guide and stabilise a person's career after several years of real-world experience and feedback.
6. ***Career progression:*** Making progress in one's career through a series of right moves.
7. ***Career planning:*** The process by which one selects career goals and the path to those goals.
8. ***Career development:*** The personal actions one undertakes to achieve a career plan.
9. ***Career planning and development:*** Extending help to employees to form realistic career goals and the opportunities to realise them.
10. ***Career counselling:*** The process of advising employees on setting career goals and assisting them find suitable career paths.
11. ***Career management:*** It is the continuing process of setting career goals, formulating and implementing strategies for reaching the goals and monitoring the results.
12. ***Mid-career crisis:*** The period occurring between the mid-thirties and mid-forties during which people often make a major reassessment of their progress relative to their original career goals and ambitions.
13. ***Reality shock:*** A period that may occur at the initial career entry when the new employee's high job expectations confront the reality of a boring, unchallenging job.
14. ***Plateauing:*** A condition of stagnating in one's current job.
15. ***Mentor:*** Someone who extends informal career advice and assistance.

## 10.5 CAREER STAGES

A career, as mentioned above, includes many positions, stages and transitions just as a person's life does. It can be easily understood if we think of a career consisting of several stages. Most of us have gone or will go through the undermentioned five stages:

### 10.5.1 Exploration

This is the career stage that usually ends in one's mid-twenties as one makes the transition from college to work. What we hear from our teachers, friends and relations; our own observation of careers of our parents shape our future career choices at this stage. From an organisational standpoint, this stage has least relevance as it takes place prior to employment. However, the organisation can still track the minds of young people by offering internships to them or offering on-the-job training to bright students. For the individual, this is the stage of self exploration seeking answers to various puzzling questions about careers. This is depicted in Figure 10.1.

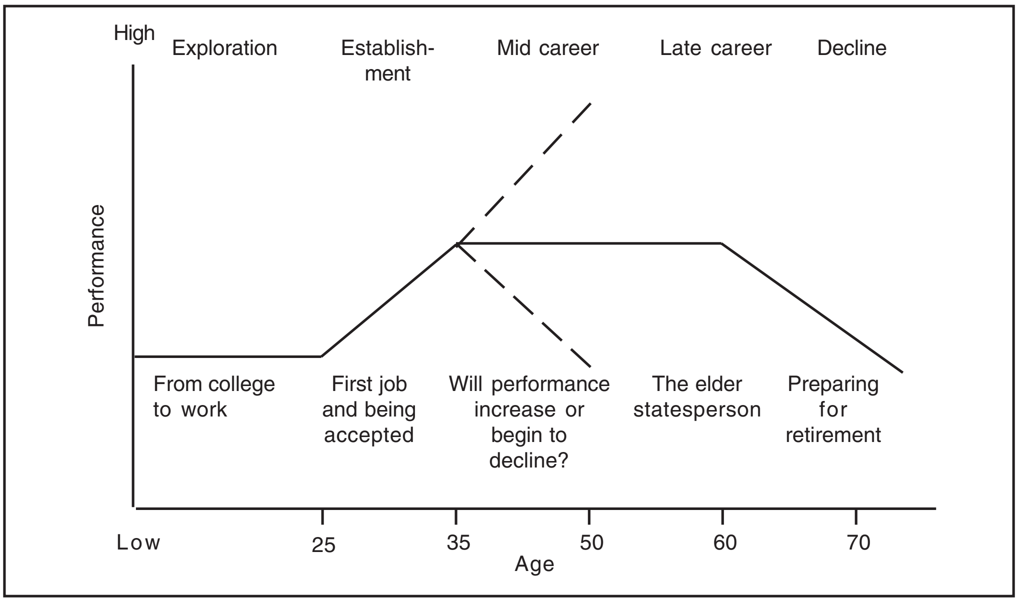


**Figure 10.1: Stages in Career**

**Table 10.1: Typical Entry-level Employee Expectations vs Reality (Greenhaus)**

| Expectation | Reality |
|---|---|
| "I will have much freedom to work as I please." | "My boss tells me what to do and how to do it. |
| "Most of my work projects will be fun." | "I have much boring, routine work." |
| "I will receive a lot of helpful feedback from my boss." | "I really don't know how well I'm doing." |
| "If I do well at work, I will get good raises and promotions." | "Money and promotions are limited and factors other than performance count." |
| "I can apply the latest techniques that I learned at school." | "People resist the new ideas I suggest." |
| "I will be able to balance my personal needs and work life." | "My job and personal goals often conflict." |

**Chart 10.1: Golden Rules to be kept in Mind While Searching for a Job**

1. List all your wins and achievements, then draw a second list from it – highlighting different aspects of your personality. Do not underplay your achievements.
2. Seek help from all your contacts. Asking for help during job hunt is like asking for directions when you are lost. It is better to ask for directions than to stay lost.
3. Your resume should not be a condensed biographical sketch (nor a razzle-dazzle document) of your life and work. It must reveal your experiences, diverse skills and vast knowledge in an appropriate manner.
4. Be ready to respond positively ("I can do that") to tricky questions probing your knowledge and experience in a different area. Having a "can do" attitude can sometimes be more important than the actual experience. This way, one is sure to get at least interesting work where one can learn and get ahead.
5. Be it a war or an interview, before actually going full throttle, one needs to plan and prepare well and at the same time watch out for the unexpected. The best way out is to arm oneself with answers for all the possible questions.
6. Try not to be everything in an interview. Most candidates try too hard in an interview and are very accommodating. Don't be. The most commonly asked question during an interviews is "what could you contribute to this organisation?" The usual answer given is 'whatever you need'. This just shows your desperation. Guard against this.
7. Negotiate salary, benefits and working conditions clearly, keeping realistic picture of your own fair market value and the current economic climate in mind. Most experts believe that a candidate should guard against winning a salary tug-of-war at the expense of losing the goodwill of his interviewer.
8. Lost out on a job, no problem. It is always a good idea to call your interviewer and ask him for feedback on the reasons why you were not hired.

(P. Dalmia CEO, JobsAhead.com; Collectors' Series, Business World, 21.1.2002)

### 10.5.2 Establishment

This is the career stage where one begins the search for work and picks up the first job. It includes the first experiences on the job, peer group evaluations, personal tensions and anxieties that confront a person trying to make his mark. This period is characterised by committing mistakes, learning from those mistakes and assuming increased responsibilities. One does not reach the summit at this stage as he rarely gets a chance to handle powerful assignments. It is like going uphill, spending lot of time and energies all the while. (See Box 10.1)

### 10.5.3 Mid Career

Mid career is a stage that is typically reached between the age of 35 and 50. At this point, one may continue to show improved performance, level off or begin to decline; you are no longer viewed as a 'learner'. Mistakes committed by you would be viewed seriously and may invite penalties as well. If you are good enough, you may grow and turn out good results. If you do not have the same fire in the belly when you started your career, the best thing would be to hold on to what you have. Technically speaking, a plateaued career stares at you. Plateauing is a condition of stagnating in one's current job. Since you are no longer ambitious and are more or less happy with what comes your way, the organisation can place you on jobs that require experience and maturity. The organisation can't discount your worth and treat you as deadwood, since you still retain the flavour and continue to show reasonably good performance. But then what would happen to those employees who have lost both interest and productivity at work? Organisations often show them the door or shift them to less important jobs.

**Box 10.1: Get off to a Fast Start in Your New Job!**

According to William Ellis, the following strategies help a person get off to a flying start in a new position.

- ***Make yourself visible early:*** Try a novel tactic , use a stunningly different strategy or follow a route that's generally avoided by most others. Try anything so as to get noticed.
- ***Overkill that first assignment:*** In your first assignment, set impossible targets for yourself – which others can't even think of in their wildest dreams and deliver results faster than others.
- ***Get the lay of the land:*** Get as much information as possible about people, processes and activities in your work spot – at an amazing speed and become a quick and authoritative information source.
- ***Say "sure" and figure out how later:*** Management values the new employee who grabs a challenge and runs with it. Try to get over the hurdles somehow – through a painful process of trial and error and come back with winning solutions
- ***Accelerate your enthusiasm:*** An enthusiastic newcomer can spark a whole department. Yet some days your enthusiasm will run low. There is a remedy, however; if you want to be enthusiastic, act enthusiastic. Inner enthusiasm follows, and it will have an echo effect on colleagues and bosses. Even cynical old hands want to help an enthusiastic new person.
- ***Dare to Change the Entrenched Method:*** Try to challenge the traditional old ways of doing things. Stretch yourself to find those creative ways that save lot of organisational time, energies and resources..

  The greatest advantage of the fast start on a new job is the early creation of a winning mystique. Even if you were a little slow in the beginning, nothing says, you can't go to work tomorrow morning and act as if it was your first day on a new job. Better late than never?

***Source:*** W. Ellis, "Get off to a fast start in your new Job," Reader's Digest, Win@Work, 2001.

### 10.5.4 Late Career

This is the stage where one relaxes a bit and plays the part of an elder statesperson. For those who continue to grow through the mid-career stage, this is the time to command respect from younger employees. Your varied experiences and judgement are greatly valued and your word will carry weight; undoubtedly, you can teach others and share your experiences with others.

For those who have stagnated or deteriorated during the previous stage, the late career brings the reality that they are no longer required to run the race and its better to redirect the energies to family, friends and hobbies.

### 10.5.5 Decline

During this period a person's attention may turn to retirement. The achievements of a long career and the frustrations and anxieties that go along with that phase are left behind. Regardless of whether one is leaving a glorified career or a dismal job, one has to make adjustments and get along with people and things. (See Box 10.2)

## 10.6 HOW DO PEOPLE CHOOSE CAREERS?

Studies show that four general individual characteristics influence how people make career choices (Hall):

1. ***Interests:*** People tend to go after careers that they believe match their interests.
2. ***Self-image:*** A career is a reflection of a person's self image, as well as a moulder of it.

3. ***Personality:*** This factor includes a person's personal orientation (whether one is adventurous, outgoing, passive, submissive, artistic, etc.) and personal needs (including affiliation, power and achievement needs).

4. ***Social backgrounds:*** Socio-economic status, education and occupational status of a person's parents are covered in this category.

**Box 10.2: Adjustments to be made by Retirees**

- ***Self-management:*** The retiree must adjust to being self-directed after retirement. There is no longer any supervisor or work agenda dictating what to do and when to do it.
- ***Need to belong:*** The retiree is no longer a member of the workgroup that consumed so much of his time and formed an important social structure in the past. What takes its place?
- ***Pride in achievement:*** Achievement reinforces self-esteem and is often centred around work. In retirement, past achievements are quietly buried.
- ***Territoriality:*** The retiree's personal turf in the form of office, company, and title is lost in retirement. Other ways to fill the vacuum must be found.
- ***Goals:*** Organisations must often shape many of a person's goals. Some people may find it extremely difficult to set meaningful personal goals after retirement.

## 10.7 CAREER ANCHORS

Just as boats put down anchors to keep them from drifting too far, individuals put down anchors to stabilise their career choices. Career anchors are distinct patterns of self-perceived talents, attitudes, motives and values that guide and stabilise a person's career after several years of real world experience and feedback. According to Schein, career anchors are difficult to predict ahead of time because they are evolutionary and a result of a process of discovery. You are not very sure about them until you are confronted with a choice such as moving to headquarters or start your own business (e.g., remember Ashok Scoota, who after 20 years of life as CEO in Shriram Refrigeration, joined Wipro Infotech as President and spent the next 15 years building it? He quit the job in 1999 to set up a software start up Mindtree when Wipro chief Azim Premji asked him to move to America). It is usually at such a point that all the person's past work experience, interests, and orientations converge into a discernible picture (or career anchor) that helps show what is personally most valuable. Based on his study of MIT graduates, Schein identified eight career anchors:

a. ***Managerial competence:*** People having this drive seek managerial positions that offer opportunities for higher responsibility, decision making, power, etc.

b. ***Technical competence:*** People who have a strong technical or functional career anchor seem to make career choices based on the technical or functional content of the work, such as engineering or accounting.

c. ***Security:*** If your career anchor is security, then you are willing to do what is needed to maintain job security (complying with rules and regulations of every kind) a decent income and a stable future in the form of a good retirement package.

d. ***Creativity:*** These people are driven by an overwhelming desire to do something that is entirely of their own making. For them, starting a new venture, working in a research lab, piloting a novel venture in a desert may be exciting alternatives, their idea of a creative vocation.

e. ***Autonomy:*** These people seek a career that offers freedom of action and independence.

f. ***Dedication to a cause:*** If this is your anchor, you focus on a cause that you believe is important (ending starvation deaths, bringing about word peace, cure for a disease etc.)

g. ***Pure challenge:*** If this is your career anchor, you seek to meet and overcome difficult barriers or obstacles (scaling a mountain, reviving sick companies etc.). You basically seek novelty and variety in your work.

h. ***Life-style:*** if this is your career anchor, you seek to integrate personal, career and family goals. You choose jobs that enable you to fit all parts of your life together.

## 10.8 MEANING OF CAREER PLANNING

Career planning is the process by which one selects career goals and the path to these goals. The major focus of career planning is on assisting the employees achieve a better match between personal goals and the opportunities that are realistically available in the organisation. Career programmes should not concentrate only on career growth opportunities. Practically speaking, there may not be enough high level positions to make upward mobility a reality for a large number of employees. Hence, career-planning efforts need to pin-point and highlight those areas that offer psychological success instead of vertical growth.

Career planning is not an event or end in itself, but a continuous process of developing human resources for achieving optimum results. It must, however, be noted that individual and organisational careers are not separate and distinct. A person who is not able to translate his career plan into action within the organisation may probably quit the job, if he has a choice. Organisations, therefore, should help employees in career planning so that both can satisfy each other's needs.

## 10.9 CAREER PLANNING VS HUMAN RESOURCE PLANNING

Human Resource Planning is the process of analysing and estimating the need for and availability of employees. Through Human Resource Planning, the personnel department is able to prepare a summary of skills and potentials available within the organisation. Career planning assists in finding those employees who could be groomed for higher level positions, on the strength of their performance.

Human Resource Planning gives valuable information about the availability of human resources for expansion, growth, etc. (expansion of facilities, construction of a new plant, opening a new branch, launching a new product, etc.). On the other hand, career planning only gives us a picture of who could succeed in case any major developments leading to retirement, death, resignation of existing employees.

Human Resource Planning is tied to the overall strategic planning efforts of the organisation. There cannot be an effective manpower planning, if career planning is not carried out properly.

## 10.10 NEED FOR CAREER PLANNING

Every employee has a desire to grow and scale new heights in his workplace continuously. If there are enough opportunities, he can pursue his career goals and exploit his potential fully. He feels highly motivated when the organisation shows him a clear path as to how he can meet his personal ambitions while trying to realise corporate goals. Unfortunately, as pointed out by John Leach, organisations do not pay adequate attention to this aspect in actual practice for a variety of reasons. The demands of employees are not matched with organisational needs, no effort is made to show how the employees can grow within certain limits, what happens to an employee five years down the line if he does well, whether the organisation is trying to offer mere jobs or long-lasting careers, etc. When recognition does not come in time for meritorious performance and a certain amount of confusion prevails in the minds of employees whether they are 'in' with a chance to grow or not, they look for greener pastures outside. Key executives leave in frustration and the organisation suffers badly when turnover figures rise. Any recruitment effort made in panic to fill the vacancies is not going to be effective. So, the absence of a career plan is going to make a big difference to both the employees and the organisation. Employees do not get right breaks at a right time; their morale will be low and they are always on their toes trying to find escape routes.

Organisations are not going to benefit from high employee turnover. New employees mean additional selection and training costs. Bridging the gaps through short-term replacements is not going to pay in terms of productivity. Organisations, therefore, try to put their career plans in place and educate employees about the opportunities that exist internally for talented people. Without such a progressive outlook, organisations cannot prosper.

**Check Your Progress 1**

Fill in the blanks:

1. ...................... is the process of advising employees on setting career goals and assisting them find suitable career paths.
2. ...................... is the career stage that usually ends in one's mid-twenties as one makes the transition from college to work.
3. ...................... is a stage that is typically reached between the age of 35 and 50.
4. ...................... is the process of analysing and estimating the need for and aailability of employees.

## 10.11 OBJECTIVES OF CAREER PLANNING

Career planning seeks to meet the following objectives:

1. Attract and retain talent by offering careers, not jobs.
2. Use human resources effectively and achieve greater productivity.
3. Reduce employee turnover.
4. Improve employee morale and motivation.
5. Meet the immediate and future human resource needs of the organisation on a timely basis.

## 10.12 PROCESS OF CAREER PLANNING

The career planning process involves the following steps:

a. ***Identifying individual needs and aspirations:*** Most individuals do not have a clear cut idea about their career aspirations, anchors and goals. The human resource professionals must, therefore, help an employee by providing as much information as possible showing what kind of work would suit the employee most, taking his skills, experience, and aptitude into account. Such an assistance is extended through workshops/seminars while the employees are subjected to psychological testing, simulation exercises, etc. The basic purpose of such an exercise is to help an employee form a clear view about what he should do to build his career within the company. Workshops and seminars increase employee interest by showing the value of career planning. They help employees set career goals, identify career paths and uncover specific career development activities (discussed later). These individual efforts may be supplemented by printed or taped information. To assist employees in a better way, organisations construct a data bank consisting of information on the career histories, skill evaluations and career preferences of its employees (known as skill or talent inventory).

b. ***Analysing career opportunities:*** Once career needs and aspirations of employees are known, the organisation has to provide career paths for each position. Career paths show career progression possibilities clearly. They indicate the various positions that one could hold over a period of time, if one is able to perform well. Career paths change over time, of course, in tune with employee's needs and organisational requirements. While outlining career paths, the claims of experienced persons lacking professional degrees and that of young recruits with excellent degrees but without experience need to be balanced properly.

c. ***Aligning needs and opportunities:*** After employees have identified their needs and have realised the existence of career opportunities the remaining problem is one of alignment. This process consists of two steps: first, identify the potential of employees and then undertake career development programmes (discussed later on elaborately) with a view to align employee needs and organisational opportunities. Through performance appraisal, the potential of employees can be assessed to some extent. Such an appraisal would help reveal employees who need further training, employees who can take up added responsibilities, etc. After identifying the potential of employees certain developmental techniques such as special assignments, planned position rotation, supervisory coaching, job enrichment, understudy programmes can be undertaken to update employee knowledge and skills.

d. ***Action plans and periodic review:*** The matching process would uncover gaps. These need to be bridged through individual career development efforts and organisation supported efforts from time to time. After initiating these steps, it is necessary to review the whole thing every now and then. This will help the employee know in which direction he is moving, what changes are likely to take place, what kind of skills are needed to face new and emerging organisational challenges. From an organisational standpoint also, it is necessary to find out how employees are doing, what are their goals and aspirations, whether the career paths are in tune with individual needs and serve the overall corporate objectives, etc.

**Check Your Progress 2**

State whether the following statements are true or false:

1. A career is a sequence of positions held by a person during the course of a lifetime.
2. A career consists of changes in values, attitudes and motivation that occur as the person grows older.
3. A person's career is shaped by many complex factors, e.g., performance, education, experience, influential parents, caste links and a certain amount of luck.
4. The typical career of a person today would probably include many different positions, transitions and organisations more so than the past, when employees were less mobile and organisations more stable as employers.

## 10.13 CAREER DEVELOPMENT

Career development consists of the personal actions one undertakes to achieve a career plan. The terms 'career development' and 'employee development' need to be differentiated at this stage. Career development looks at the long-term career effectiveness of employees, whereas employee development focuses on effectiveness of an employee in the immediate future. The actions for career development may be initiated by the individual himself or by the organisation. These are discussed below:

### 10.13.1 Individual Career Development

Career progress and development is largely the outcome of actions on the part of an individual. Some of the important steps that could help an individual cross the hurdles on the way 'up' may include:

a. ***Performance:*** Career progress rests largely on performance. If the performance is sub-standard, even modest career goals can't be achieved.

b. ***Exposure:*** Career development comes through exposure, which implies becoming known by those who decide promotions, transfers and other career opportunities. You must undertake actions that would attract the attention of those who matter most in an organisation.

c. ***Networking:*** Networking implies professional and personal contacts that would help in striking good deals outside (e.g., lucrative job offers, business deals, etc.). For years men have used private clubs, professional associations, old-boy networks, etc., to gain exposure and achieve their career ambitions.

d. ***Leveraging:*** Resigning to further one's career with another employer is known as leveraging. When the opportunity is irresistible, the only option left is to resign from the current position and take up the new job (opportunity in terms of better pay, new title, a new learning experience, etc.). However, jumping too jobs frequently (job-hopping) may not be a good career strategy in the long run.

e. ***Loyalty to career:*** Professionals and recent college graduates generally jump jobs frequently when they start their career. They do not think that career-long dedication to the same organisation may not help them further their career ambitions. To overcome this problem, companies such as Infosys, NIIT, WIPRO (all information technology companies where the turnover ratios are generally high) have come out with lucrative, innovative compensation packages in addition to employee stock option plans for those who remain with the company for a specified period.

**Chart 10.2: Network Smart to Get a Dream Job!**

The corporate world is always on the look out for good people. However, to get that dream job, you need to be at the right place, at the right time. In short, you need to network smart to create space for yourself – thus:

- Make sure you know the right people, who can recommend your name to the decision makers in the company in which you are eyeing your dream job.
- Go out, attend seminars, and entertain your contacts. Your networked corporate friends could become your buddies, who would go all out to help you, including getting you a better job.
- Remember birthdays, anniversaries of your contacts. This helps add just a little personal touch to the relationship.
- Where a reference works out, be sure to say thanks. This cements your relationship.
- Be ready to help others when the time comes.

(A. Mittal, Collectors Series, Business World, 21.1.2002 and M.H. McCormack, “Building an Army of Allies”, B. Today, 7.4.1999.)

f. ***Mentors and sponsors:*** A mentor is, generally speaking, an older person in a managerial role offering informal career advice to a junior employee. Mentors take junior employees as their protégés and offer advice and guidance on how to survive and get ahead in the organisation. They act as role models. A sponsor, on the other hand, is someone in the organisation who can create career development opportunities.

g. ***Key subordinates:*** Qualified and knowledgeable subordinates, often extend invaluable help that enables their bosses to come up in life. When the bosses cross the bridge, they take the key subordinates also along with them. In his own self interest, the subordinate must try to find that winning horse on which he can bet.

h. ***Expand ability:*** Employees who are career conscious must prepare themselves for future opportunities that may come their way internally or externally by taking a series of proactive steps (e.g., attending a training programme, acquiring a degree, updating skills in an area, etc.).

**Box 10.3: Avoid Big career Mistakes - to Get ahead!**

After interviewing more than 2000 executives, E.D. Betaf has identified the following career mistakes-which would come in the way of someone who wants to get ahead.

- ***Having no plan:*** Conflict is an inescapable path of organisational life. So if you are in conflict with someone who could derail your career-think twice before getting into the soup. Instead work out the details of a plan that would help you move closer to those who matter in your workspot.
- ***Lacking expectations:*** People who don’t understand what their employer would expect them to deliver are bound to miss the bus. Always better to read your job description, identify important tasks to be carried out, seek clarifications from your boss and deliver things in tune with your boss’s instructions.
- ***Being a loner:*** The golden rule of work is relationships, relationships and relationships. Friendly relationships help you move closer to your colleagues, make you an important

*Contd....*

member of a team and build long-lasting bonds with people in other departments as well. It's far too risky to be a loner and expect your work to speak for itself. Having allies who speak well of your has an added benefit in that it increases your visibility to top management.

- ***Waffling:*** Business respects those who are willing to take tough decisions and deliver things-right or wrong. People who continually waffle decisions, however, stand out for the wrong reasons.
- ***Focusing too Narrowly:*** Inability to develop and adapt is one of the important reasons for career failures at many levels. By making sure you develop a variety of widely applicable skills, you can better market yourself to your current employer or, if need be, to a new one.
- ***Covering up:*** When you commit a blunder the best thing to do is to own up to it and fix it as soon as possible. Handle it right, and you may even come out ahead of the game.

***Source:*** D.B. Hogarthy, "6 Big career mistakes – and How to avoid them", Reader's Digest: Wim@Work, Mumbai, 2001.

### 10.13.2 Organisational Career Development

The assistance from managers and HR department is equally important in achieving individual career goals and meeting organisational needs. A variety of tools and activities are employed for this purpose (Bernardin, pp. 350-356).

a. ***Self-assessment tools:*** Here the employees go through a process in which they think through their life roles, interests, skills and work attitudes and preferences. They identify career goals, develop suitable action plans and point out obstacles that come in the way. Two self-assessment tools are quite commonly used in organisations. The first one is called the career-planning workshop. After individuals complete their self-assessments, they share their findings with others in career workshops. These workshops throw light on how to prepare and follow through individual career strategies. The second tool, called a career workbook, consists of a form of career guide in the question-answer format outlining steps for realising career goals. Individuals use this company specific, tailor-made guide to learn about their career chances. This guide, generally throws light on organisation's structure, career paths, qualifications for jobs and career ladders.

b. ***Individual counselling:*** Employee counselling is a process whereby employees are guided in overcoming performance problems. It is usually done through face-to-face meetings between the employee and the counsellor or coach. Here, discussions of employees' interests, goals, current job activities and performance and career objectives take place. Counselling is generally offered by the HR department. Sometimes outside experts are also be called in. If supervisors act as coaches they should be given clearly defined roles and training. This is, however, a costly and time consuming process.

c. ***Information services:*** Employment opportunities at various levels are made known to employees through information services of various kinds. Records of employees' skills, knowledge, experience and performance indicate the possible candidates for filling up such vacancies. For compiling and communicating career-related information to employees, organisations basically use four methods:

   - *Job posting system:* Job posting systems are used by companies to inform employees about vacancies in the organisation through notice boards, newsletters and other company publications.

## Table 10.2: Career Self Assessment Instrument

Name ................................................................................................ Age ..............................................
Department ..............................

**Part A Values and Experiences**

1. Describe the roles in your life that are important to you (work life, family life, religious life, community life etc.). Explain why these roles are important to you. Indicate how these roles impact your total life satisfaction. Assign a per cent to each role (0 to 100 per cent) so that the total adds upto 100 per cent.
2. Describe your educational background, including the degrees earned, academic strengths and weaknesses, extra curricular activities etc.

| Degrees/Diplomas | Academic Strengths | Academic Weaknesses | Extra curricular Activities |
|---|---|---|---|
| 1 | 1 | 1 | 1 |
| 2 | 2 | 2 | 2 |
| 3 | 3 | 3 | 3 |

3. List any jobs you held and your experience in each position

| Occupation | Job | Degree of specialisation | What I Linked | What I Disliked | Why I Left |
|---|---|---|---|---|---|
| 1.<br>2.<br>3.<br>4.<br>5. | | | | | |

4. Describe any skills (rank 1 to 5 (lowest to highest) that you possess

| | | | | | | |
|---|---|---|---|---|---|---|
| a. | Communication | 1 | 2 | 3 | 4 | 5 |
| b. | Leadership | 1 | 2 | 3 | 4 | 5 |
| c. | Interpersonal | 1 | 2 | 3 | 4 | 5 |
| d. | Team building | 1 | 2 | 3 | 4 | 5 |
| e. | Creativity | 1 | 2 | 3 | 4 | 5 |
| f. | Technical | 1 | 2 | 3 | 4 | 5 |

(Tick the most appropriate one)

5. Summarise any recognition/awards that you have received in relation to your education, work experience, skills or extra curricular activities.

**Part B. Career Goals, Work Attitudes and Preferences**

1. The most important needs I want to satisfy in my career are
   a
   b
   c
2. These needs can be fulfilled in the following:

| Areas | Skills/Assistance needed |
|---|---|
| a: | a: |
| b: | b: |
| c: | c: |

3. How important are these values to you in your work (I most important : 10 least important)

| Values | Rank |
|---|---|
| 1. Independence or autonomy | - |
| 2. Financial rewards | - |
| 3. Sense of achievement | - |
| 4. Helping others | - |
| 5. Creating something | - |
| 6. Job security | - |
| 7. Good working conditions | - |
| 8. Friendships at work | - |
| 9. Variety of tasks | - |
| 10. Equality and fairness | - |

4. Whatever job I handle, I do not wish to compromise on the following

| | |
|---|---|
| 1: | 4: |
| 2: | 5: |
| 3: | 6: |

5. What internal and external constraints might you encounter along the way toward achievement of your career goals?

*Contd....*

6. List the specific jobs that might be in line with the above requirements
   a
   b
   c
7. Finally, rate yourself on each of the following personal qualities or work characteristics. Write one response for each characteristic (using the following scale: 1. very low, 2. low, 3. average, 4. high, 5. very high)
   a. Emotional maturity
   b. Initiative/Independence
   c. Punctuality
   d. Ability to handle conflict
   e. Ability to plan, organise and determine work priorities
   f. Dependability in completing work
   g. Flexibility and open mindedness
   h. Perseverance/willingness to work
   I. Ability to set and achieve goals

- *Skills inventory:* Skills inventories (containing employees' work histories, qualifications, accomplishments, career objectives, geographical preferences, possible retirement dates, etc.) are created to help organisations learn the characteristics of their workforces so that they can use the skills of their employees, whenever required. Skills inventories also reveal shortage of critical skills among employees, which is helpful in tracing training needs.
- *Career ladders and career paths:* Career paths and ladders throw light on career progression and future job opportunities in the organisation. They indicate a career plan complete with the goal, intermediate steps and time-tables for realising the goal. Usually career paths for fast-track employees are laid down in most organisations outlining a series of career moves that these employees need to initiate in order to reach higher level positions.
- *Career resource centre:* The career centre is a sort of library in the organisation established to distribute career development materials such as reference books, career manuals, brochures, newsletters and learning guides and self-study tapes.

d. ***Employee assessment programmes:*** Initially, a new recruit is informed about career policies and procedures of the company. Socialisation efforts help the recruit learn about these things quickly. An experienced employee, acting as a coach may also help the new recruit form a realistic view of the skills needed at various levels and develop appropriate career goals and action plans. Formal orientation programmes are used to educate employees on career programmes, career paths and opportunities for advancement within the company.

Several assessment programmes are also used to evaluate the employees' potential for growth and development in the organisation. They include assessment centre, psychological testing, promotability forecasts and succession planning.

- *Assessment centres:* A number of performance simulation tests and exercises (tests, interviews, in-baskets, business games) are used to rate a candidate's potential in assessment centre method. The performance on these exercises is evaluated by a panel of raters and the candidates are given feedback on their strengths and weaknesses. This feedback helps participants to assess where they stand and what is to be done to scale the corporate ladder in future.
- *Psychological tests:* Diagnostic tests are used to help candidates determine their vocational interests, personality types, work attitudes and other personal characteristics that may uncover their career needs and preferences.
- *Promotability forecasts:* This is a process of identifying employees with high career potential and giving them necessary training and thereby groom them for higher positions.

- *Succession planning:* This is a report card showing which individuals are ready to move into higher positions in the company. The HR department keeps records of all potential candidates who could move into senior positions, whenever required.

**Box 10.4: Career Development Strategies followed by Indian Companies**

At the organisation level, let us examine the career development strategies adopted by three leading companies in India.

***Ernst & Young (India)***

The global consulting firm uses the same career development methodology in India that it uses elsewhere. Primarily, it seeks to align individual aspirations with organisational, business and functional goals, using the formal assessment system to check for skill gaps and career potential. While designing training tools, things that are given serious attention are past performance, future potential, the individual skill sets and competencies of each manager, and the need of the company. However, the firm often takes the assistance of professional trainers brought in from E&Y offices worldwide, or relevant institutions to design specific training programmes for different categories and levels of managers.

***Hyundai Motor (India)***

Most executives working for this South Korean car-maker, which started operations in India relatively recently, are middle-level recruits from different industries who have been chosen on the basis of their track record—a factor whose influence pervades the company's career development system. The company aims to convert these managers into 'achievers' for Hyundai, with attributes like mental toughness, professional competence, and an ambition to advance. The hr department devises interventions keeping these goals in mind. The hr functionaries are expected to look at the development process holistically. The company also conducts a three-day process lab where the system is discussed using case studies.

***Seagram (India)***

The Canadian liquor major has a career development system that hinges on speedy induction. Among the inputs given during the induction programme, fitting in with the organisational culture is critical. The aim is to enable the new entrant to hit the ground running in terms of performance. The programmes also includes sessions on the history of the organisation, product portfolio, and operations. The programme includes visits to markets and bottling units and sessions with each functional head.

e. ***Employee developmental programmes:*** These consist of skill assessment (explained above) and training efforts that organisations use to groom their employees for future vacancies. Seminars, workshops, job rotations and mentoring programmes are used to develop a broad base of skills as a part of such developmental activities.

f. ***Career programmes for special groups:*** In recent years, there is growing evidence regarding dual career families developing tensions and frictions owing to their inability to reconcile the differences between family roles and work demands. When we talk of dual career couples (a situation where both husband and wife have distinct careers outside the home) certain puzzling questions arise naturally: Whose career is important; Who takes care of children; What if the wife gets a tempting promotion in another location; Who buys groceries and cleans the house if both are busy, etc. Realising these problems, organisations are providing a place and a procedure for discussing such role conflicts and coping strategies. They are coming out with schemes such as part-time work, long parental leave, child care centres, flexible working hours and promotions and transfers in tune with the demands of dual career conflicts.

Outplacement assistance is extended to employees who are laid off for various reasons. In addition to holding workshops, outside experts are called in to show individuals how to focus on their talents, develop resumes and interview with prospective employers. Special programmes are also organised for minorities, employees with disabilities, women and late-career employees so that they can have clear career goals and action plans in line with organisational requirements.

## 10.14 CAREER MANAGEMENT

Career development, as indicated previously, is the appropriate long-term utilisation and development of human talent in the work setting. Career management includes both organisational actions and individual efforts aimed at setting career goals, formulating and implementing strategies and monitoring the results (Greenhaus). A balanced approach to career management includes both individual career planning and organisational initiatives to balance career goals and organisational needs. The two strategies complement and reinforce each other, if individual employees have not planned well for their own development, they may not be ready or willing to respond to opportunities presented through organisational career management activities. Similarly, no amount of individual career planning and preparation will be effective if organisational opportunities for career movement are not available. According to Gutteridge, career development includes both career planning and career management (See D.T. Hall 1986)

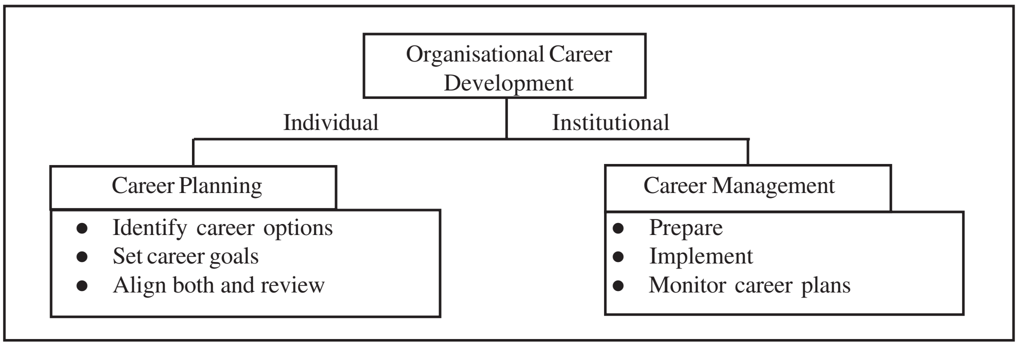


**Figure 10.2: Career Management Model**

Another view is provided by Bernardin and Russel integrating all the three concepts in a more refined manner.

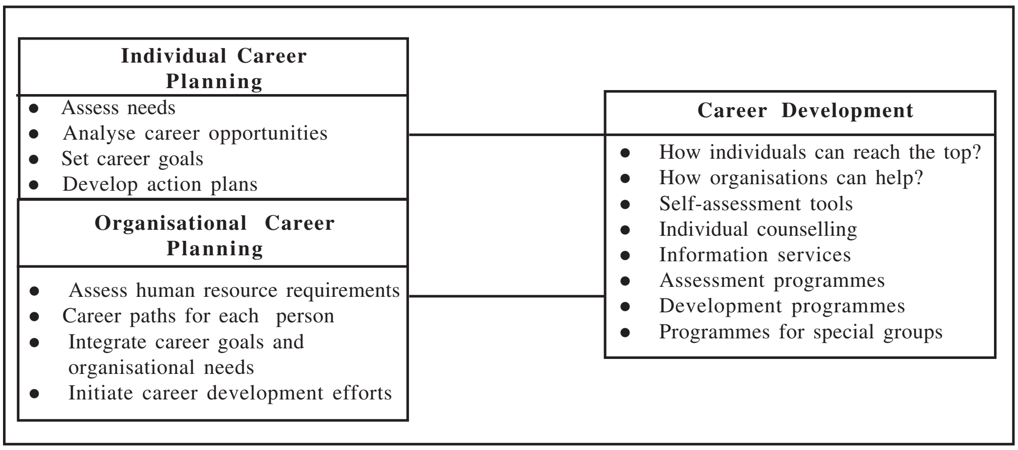


**Figure 10.3: The Career Management Model (Bernardin and Russel)**

## 10.15 ADVANTAGES AND LIMITATIONS OF CAREER PLANNING

A career development system tries to strike a happy balance between individual career needs and organisational workforce requirements. A number of steps are undertaken with a view to enhance career satisfaction of employees and to improve organisational effectiveness. Career planning efforts, of course, are not without problems. Table 10.3 presents both sides of the coin thus:

**Table 10.3: Career Planning: Merits and Demerits**

| Advantages | Limitations |
|---|---|
| • **Benefits to employee:** The employee has advance knowledge of career opportunities within the company. He knows where he stands, where he wants to go, who is ahead of him, how to scale the corporate ladder. This helps him set his career goals more realistically and take appropriate steps to realise them. | • For small units (where there are very few opportunities for the vertical growth of employees) it is not suitable. |
| • **Benefits to organisation:** Organisations can base their decisions more systematically. Fast tracks for stars could be arranged, training to slow movers can be provided, replacements can be planned in advance, hard-working, talented people can be retained through offering attractive career options and compensation plans; job assignments can be made based on merit, etc. | • Several environmental factors such as government policy, laws of the land, reservation based on castes, regional pressures, union demands may upset career planning and development efforts. |
| • **Relations:** Relations between the employer and the employee would become more cordial; employee skills could be used properly; valued employees could be retained, there will be an expanded image of the company as a people developer. | • If the organisation fails to focus on any of the career related issues clearly, problems may crop up (e.g., early career issues, mid career issues, late career issues, minority groups, dual career couples, failure to match task and emotional needs, post retirement issues, forced lay-off issues, etc.). |

## 10.16 EFFECTIVE CAREER PLANNING

It's clear from the above table that systematic career planning efforts offer innumerable benefits to both the individuals and organisations. To ensure success here, a number of steps should be taken:

a. ***Support:*** Career planning efforts must receive consistent support and continued blessings from the top management.

b. ***Goals:*** The corporate goals must be laid down clearly. It is not possible to develop appropriate goals for human resources if you are not very sure about your journey in the next 5 or 10 years.

c. ***Reward performance:*** Employees must be willing to expand their abilities; trainers must be willing to coach, counsel and share their knowledge with employees. There must be appropriate rewards for people from both sides who show promise.

d. ***Placement:*** Every effort must be made to put employees on jobs that are in tune with their capabilities. If a talented employee is put on a routine job, he will quit in frustration.

e. ***Career paths:*** The career paths for different types of employees must be laid down clearly. Fast track promotions should be available to talented people, seniors could be used on jobs requiring experience and judgement, juniors could be used for jobs that demand routine application of rules and procedures, etc.

f. ***Continuous tracking:*** Career planning efforts should be carried out on a continuing basis keeping the changing needs of employees and the organisation in mind. A record of career movements of employees must be kept and periodic assessment of who has gone where should be made.

g. ***Publicity:*** Everyone should be aware of the career opportunities within the organisation.

**The Japanese Career Model**

(Fortune, March 20, 1995)

In direct contrast to the United States career model, which minimises job security and puts premium on performance rather than seniority in promotions, the Japanese career model emphasises lifetime employment and promotions based on seniority. The Japanese have realised the importance of a stable workforce long back (immediately after World War II) and have consciously put legal restrictions on terminations. The extensive use of automation and robotics in the workplace also contributed to the practice of lifetime employment in Japan. One reason for the widespread use of such advanced technology is that employees know they will not lose their jobs. Extensive training is also offered to workers so that they do not leave a company. Despite lifetime employment, Japanese companies do have a mechanism for discharge, namely early retirement. Early retirement is given to workers even in their late 40s – if necessary – of course backed by attractive severance pay and benefits.

**Check Your Progress 3**

Multiple Choice Questions (pick the most appropriate one)

1. Career progress largely depends on
   a. international exposure
   b. performance
   c. experience
   d. mentoring
   e. qualifications
2. Career planning is the responsibility of
   a. government
   b. the HR department
   c. the sponsor
   d. the employer
   e. career counsellors
3. Employees
   a. carefully plan their careers and obtain information
   b. feel helpless to plan their career
   c. are often unaware and uninformed
   d. do not care about career planning
   e. are aware of the need but don't have the information

*Contd....*

4. Information for career planning in a company
    a. is available through the HRIS
    b. can be had form line manages
    c. can be obtained from staff assistants
    d. is often not available
    e. is best obtained from fortune-tellers.
5. An example of a career development ability would be
    a. scaling a mountain
    b. planning a vacation
    c. working hard
    d. discussion with the boss
    e. getting another degree

## 10.17 SUCCESSION PLANNING

The absence of a succession plan can seriously hamper the growth prospects of an organisation. Imagine the disastrous consequences when there is a sudden vacuum at the top level. There is no one to steer the ship. Critical plans needing immediate action get postponed. The organisation remains headless and directionless for a while. Suitable candidates may not be available internally, as no one has been groomed in the past, keeping such an eventuality in mind. Bringing in outsiders may mitigate the crisis temporarily but the long-term impact is bound to be negative. Internal forces may start a rebellion and create tug-of-war situations with frustrating regularity.

Succession planning is: "The process of ensuring a suitable supply of successors for current and future senior or key jobs arising from business strategy, so that the careers of individuals can be planned and managed to optimise the organisations' needs and the individuals' aspirations."

The purpose of succession planning is to identify and develop people to replace current jobholders in key positions. Through succession planning, companies assure a steady flow of internal talent to fill important vacancies. Succession planning encourages 'hiring from within' and creates a healthy environment where employees have careers and not merely jobs. It helps in identifying human resource shortages and skill shortages before openings occur. Thereafter, it becomes easy to groom qualified candidates for future vacancies. The organisation is thus assured of continuity of operations and better-qualified incumbents.

Preparing a schedule for succession is critical to the success of a company, especially at the top level. When the baton changes over a period of time, disruption and dislocation are minimised. Indeed, when a new CEO is meant to consolidate on past successes, a slow shift is ideal. If qualified candidates are not available within the company, outsiders can be considered readily for possible openings. Complete dependence on succession from within or from outside is not desirable. Internal candidates require a 'pat on the back' when they do well. External candidates are needed for injecting flesh blood into the company.

### 10.17.1 Replacement Charts

A succession plan is a plan for identifying who is currently in post and who is available and qualified to take over in the event of retirement, voluntary retirement, dismissal or sickness. A typical succession chart shows details of key executives and brief references to their possible successors (See Table 10.4).

**Table 10.4: Replacement Chart and Replacement Summary**

Department : Finance  Date:
Prepared By :

Replacement Summary for 'Senior Equity Analyst'

Chart for 2 positions

| | | |
|---|---|---|
| Senior Equity Analyst<br>Raja Ram (59)<br>A1 Rajat Gupta (44)<br>B1 Shyam Lal (38) | Job holder : Raja Ram<br>Opening : In 3 Years<br>Salary Grade : 25,000-35,000 | Age : 59<br>Reason : Retirement<br>Experience : 12 Years |
| | *Candidate 1*<br>Name : Rajat<br>Designation : Equity Analyst<br>Performance : Outstanding<br>Grade : 18,000-25,000 | Age : 44 Years<br>Experience : 6 Years<br>Reason : 'Star' in the dept.<br>Promotability : Ready now for promotion |
| Bond Specialist<br>Nirmala (31)<br>A1 Balraj Singh (26)<br>B1 Neelam (28) | *Candidate 2*<br>Name : Shyam Lal<br>Designation : Equity Analyst<br>Performance : Outstanding<br>Grade : 13,000-18,000 | Age : 38 Years<br>Experience : 3 Years<br>Reason : Needs more experience<br>Promotability : Can wait for 2 Years |

Explanations:

| | | | |
|---|---|---|---|
| A. | Ready for promotion | 1. | Outstanding performance |
| B. | Needs more experience | 2. | Acceptable performance |
| C. | Not suitable for job | 3. | Poor performance |

The replacement chart is a visual representation of who will replace whom if there is a job opening. Table 10.4 shows the various jobs in the finance department and reveals the status of likely candidates who could be considered on the basis of performance and the opinions by immediate superiors of future success in a new job. The replacement summary indicates likely replacements for each job and shows their relative strengths and weaknesses. This can be prepared in a detailed way so as to facilitate the easy selection of a candidate in case of future vacancies.

### 10.17.2 Career Planning vs Succession Planning

The terms 'career planning' and 'succession planning' are not synonymous, but they are similar. Succession planning is generally needed for key positions at higher levels, while career planning covers executives at all levels including high skilled employees and operatives. Career planning, by its very nature, includes succession planning. The career paths for executives are identified. How people can grow vertically is also indicated. In case of a vacancy arising at any level, the career plan is well supported by a succession chart. Both are thus complementary and interdependent.

### 10.17.3 Indian Scenario

Evidently, to have sustained growth, every company needs a succession plan. But most managers and owners exhibit a kind of aversion to nurture talent in advance for various reasons. Most public sector undertaking (PSUs) find it difficult to fill the top-level vacancies in time, due to political interference. Internal policies like cadre-based seniority (career progression can take place only within the respective cadre), approved manpower strength (a competent person may be denied promotion only because all the approved posts in the next grade are full), union agreements (promotions are based on union agreements favouring seniority) and reservation quotas (for backward, economically weaker sections of society) have also complicated the process of picking up the right candidate at the right time.

As a result, many PSUs, banks and financial institutions remained headless in the past for a painfully long time Due to rebellion from internal groups, Air India had to bring in the ex-chairman of a steel company (of course without any success) to run the show. The situation is no better in the private sector. When Thermax's chief died suddenly, his wife Anu Aga had to step in without any previous experience. Thermax had to pay a heavy penalty for not finding a suitable successor, as in less than 5 years time, Thermax's sales have fallen from 990.45 crore in 1996 to 185.88 crore in 2000.

**Box 10.5: Reasons for not having a Succession Plan**

The reasons for the temperamental aversion towards succession planning may be stated thus:

1. Why to commit the company to a CEO-select years in advance; he may create a scare, abuse the power, pose a threat to other talented people; open up a second line of command and begin to create a powerful lobby for himself.
2. It is better to weed out all possible successors, so that (the present incumbent) I can have a smooth run.
3. Nobody is really capable enough to take charge as yet. As long as I am here, there is no need to search for talent anywhere else

More or less, similar situation prevailed in most private sector companies where family members have been routinely crowned with top-level positions for a fairly long time. In a family - managed organisation the joke was that managers came there vertically but went out horizontally! (not leaving any room for others till they died). The situation in Thermax, for example, was remedied only recently when Anu Aga suddenly decided to step down, making way for professional managers at the top. Thanks to the competition from global giants, many other private sector companies have realised the importance of professional managers at the top level. To this end, the CEO-designate (mostly sons and daughters) is not only sent abroad for top-class training but also made to undergo training at various levels within the organisation (Apollo Hospitals, Dr. Reddy Laboratories, Bajaj Auto etc.)

Post-liberalisation, of course, many private sector companies have realised the importance of grooming bright stars well in advance, internally (including the Tatas, the Birlas, Bajaj Auto, Ranbaxy and many others).

**Check Your Progress 4**

True/False Questions:

1. Career development focuses basically on the short range career effectiveness and success of organisation personnel.
2. All employees have similar career goals.
3. Good performance is always recognised by managers.

*Contd....*

4. Employees only have themselves to blame for stalled careers.
5. Career planning helps the management of a diverse workforce.
6. Career Development aims at tracking career sponsors.
7. Organisations that post jobs typically use bulletin board displays.
8. The degree of stimulation and challenge in a person's initial job assignment tends to be significantly related to later career success and retention in the organisation.
9. The squeaky wheel gets the grease.
10. Retirement for many employers is bittersweet.

## 10.18 SUCCESSION MANAGEMENT

Succession management, an alternative approach developed in the 1990s, is used to examine existing managerial talent in light of future competencies and future business needs and challenges. The basic purpose of succession management is to ensure that the right talent is available when needed and that appropriate development experiences are provided for higher-level employees'. It focuses on creating and stocking pools of candidates with high leadership potential. To this end, it may even track non-employees (for example, employees of a competitor) whom the organisation views as viable candidates should a position open up.

Another difference between succession planning and succession management is the emphasis put on ensuring that planned training and development actually takes place. Very often, succession plans do not go beyond identifying potential successors. The required developmental experience and rich training inputs may not be flowing in readily. Succession management assures that key people are not just identified but also nurtured and developed into future leadership roles (both terms, are however, used interchangeably in this text.

Succession management includes the following activities:

(i) ***Identifying the shortage of leadership skills and defining the Requirements:*** With a view to identifying the impending shortage of leadership skills, organisations have to estimate manpower requirements well in advance. HR professionals generally estimate manpower flows, using various forecasting techniques. In respect of a commercial bank, for example skill shortages may arise due to retirement, resignation, transfer, VRS schemes etc., (given in Figure 10.4).

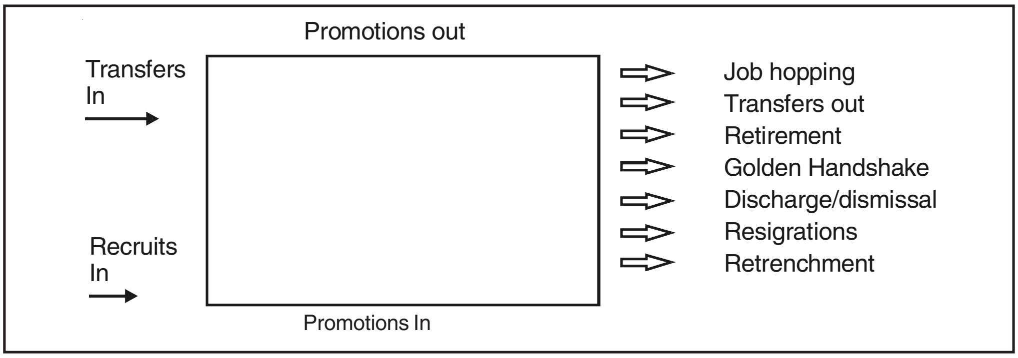


**Figure 10.4: Manpower Flows in a Bank**

This has to be followed by a clear-cut workload analysis to define the executive competencies required at various levels. Competencies may be defined by focusing attention on the Bank's critical success factors and values and the challenges it expects to face in the next five years and beyond. These would include, for instance, diversification plans into areas such as insurance, credit cards, auto finance, consumer finance, housing finance etc., and the competencies needed to fill the skill shortages. Managerial judgement and a careful study of the past trends may serve as a useful guide in this regard.

(ii) ***Identifying potential successors for critical positions:*** Once shortages are assessed and skill requirements defined, the next step is to find people with requisite talent to move into senior leadership roles. To find people with the highest potential, the organisation has to collect information from various sources (search every division/subsidiary): how they performed in the past on various jobs, feedback from subordinates, customers etc., regarding their key skill competencies and core values etc.

One organisation looking for potential top leaders asked its managers to go through an extensive assessment centre programme, where outside professional experts offered an accurate, unbiased view of the potential of trainees. Other methods such as aptitude tests, projective tests, interest tests, and simulation exercises could also be used to assess the potential of candidates with lots of promise.

Since it is not possible to 'fasttrack' every one, it is always better to define the critical success factors of important jobs initially and evaluate the high-potential successors against those benchmarks. Success factors are the behaviours required to perform the identified jobs successfully in the organisation's culture. The thumb rule is that ten per cent of all managerial positions are critical. Once that has been done, it is advisable to have at least two identified successors for each of the critical positions. However, if the identified candidates are not yet ready to take the challenges head-on, it may be a good idea to train them further.

(iii) ***Coach and groom the 'stars':*** After identifying potential successors for important positions, the organisation must devise ways and means to fast track their development. Enriching developmental opportunities must be thrown open to them such as handling two important projects, a foreign country assignment, a major market research job, a new product launch, a complex industrial relations exercise etc. The methods must be tailor-made to suit the mental make-up of candidates and, at the same, allow the candidates to improve the targeted behaviours.

The identified high-fliers should be continually challenged and developed with demanding jobs intended to stretch their leadership competencies and enrich their experiences. At various levels, conscious efforts must be made to make fast trackers know how important they are in the organisation's future plans. The organisation should not let talent walk out of the door. Appropriate retention strategies must be devised in time so that a competitor or a dot.com does not poach the 'identified stars.'

In order to retain talent, the organisation should:

- Create a compelling vision to capture the heart of the employee.
- Talk to employees and find what they like best in their company and job. Experts say people are fascinated by career opportunities, learning experiences and challenging jobs. Offer these to people and create an employee-friendly environment.

- Get employees 'connected to the firm.' Let them feel that their opinions matter a lot.
- Realise that emancipation is in. Empower people in every conceivable way. The management should encourage the attitude. "Do not shoot people who err; but shoot those who do not take risks."
- Encourage employees to explore their interests, engage their curiosity and rotate them on various positions; train them continually and allow them to grow.
- Keep abreast of what the competitor is offering. Give enough to people so that they love their job.

Continuous feedback must also be provided to them using multi-rater instruments such as 360-degree appraisals so that they can compare their progress against peers in training sessions. The instruction offered, developmental assignments given and behavioural tools employed for this purpose should be in tune with the candidate's learning style, location and time. Mentors and executive coaches could be designated to nurture, support and guide the efforts of such bright candidates.

**Succession Management at Bajaj Auto**

The belief that 'tomorrow's CEO must be today's empowered manager' compelled 57-year old Rahul Bajaj, CEO of the two-wheeler giant Bajaj Auto, to delegate his responsibility to a successor systematically, in early 90s. Both the heirs apparent – his two sons Rajiv and Sanjiv – are qualified enough to exchange the baton smoothly. For a man who took charge of every critical area in the traditionally family-managed company, the decision is a bold one. He assumed complete charge of production, finance, design changes, production systems, and labour relations at the company, personally overseeing all operations for over two decades (1968-1990).

He never realised the need for delegation of authority and decentralisation of responsibilities. Not surprisingly, the company remained a fat, cost-callous, inflexible giant although rising sales and burgeoning consumer demand camouflaged the flab. The second-line of executives were never groomed to manage at least day-to-day operations. He never allowed others the required freedom to take even simple decisions independently. Additional responsibilities as the Chairman of Indian Airlines, CII, AIAM etc., literally forced him to discount the value of creating a second line of command in his absence.

Meanwhile, with the onset of a recession and the advent of competition, the company had to rewrite the rules of the game quickly, combining delegation with succession planning. The process of succession management planned by Rahul Bajaj involved the following steps:

- ***Arm your successor:*** Both sons joined as apprentices initially. They were allowed to choose their respective focus areas and then undergo intensive training in those areas: Rajiv in manufacturing and Sanjiv in marketing. Another cousin of Rahul Bajaj, Madhur was made the in-charge of HR functions and began to represent Rahul in company meetings.
- ***Begin at the edges:*** Responsibilities were delegated to Madhur slowly but steadily, allowing the successor enough time to adjust to new situations and challenges.
- ***Start succession early:*** On his return from Warwick University, Rajiv was given charge of the Akurdi Plant and allowed to decide things independently. Strategic decisions, however, were discussed by both father and son thoroughly and actions initiated only when both were satisfied by the underlying logic.

*Contd....*

- ***Prepare the organisation:*** Rahul started distancing himself from his followers as the process began in the early 90s. He, thus, made the workers adjust to the successor's ways of doing things. The gradual withdrawal was consciously planned so that the inheritor can have his own brand of management style. The report card of the company, after effecting all these changes smoothly, is excellent in that the three successors have been able to push competitors to the wall and show far superior performance year after year.

(iv) ***Secure top management's commitment and support:*** The above development-oriented action plan would be fruitless if it does not enjoy consistent support and continued blessings from top management. Executive assessment, training, development and retention programmes, after all, demand lot of support from 'upstairs'.

## 10.19 LET US SUM UP

A career is a sequence of positions held by a person during the course of a lifetime. People pursue careers to satisfy deeply individual needs.

A career includes many different positions, stages and transitions just as a person's life does.

Career anchors are distinct patterns of self-perceived talents, attitudes, motives and values that guide and stabilise a person's career after several years of real world experience and feedback.

Career planning is the process by which one selects career goals and the path to these goals. Career planning is not a sure bet, but without it, employees are seldom ready for the career opportunities that arise.

Career development is a lifelong process of understanding your career preferences; identifying, obtaining and developing appropriate skills and training for that career and continually evaluating your career preferences and skills over your working life to find whether they continue to meet your needs and those of the organisation.

Career development could occur at the individual or the organisational level. Individuals can push up their careers through performance, exposure, networking, leveraging, etc. Important organisational career development techniques include career counselling, job postings, assessment centres, career development workshops, periodic job changes, etc.

Career management includes both organisational actions and individual actions aimed at setting career goals, formulating and implementing strategies and measuring results.

The basic purpose of succession planning is to identify and develop people to replace current job holders in key positions. Through succession planning, organisations assure a steady flow of internal talent to fill important vacancies.

Succession planning though a neglected area in the pre-liberalisation period, is carried out in a systematic way in most professionally-managed companies in India now.

Succession management focuses attention on creating and stocking pools of candidates with high leadership potential.

## 10.20 LESSON END ACTIVITY

What is the value of self-assessment for individual career planning and organisational career management? Why should employees seek feed-back from others regarding their self-assessment?

## 10.21 KEYWORDS

***Mentor:*** A person who is higher up the organisation and who can provide career advice and support to a less senior employee.

***Career:*** A sequence of positions held by a person during the course of a lifetime.

***Career stages:*** An individual's career moves through five stages; exploration, establishment, mid-career, late career and decline.

***Career anchor:*** A concern or value that you will not give up if a choice has to be made.

***Career planning and development:*** A conscious process through which a person becomes aware of personal career-related attributes and the lifelong series of stages that contribute to his or her career fulfillment.

***Career path:*** The sequential pattern of jobs that comprises one's career.

***Career development workshop:*** A training programme designed to assist employees in managing their careers.

***Attrition:*** The loss of employees who quit an organisation for various reasons.

***Counselling:*** The discussion of an employee's problem with a view to help the employee cope with it.

***Downsizing:*** A scaling back of an organisation's employment level, usually through lay offs, attrition and voluntary retirement programmes.

***Leveraging:*** It refers to resigning to further one's career with another employer.

***Fast track programme:*** A programme that encourages young managers with high potential to remain within an organisation by enabling them to advance more rapidly them those with less potential.

## 10.22 QUESTIONS FOR DISCUSSION

1. What is career planning? Outline the process of career planning clearly.
2. List the pay offs and limitations of career planning. Also indicate how career planning efforts could be initiated in a successful way.
3. Distinguish between:
   a. Career planning and manpower planning
   b. Career planning and succession planning
4. Examine the need for career planning from the point of view of an individual employee and the organisation.
5. What is career development? Explain the process of career development clearly.
6. Write notes on:
   (a) Career counselling
   (b) Career stages
   (c) Career anchors
   (d) Career management

7. Suppose you are assigned to develop a career planning and development programme in a large organisation with a diverse workforce. What unique concerns might you have because of this diversity?
8. What type of information would you seek from the HR department to help you develop your individual career plan if you were just starting with a large multinational corporation?
9. Write short notes on:
   a. Succession Planning
   b. Succession Management

**Check Your Progress: Model Answers**

***CYP 1***

1. Career counselling
2. Exploration
3. Mid career
4. Human Resource Planning

***CYP 2***

1. T, 2. T, 3. T, 4. T

***CYP 3***

1. b, 2. d, 3. c, 4. a, 5. e

***CYP 4***

1. F, 2. F, 3. F, 4. F, 5. T, 6. F, 7. T,
8. T, 9. T, 10. T

## 10.23 SUGGESTED READINGS

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LESSON

# 11

# PROMOTIONS, TRANSFERS AND DEMOTION

**CONTENTS**



## 11.0 AIMS AND OBJECTIVES

After studying this lesson, you will be able to:

- Review the important issues in transfers and promotions
- Discuss the various forms of separation

## 11.1 INTRODUCTION

After selecting a candidate, he should be placed on a suitable job. Proper placement helps an employee to get along with people easily, avoid mistakes and show good performance on the job. Orientation makes the employee feel at home from day 1 and develop a sense of pride in the organisation and commitment to the job. Employee movement within an organisation may take the form of transfers, promotions, demotions or even separations. Transfers and promotions are intended to make the employee versatile and grow over a period of time. Separations from an organisation may result from disciplinary, economic or business reasons. The HR department's job is to minimise the harm done to the organisation and the affected individuals.

## 11.2 INTERNAL MOBILITY

The lateral or vertical movement (promotion, transfer, demotion or separation) of an employee within an organisation is called ‘internal mobility’. It may take place between jobs in various departments or divisions. Some employees may leave the organisation for reasons such as better prospects, retirement, terminations, etc. Such movements are known as ‘external mobility’.

### 11.2.1 Purposes of Internal Mobility

The purposes of internal mobility may be stated thus:

a. ***Improve organisational effectiveness:*** Organisations want to be lean and clean. To this end, structural defects may have to be eliminated; unwanted positions removed and other jobs redesigned. Internal mobility increases every such change within an organisation.

b. ***Improve employee effectiveness:*** Knowledge, skills and abilities (KSAs) can be put to use if there is a good equation between what the person has and what the organisation demands. Through promotions and transfers, organisations try to bridge such gaps.

c. ***Adjust to changing business operations:*** During a boom, there might be a phenomenal demand for new skills. Finance professionals were in great demand, for example, during the early 90s. In a recession, layoffs may be needed to cut down costs and survive. Likewise, short-term adjustments may have to be carried out in case of death or illness of an employee.

d. ***Ensure discipline:*** Demotion causes loss of status and earning capacity. A demoted employee has to learn new ways of getting things done and adjust to a new setting. Demotions can be used to ensure discipline and to correct wrong placements and job assignments.

Internal mobility, as stated previously, includes a cluster consisting of transfer, promotion and demotion, each of which are briefly discussed here. Separations and terminations (discharge, dismissal) which form a part of mobility in general are discussed later on.

## 11.3 TRANSFER

A transfer is a change in job assignment. It may involve a promotion or demotion or no change at all in status and responsibility. A transfer has to be viewed as a change in assignment in which an employee moves from one job to another in the same level of hierarchy, requiring similar skills, involving approximately same level of responsibility, same status and same level of pay. A transfer does not imply any ascending (promotion) or descending (demotion) change in status or responsibility.

### 11.3.1 Purposes of Transfer

Organisations resort to transfers with a view to serve the following purposes:

a. ***To meet the organisational requirements:*** Organisations may have to transfer employees due to changes in technology, changes in volume of production, production schedule, product line, quality of products, changes in the job pattern caused by change in organisational structure, fluctuations in the market conditions like demands fluctuations, introduction of new lines and/or dropping of existing lines. All these changes demand the shift in job assignments with a view to place the right man on the right job.

b. ***To satisfy the employee needs:*** Employees may need transfers in order to satisfy their desire to work under a friendly superior, in a department/region where opportunities for advancement are bright, in or near their native place or place of interest, doing a job where the work itself is challenging, etc.

c. ***To utilise employees better:*** An employee may be transferred because management feels that his skills, experience and job knowledge could be put to better use elsewhere.

d. ***To make the employee more versatile:*** Employees may be rolled over different jobs to expand their capabilities. Job rotation may prepare the employee for more challenging assignments in future.

e. ***To adjust the workforce:*** Workforce may be transferred from a plant where there is less work to a plant where there is more work.

f. ***To provide relief:*** Transfers may be made to give relief to employees who are overburdened or doing hazardous work for long periods.

g. ***To reduce conflicts:*** Where employees find it difficult to get along with colleagues in a particular section, department or location – they could be shifted to another place to reduce conflicts.

h. ***To punish employees:*** Transfers may be effected as disciplinary measures – to shift employees indulging in undesirable activities to remote, far-flung areas.

### 11.3.2 Types of Transfers

Transfers can be classified thus:

| | | | |
|---|---|---|---|
| a. | Production transfers | : | Transfers caused due to changes in production. |
| b. | Replacement transfers | : | Transfers caused due to replacement of an employee working on the same job for a long time. |
| c. | Rotation transfers | : | Transfers initiated to increase the versatility of employees. |
| d. | Shift transfers | : | Transfers of an employee from one shift to another. |
| e. | Remedial transfers | : | Transfers initiated to correct the wrong placements. |
| f. | Penal transfers | : | Transfers initiated as a punishment for indisciplinary action of employees. |

### 11.3.3 Benefits and Problems

A summary of benefits and problems associated with transfers is given below:

**Table 11.1: Benefits and Problems associated with transfers**

| Benefits | Problems |
|---|---|
| Improve employee skills | Inconvenient to employees who otherwise do not want to move |
| Reduce monotony, boredom | Employees may or may not fit in the new location/department |
| Remedy faulty placement decisions | Shifting of experienced hands may affect productivity |
| Prepare the employee for challenging assignments in future | Discriminatory transfers may affect employee morale. |
| Stabilise changing work requirements in different departments/locations | |
| Improve employee satisfaction and morale | |
| Improve employer-employee relations | |

Transfers have to be carried out in a systematic way, with a view to avoid allegations of discrimination and favouritism. Some of the above cited problems associated with transfers could be avoided, if organisations formulate a definite transfer policy, for use at different points of time.

### 11.3.4 Transfer Policy

Organisations should clearly specify their policy regarding transfers. Otherwise, superiors may transfer their subordinates arbitrarily if they do not like them. It causes frustration among employees. Similarly, subordinates may also request for transfers even for the petty issues. Most of the people may ask for transfer to riskless and easy jobs and places. As such, organisation may find it difficult to manage such transfers. Hence, an organisation should formulate a systematic transfer policy. A systematic transfer policy should contain the following items:

1. Specification of circumstances under which an employee will be transferred in the case of any company initiated transfer.
2. Name of the superior who is authorised and responsible to initiate a transfer.
3. Jobs from and to which transfers will be made, based on the job specification, description and classification, etc.
4. The region or unit of the organisation within which transfers will be administered.
5. Reasons which will be considered for personal transfers, their order of priority, etc.
6. Reasons for mutual transfer of employees.
7. Norms to decide priority when two or more employees request for transfers like priority of reason, seniority.
8. Specification of basis for transfer, like job analysis, merit, length of service.
9. Specification of pay, allowances, benefits, etc., that are to be allowed to the employee in the new job.
10. Other facilities to be extended to the transferee like special level during the period of transfer, special allowance for packaging luggage, transportation, etc.

Generally, line managers administer the transfers and HR managers assist the line managers in this respect.

**Check Your Progress 1**

State whether the following statements are true or false:

1. Proper placement helps an employee to get along with people easily, avoid mistakes and show good performance on the job.
2. A trasfer has to be viewed as a change in assignment in which an employee moves from one job to another in the same level of hierarchy, requiring similar skills, involving approximately same level of responsibility, same status and same level of pay.
3. An employee may be transferred because management feels that his skills, experience and job knowledge could be put to better use elsewhere.
4. Transfer may be effected as disciplinary measures - to shift employees indulging in undesirable activities to remote, far - flung areas.

## 11.4 PROMOTION

Promotion refers to upward movement of an employee from current job to another that is higher in pay, responsibility and/or organisational level. Promotion brings enhanced status, better pay, increased responsibilities and better working conditions to the promotee. There can, of course, be 'dry promotion' where a person is moved to a higher level job without increase in pay. Promotion is slightly different from upgradation which means elevating the place of the job in the organisational hierarchy (a better title is given now) or including the job in higher grade (minor enhancement in pay in tune with the limits imposed within a particular grade). A transfer implies horizontal movement of an employee to another job at the same level. There is no increase in pay, authority or status. Hence, it cannot act as a motivational tool. Promotion, on the other hand, has in-built motivational value, as it elevates the status and power of an employee within an organisation.

### 11.4.1 Purposes and Advantages of Promotion

Promotion, based either on meritorious performance or continuous service, has powerful motivational value. It forces an employee to use his knowledge, skills and abilities fully and become eligible for vertical growth. It inspires employees to compete and get ahead of others. Those who fall behind in the race are also motivated to acquire the required skills to be in the reckoning. Promotion thus, paves the way for employee self development. It encourages them to remain royal and committed to their jobs and the organisation. The organisation would also benefit immensely because people are ready to assume challenging roles by improving their skills constantly. Interest in training and development programmes would improve. The organisation would be able to utilise the skills and abilities of its personnel more effectively.

### 11.4.2 Bases of Promotion

Organisations adopt different bases of promotion depending upon their nature, size, management, etc. Generally, they may combine two or more bases of promotion. The well-established bases of promotion are seniority and merit.

***Merit-based promotions:*** Merit based promotions occur when an employee is promoted because of superior performance in the current job. Merit here denotes an individual's knowledge, skills, abilities and efficiency as measured from his educational qualifications, experience, training and past employment record. The advantages of this system are fairly obvious :

- It motivates employees to work hard, improve their knowledge, acquire new skills and contribute to organisational efficiency.
- It helps the employer to focus attention on talented people, recognise and reward their meritorious contributions in an appropriate way.
- It also inspires other employees to improve their standards of performance through active participation in all developmental initiatives undertaken by the employer ( training, executive development, etc.)

However, the system may fail to deliver the results, because:

- It is not easy to measure merit. Personal prejudices, biases and union pressures may come in the way of promoting the best performer.
- When young employees get ahead of other senior employees in an organisation ( based on superior performance), frustration and discontentment may spread among the ranks. They may feel insecure and may even quit the organisation.
- Also, past performance may not guarantee future success of an employee. Good performance in one job (as a Foreman, for example) is no guarantee of good performance in another (as a supervisor).

***Seniority-based promotions:*** Seniority refers to the relative length of service in the same organisation. Promoting an employee who has the longest length of service is often widely welcomed by unions because it is fairly objective. It is easy to measure the length of service and judge the seniority. There is no scope for favouritism, discrimination and subjective judgement. Everyone is sure of getting the same, one day.

In spite of these merits, this system also suffers from certain limitations. They are:

- The assumption that the employees learn more with length of service is not valid as employees may learn upto a certain stage, and learning capabilities may diminish beyond a certain age.
- It demotivates the young and more competent employees and results in greater employee turnover.
- It kills the zeal and interest to develop, as everybody will be promoted without showing any all-round growth or promise.
- Judging the seniority, though it seems to be easy in a theoretical sense, is highly difficult in practice as the problems like job seniority, company seniority, zonal/ regional seniority, service in different organisations, experience as apprentice trainee, trainee, researcher, length of service not only by days but by hours and minutes will crop up.

### 11.4.3 Promotion Policy

Seniority and merit, thus, suffer from certain limitations. To be fair, therefore, a firm-should formulate a promotion policy that gives due weightage to both seniority and merit. To strike a proper balance between the two, a firm could observe the following points:

- Establish a fair and equitable basis for promotion i.e., merit or seniority or both.
- A promotion policy established thus, should provide equal opportunities for promotion in all categories of jobs, departments and regions of an organisation.

- It should ensure an open policy in the sense that every eligible employee is considered for promotion rather than a closed system which considers only a particular class of employees. It must tell the employees the various avenues for achieving vertical growth through career maps, charts etc.
- The norms for judging merit, length of service, potentiality, etc., must be established beforehand. The relative weightage to be given to merit or seniority or both should also be spelt out clearly.
- The mode of acquiring new skills, knowledge, etc., should be specified to all employees so that they can prepare themselves for career advancement.
- Appropriate authority should be entrusted with the responsibility of taking a final decision on promotion.
- Detailed records of service, performance, etc., should be maintained for all employees, to avoid charges of favouritism, nepotism etc.
- It should be consistent in the sense that it is applied uniformly to all employees, inspective of their background.
- Promotion policy should contain alternatives to promotion when deserving candidates are not promoted due to lack of vacancies at higher level. These alternatives include upgradation, redesignation, sanctioning of higher pay or increments or allowances assigning new and varied responsibilities to the employee by enriching the job or enlarging the job.
- A provision for appeal against (alleged) arbitrary actions of management and its review should be there.
- Promotions initially may be for a trial period so as to minimise the mistakes of promotion.
- Promotion policy, once it is formulated, should be communicated to all employees, particularly to the trade union leaders. It should be reviewed periodically, based on the experiences and findings of the attitude and morale surveys.

## 11.5 DEMOTION

Demotion is the downward movement of an employee in the organisational hierarchy with lower status and pay. It is a downgrading process where the employee suffers considerable emotional and financial loss in the form of lower rank, power and status, lower pay and poor working conditions.

### 11.5.1 Causes

There are several factors responsible for demotions:

- A promotee is unable to meet the challenges posed by a new job (technically superior, administratively complex, involving multifarious responsibilities etc.)
- Due to adverse business conditions, organisations may decide to lay off some and downgrade other jobs.
- Demotions may be used as disciplinary tools against errant employees.

### 11.5.2 Policy

Demotion may turn employees into mental wrecks. It may have a devastating impact on employee morale. It is an extremely painful action, impairing relationships between people permanently. While effecting demotions, therefore, a manager should be extremely careful not to place himself on the wrong side of the fence. A clear cut policy may save the day for him in most cases.

1. A clear list of rules along with punishable offences be made available to all the employees.
2. Any violation be investigated thoroughly by a competent authority.
3. In case of violations, it is better to state the reasons for taking such a punitive step clearly and elaborately.
4. Once violations are proved, there should be a consistent and equitable application of the penalty.
5. There should be enough room for review.

## 11.6 EMPLOYEE SEPARATIONS

Employee separations occur when employees cease to be members of an organisation. The service agreement between the employee and the employer comes to an end and the employee decides to leave the organisation. Separations can take several forms such as:

1. ***Resignation:*** An employee may decide to quit an organisation voluntarily on personal or professional grounds such as getting a better job, changing careers, wanting to spend more time with family, or leisure activities. The decision could, alternatively, be traced to the employee's displeasure with the current job, pay, working conditions or colleagues. Sometimes an employee may be forced to quit the organisation compulsorily on grounds of negligence of duty, insubordination, misuse of funds, etc. The resignation in this case, unlike voluntary separation, is initiated by the employer. If the employee refuses to quit, he may have to face disciplinary action.

   When employees resign or quit an organisation, there will be a certain amount of disruption to the normal flow of work. Replacing an experienced and talented person may not be easy in a short span of time. Training new recruits would take time and may even prove to be a prohibitive exercise in terms of costs. The HR Department, therefore, should examine the factors behind resignations carefully. Whenever possible, exit interviews must be conducted to findout why a person has decided to call it a day. To get at the truth behind the curtain, departees must be encouraged to speak openly and frankly. The interviewer must ensure confidentiality of the information leaked out by the employee. The purpose of the interview must be explained clearly and the interviewer must listen to the departee's views, opinions, critical remarks patiently and sympathetically. Every attempt must be made to make the parting of ways more pleasant (e.g., conducting interview in a place where the employee is comfortable, giving a patient and sympathetic hearing to the employee, wishing him success after settling all the dues, etc.) There should, however, be no attempt to (a) defend the company against criticism or attacks (b) justify actions which may have annoyed the employee (c) attack the departee's views or choice of new company or job (d) convince the employee to change his mind about leaving etc.

**Box 11.1: Possible Exit Interview Questions to Get to the 'Truth' Behind the Curtain**

1. Was the job challenging? Satisfying? Did it add value to you?
2. Was the location comfortable? Was the working environment enjoyable? Were you respected as an individual?

*Contd....*

3. What were the three positive elements you saw in the organisation?
4. What are the major drawbacks and weaknesses of the organisation?
5. Did you experience growth in terms of level and responsibilities?
6. Did the organisation provide you with sufficient inputs to grow as a professional?
7. Did you feel your boss/organisation provided you with enough freedom and space to allow your creativity to blossom?
8. What changes would you like to see in this company if you were to reconsider joining it at some point of time in future?
9. How does your new assignment/job compare with your assignment here, in terms of job specifications, designation, and compensation?
10. Did the organisation treat you well after you decided to quit? Where did it go wrong?
11. Would you like to rejoin the organisation? Why/why not?
12. What are the two most crucial reasons for your quitting?

***Source:*** S. Khanna, "The EXIT Interview Technique," Business Today, Jan. 7-21, 1996.

2. ***Retirement:*** Like a quit, a retirement is normally initiated by the employee. However, a retirement differs from a quit in a number of ways. First, a retirement usually occurs at the end of an employee's career. A quit can happen at any time. Second, retirements usually result in the retiree's receiving benefits in the form of provident fund, pension, gratuity, encashment of earned leave etc., from the organisation. People who quit do not receive these benefits, (without a minimum qualifying service period in case of voluntary separations). Finally, the organisation normally plans retirements in advance. HR staff can groom current employees or recruit new ones during the intervening period in a methodical way. Quits are not easy to estimate and plan for. Employees retire from service on account of two reasons:

   ❖ *Compulsory retirement:* Government employees retire compulsorily after attaining the age of superannuation (either 58 or 60). In the private sector, the retirement age may well go beyond 60, depending on a person's ability to perform well in a competitive scenario.

   ❖ *Voluntary retirement:* In case of voluntary retirement, the normal retirement benefits are calculated and paid to all such employees who put in a minimum qualifying service. Sometimes, the employer may encourage the employee to retire voluntarily–with a view to reduce surplus staff and cut down labour costs. Attractive compensation benefits are generally in-built in all such plans (referred to as golden handshake scheme). To reduce post-retirement anxieties, companies these days organise counselling sessions, and offer investment related services (e.g., Citibank, Bank of America). Some companies extend medical and insurance benefits to the retirees also, e.g., Indian Oil Corporation.

**Box 11.2: Why Employees Love NTPC?**

A wide-eyed recruit talks about an employee who was in coma for four months before passing away. The medical bills come to Rs. 1.5 crore. NTPC took care of it. Another talks about how it takes care of all hospitalisation expenses for employees and their families. A third talks about how the company sets up townships before beginning to work on a new plant. Last year NTPC spent Rs 102 crore (17 hospitals run by the company with over 3000 doctors) on medical infrastructure and recovered just Rs. 2 crore of that. The attrition rate, not surprisingly is very low at NTPC. [BT-Mercer-TNS Study, Business Today, 21-11-2004]

- *Death:* Some employees may die in service. When the death is caused by occupational hazards, the employee gets compensation as per the provisions of Workmen's Compensation Act, 1923. On compassionate grounds, some organisations offer employment to the spouse/child/dependent of the employee who dies in harness.

The normal separation of people from an organisation owing to resignation, retirement or death is known as 'attrition'. It is initiated by the individual employee, not by the company.

3. ***Lay off:*** A layoff is a temporary removal of an employee from the payroll of an organisation due to reasons beyond the control of an employer. Global competition, reductions in product demand, changing technologies that reduce the need for workers, and mergers and acquisitions are the primary factors behind most layoffs. The services of the employees are not utilised during the layoff periods. If the layoff is for a temporary period (sometimes it could the indefinite) the employee is likely to be called back to join the ranks once again. The employer-employee relationship, therefore, does not come to an end but is merely suspended during the period of layoff. The purpose of layoff is to trim the extra fat and make the organisation lean and competitive.

Under the Industrial Disputes Act, 1947, a lay-off implies the following things (Section 2 KKK)

- The employer is temporarily unable to employ some workers on a full-time basis.
- The reasons for the refusal of employment could be traceable to shortage of inputs, power, accumulation of stocks, breakdown of machinery etc.
- The employer-employee relationship stands suspended during the period of lay off.
- The employee gets (excluding holidays) only fifty per cent of his normally eligible total basic wages plus dearness allowance during the period of lay off. (Section 25 C)
- To claim this compensation, the laid off workman (a) should not be a casual worker (b) his name must be there on the muster rolls (c) he must have one year's continuous service (d) he must report for work at the appointed time at least once a day.

These conditions, however, do not apply when (i) the worker is able to find alternative employment in a nearby location (within 5 miles), (ii) the lay off is due to strike or slowing down of production by workers in another part of the establishment (iii) the industrial establishment is seasonal in character, and (iv) where less than 20 workers are normally employed therein.

Layoffs have a powerful impact on the organisation. They bring down the morale of the organisation's remaining employees, who are forced to live in an environment of uncertainty and insecurity. Sometimes, even employees whose services may be essential for the organisation, may quit fearing loss of membership – thus causing further damage to the organisation. The company's standing as a good place to work may suffer. It may be difficult for the company to have the services of talented people afterwards. Layoffs, therefore, have to be carried out in a cautious way keeping the financial, psychological and social consequences in mind.

**Table 11.2: The Do's and Don'ts of Laying off or Terminating Employees**

| Consulting firms offer the following advice for telling employees that they will be laid off | |
|---|---|
| **Do's** | **Dont's** |
| Give as much warning as possible for mass layoffs<br>Sit down one-to-one with the individual in a private office<br>Complete the firing session quickly<br>Prepare the individual who is being asked to leave to cope with his emotions<br>Offer written explanations of severance benefits<br>Provide outplacement assistance away from company headquarters<br>Be sure the employee learns about the layoff from a manager, not a colleague<br>Appreciate the contributions made by the employee – if they are appropriate | Don't leave the room, creating confusion.<br>Tell the employee that he or she is laid off or terminated.<br>Don't allow time for debate<br>Don't make personal comments; keep the conversation professional<br>Don't rush the employee off-site unless security is really an issue<br>Don't fire people on important dates (birthdays, anniversary of their employment, the day their mother died, etc.)<br>Don't fire employees when they are on vacation or have just returned<br>Employees who continue to work with the company should not be ignored. They are as vulnerable to the changes as the ones being let go. |

(S. Alexander, The Wall Street Journal 81, 1991. Also see "Easing the Exit", B. World, 1.9.2003)

4. ***Retrenchment:*** Retrenchment is the permanent termination of an employee's services due to economic reasons (such as surplus staff, poor demand for products, general economic slow down, etc.) It should be noted here that termination of services on disciplinary grounds, illness, retirement, winding up of a business does not constitute retrenchment. In respect of organisations employing 100 or more persons, the Industrial Disputes Act, 1947, makes it obligatory for the employer to give advance notice or pay equivalent wages before the actual lay off date. To claim 50 per cent of basic wages plus dearness allowances, the workman (who is not a casual worker, whose name appears on pay roll, who has completed 12 months of continuous service) must present himself on each working day at the appointed time inside the factory/office premises during the lay off period. If necessary, he might be asked to report a second time during the same day. While laying off workman, the employer is expected to follow the first-in-last-out principle. He should give preference to such workmen if he advertises for re-employment against future openings. The employer has to give three months' notice before retrenching the worker and get prior approval from the government as well.

**Table 11.3: How to Trim the Workforce?**

- Stop hiring people when the first signals of trouble ahead surface. This would send the right message to the trade unions.
- Better to be on good terms with all the trade unions.
- Allay the workers' suspicions by communicating with them directly.
- Design a severance package with incentives for training and redeployment.
- Never use pressure tactics to intimidate your workers into leaving.

Examples. JK Synthetics closed down its polyester staple fibre plant in 1981. A 14-year long legal battle followed. The closure was declared illegal in 1995. Now 1100 workers may have to be reinstated along with their salaries for 14 years! Companies have therefore started the voluntary retirement schemes. NTC has shed 45,000 workers, ACC, British Oxygen, Premier Automobiles–9,000, 3,700 and 3,500 employees respectively – after obtaining support from unions. HMT, Caltex have gone a step ahead and offered the chance to workers who opt for VRS to start retail and ancillary activities on behalf of these companies! Caltex sold petrol pumps to workers accepting VRS: others like Philips, Sandoz, TISCO are trying to come out with more attractive VRS packages.

***Source:*** Business India. Jan 7-21, 1996 pp. 284-288

**Check Your Progress 2**

Multiple Choice Questions (pick the most appropriate one)

1. Employee orientation programmes should be the concern of
   (a) a special orientation unit
   (b) top management
   (c) the HR department
   (d) the supervisor
   (e) both the HR department and the supervisor
2. Seniority based promotions are advantageous because
   (a) they are objective
   (b) they single out the best employee for praise and recognition
   (c) they make unions powerful
   (d) they are based on performance
   (e) they help employees grow horizontally
3. Advantages of transfers include all but
   (a) enhancing the individual's motivation
   (b) help in managing dual careers
   (c) flexibility
   (d) broadening the employee
   (e) improves better use of human resources
4. Normally, termination occurs because of
   (a) business fluctuations
   (b) mergers and acquisitions
   (c) retirement
   (d) death
   (e) discipline
5. Reasons for layoff include all but
   (a) seasonal fluctuations in demand
   (b) piling up of inventory
   (c) union activities of an employee
   (d) downsizing
   (e) shortage of power and raw materials

❖ *Outplacement:* Employees who are retrenched/laid off may have difficulty in finding an alternative job if the market conditions are adverse. There might be a demand for certain category of employees possessing multiple skills, but the retrenched employees may not have those ‘ marketable skills’. To fill this vacuum, some organisations offer training in such skills and assist the retrenched employees in finding a suitable job elsewhere. Outplacement assistance includes 'efforts made by employer to help a recently separated worker find a job' (Davis, p.269). Apart from training, some multinational firms offer assistance in the form of paid leave, travel charges for attending interviews, search firm charges, waiving bond requirements to the retrenched employees. Bank of America has given a 'fat sum' as liberal retrenchment compensation running into several lakhs of rupees to all eligible retrenched officers in 1998. It has also held counselling sessions for those officers on issues such as how to repay their car/house loans, where for invest their money, etc. Search firms were also hired to find suitable employment. When the downsizing effort stabilised, Bank of America had even extended the former employees' a 'warm welcome back home!' Such outplacement assistance, in whatever form it is available, assures the remaining employees of the management's commitment towards their welfare if a further downsizing ever happens to take place in future.

**Table 11.4: Merits and Demerits of Outplacement**

| Merits | Demerits |
|---|---|
| Shows the human face of the company. | May be time consuming and costly. |
| Eases the pain of retrenchment. | Maintaining databases on other jobs is not easy. |
| Preserves the morale of those who remain with the company. | Can work only when retrenching a few managers at a time. |
| Smoothens the way for future downsizing moves. | Can be turned down by angry, disillusioned employees. |
| Helps you retain your former employees' respect. | Difficult to convince and implement at the level of workers. |

***Source:*** Business India Jan 7-21, 1996 pp. 300-504

- *Suspension:* Suspension means prohibiting an employee from attending work and performing normal duties assigned to him. It is a sort of punishment for a specified period and is generally resorted to only after a proper inquiry has been conducted. During suspension, the employee receives a subsistence allowance. If the charges against the suspended employee are serious and are proved, suspension may lead to termination also.

5. ***Discharge and dismissal:*** Dismissal is the termination of the services of an employee as a punitive measure for some misconduct. Discharge also means termination of the services of an employee, but not necessarily as a punishment. A discharge does not arise from a single, irrational act. There could be many reasons for it such as:

   Discharge/dismissal is a drastic measure seriously impairing the earnings potential and the image of an employee. It should be used sparingly, in exceptional cases where the employee has demonstrated continued inefficiency, gross insubordination or continued violating rules even after several warnings. Before discharging the employee, advance notice of the impending danger must be given and the reasons of discharge must be stated clearly. The employee should be given the opportunity to defend himself. If the grounds under which an employee has been discharged are not strong enough, there should be a provision for reviewing the case. In any case, the punishment should not be out of proportion to the offence.

**Table 11.5: Reasons for Discharge**

| | |
|---|---|
| Inebriation and alcoholism | Dishonesty |
| Wilful violation of rules | Violent and aggressive acts |
| Carelessness | Inefficiency |
| Insubordination | Unauthorised absence from duty for a long time |
| Physical disability | |

**Check Your Progress 3**

State whether the following statements are true or false:

1. Termination usually occurs because of discipline.
2. Most benefits of orientation are due to reducing anxiety.
3. During suspension, the employee generally receives a subsistence allowance.
4. Turnover is a minor cost for an organisation.
5. Orientation has a long term benefit to the organisation.
6. Most organisations put new recruits on probation for a given period of time.
7. Good orientation programmes still require follow up.
8. One advantage of seniority based promotions is that they are based on performance.
9. Flatter organisations mean more career opportunities.
10. A transfer implies an ascending or descending change in status or responsibility.

## 11.7 LET US SUM UP

The lateral or vertical movement (promotion, transfer, demotion or separation) of an employee within an organisation is called ‘internal mobility’.

A transfer is a change in job assignment. It may involve a promotion or demotion or no change at all in status and responsibility.

Transfers have to be carried out in a systematic way, with a view to avoid allegations of discrimination and favouritism.

Organisations should clearly specify their policy regarding transfers.

Promotion refers to upward movement of an employee from current job to another that is higher in pay, responsibility and/or organisational level. Promotion brings enhanced status, better pay, increased responsibilities and better working conditions to the promotee.

Organisations adopt different bases of promotion depending upon their nature, size, management, etc.

A firm- should institute a promotion policy that gives due weightage to both seniority and merit.

Demotion is the downward movement of an employee in the organisational hierarchy with lower status and pay.

## 11.8 LESSON END ACTIVITY

Write an essay discussing some of the ethical and legal issues in (a) demotion (b) suspension and (c) dismissal.

## 11.9 KEYWORDS

***Internal mobility:*** The lateral or vertical movement of an employee within an organisation.

***Transfer:*** Employee movement that occurs when an employee is moved from one job to another that is relatively equal in pay, responsibility and/or organisational level.

***Promotion:*** Employee movement from current job to another that is higher in pay, responsibility and/or organisation level.

***Demotion:*** Employee movement that occurs when an employee is moved from one job to another that is lower in pay, responsibility and/or organisational level.

***Merit based promotion:*** An upward movement based on superior performance in the present job.

***Separation:*** A separation is a decision that the individual and the organisation should part.

***Resignation:*** A voluntary separation initiated by the employee himself.

***Retirement:*** Termination of service on reaching the age of superannuation.

***Layoff:*** A layoff entails the separation of the employee from the organisation temporarily for economic or business reasons.

***Retrenchment:*** A permanent lay off for reasons other than punishment but not retirement or termination owing to ill health.

***Outplacement assistance:*** Efforts made by the employer to help a recently separated worker find a job.

***Suspension:*** Prohibiting an employee from attending work and to perform normal duties assigned to him.

***Attrition:*** The normal separation of people from an organisation owing to resignation, retirement or death.

***Whistle blowers:*** Employees who report employer violations of the law.

***Dismissal:*** The termination of the services of an employee as a punitive measure for some misconduct.

## 11.10 QUESTIONS FOR DISCUSSION

1. Write notes on:
   a. Death, retirement and resignation
   b. Suspension, discharge and dismissal
2. Explain the term ‘retrenchment’. What precautions should be taken while retrenching employees?
3. What do you mean by ‘outplacement’? Is the employer under any obligation to extend outplacement assistance to employees?

4. What is 'demotion'? Why is it needed? Explain the requirements of a proper demotion policy.
5. Distinguish between:
   a. Transfer and Promotion
   b. Discharge and Dismissal
   c. Placement and Induction
6. What is 'promotion'? Explain the relative merits and demerits of seniority and merit as the basis of promoting employees.
7. What is 'transfer'? What are the reasons for transfer? Explain the contents of a systematic transfer policy.

**Check Your Progress: Model Answers**

***CYP 1***

1. T, 2. T, 3. T, 4. T

***CYP 2***

1. e, 2. a, 3. b, 4. e, 5. c

***CYP 3***

1. T, 2. T, 3. T, 4. F, 5. F, 6. T, 7. T,
8. F, 9. F, 10. F

## 11.11 SUGGESTED READINGS

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# LESSON 12

# EVALUATION OF TRAINING

**CONTENTS**



## 12.0 AIMS AND OBJECTIVES

After studying this lesson you will be able to:

- Know what are the components of training evaluation
- Describe the steps involved in the process of training evaluation
- Evaluate Kirkpatrick criteria of training measurement

## 12.1 INTRODUCTION

The process of examining a training program is called training evaluation. Training evaluation checks whether training has had the desired effect. Training evaluation ensures that whether candidates are able to implement their learning in their respective workplaces, or to the regular work routines.

Evaluation includes getting ongoing feedback, e.g., from the learner, trainer and learner's supervisor, to improve the quality of the training and identify if the learner achieved the goals of the training.

Evaluation feedback assists in improving efficiency and effectiveness of:

- Training content and methods
- Use of organization dollars, personnel, and other resources
- Employee performance
- Organizational productivity

For effective training, the principal questions should be:

- To what extent were the identified training needs objectives achieved by the programme?
- To what extent were the learners' objectives achieved?
- What specifically did the learners learn or be usefully reminded of?
- What commitment have the learners made about the learning they are going to implement on their return to work?
- How successful were the trainees in implementing their action plans?
- To what extent were they supported in this by their line managers?
- To what extent has the action listed above achieved a Return on Investment (ROI) for the organization, either in terms of identified objectives satisfaction or, where possible, a monetary assessment.

Obviously the evaluation cloth must be cut according to available resources (and the culture atmosphere), which tend to vary substantially from one organization to another. The fact remains that good methodical evaluation produces a good reliable data; conversely, where little evaluation is performed, little is ever known about the effectiveness of the training.

## 12.2 PURPOSES OF TRAINING EVALUATION

The five main purposes of training evaluation are:

1. ***Feedback:*** It helps in giving feedback to the candidates by defining the objectives and linking it to learning outcomes.
2. ***Research:*** It helps in ascertaining the relationship between acquired knowledge, transfer of knowledge at the work place, and training.
3. ***Control:*** It helps in controlling the training program because if the training is not effective, then it can be dealt with accordingly.
4. ***Power games:*** At times, the top management (higher authoritative employee) uses the evaluative data to manipulate it for their own benefits.
5. ***Intervention:*** It helps in determining that whether the actual outcomes are aligned with the expected outcomes.

## 12.3 EVALUATION PROCESS

Training and development activities can be evaluated before, during and after the activities. Consider the following very basic suggestions:

### 12.3.1 Prior to Training

The learner's skills and knowledge are assessed before the training program. During the start of training, candidates generally perceive it as a waste of resources because at most of the times candidates are unaware of the objectives and learning outcomes of the program. Once aware, they are asked to give their opinions on the methods used and whether those methods confirm to the candidates preferences and learning style.

- Will the selected training and development methods really result in the employee's learning the knowledge and skills needed to perform the task or carry out the role? Have other employee's used the methods and been successful?
- Consider applying the methods to a highly skilled employee. Ask regarding his impression about the methods.
- Do the methods conform to the employee's preferences and learning styles? Have the employee briefly reviewed the methods, e.g., documentation, overheads, etc. Does the employee experience any difficulties understanding the methods?

### 12.3.2 During the Training

It is the phase at which instruction is started. This phase usually consist of short tests at regular intervals:

- Ask the employee how they're doing. Do they understand what's being said?
- Periodically conduct a short test, e.g., have the employee explained the main points of what was just described to him, e.g., in the lecture.
- Is the employee enthusiastically taking part in the activities? Is he or she coming late and leaving early. It's surprising how often learners will leave a course or workshop and immediately complain that it was a complete waste of their time. Ask the employee to rate the activities from 1 to 5, with 5 being the highest rating. If the employee gives a rating of anything less than 5, have the employee describe what could be done to get a 5.

### 12.3.3 After the Training

It is the phase when learner's skills and knowledge are assessed again to measure the effectiveness of the training. This phase is designed to determine whether training has had the desired effect at individual department and organizational levels. There are various evaluation techniques for this phase:

- Give him or her a test before and after the training and development, and compare the results?
- Interview him or her before and after, and compare results?
- Watch him or her perform the task or conduct the role?
- Assign an expert evaluator from inside or outside the organization to evaluate the learner's knowledge and skills?

**Check Your Progress 1**

State whether the following statements are true or false:

1. The process of examining a training program is called training evaluation.
2. Evaluation includes getting ongoing feedback, e.g., from the learner, trainer and learner's supervisor, to improve the quality of the training and identify if the learner achieved the goals of the training.
3. The learner's skills and knowledge are assessed to measure the effectiveness of the training in the second phase.
4. In the second phase give him or her a test before and after the training and development, and compare the results.

## 12.4 TRAINING MEASUREMENT (KIRKPATRICK)

One way to think about evaluation is to use a model that provides concrete definitions of what can be learned from them. Kirkpatrick's four-level framework is one example that can be used. This framework consists of four levels that progress in difficulty from 1 (the easiest to conduct) to 4 (the hardest). When choosing the levels to include in your assessment, start by identifying the questions your evaluation needs to address.

### 12.4.1 Level One - Reaction

Per Kirkpatrick, "evaluating reaction is the same thing as measuring customer satisfaction. If training is going to be effective, it is important that students react favorably to it."

The guidelines for Level One are as follows:

- Determine what you want to find out
- Design a form that will quantify the reactions
- Encourage written comments and suggestions
- Strive for 100% immediate response
- Get honest responses
- Develop acceptable standards
- Measure reactions against standards, and take appropriate action
- Communicate reactions as appropriate

The benefits to conducting Level One Evaluations are:

- A proxy for customer satisfaction
- Immediate and real-time feedback to an investment
- A mechanism to measure and manage learning providers, instructors, courses, locations, and learning methodologies
- A way to control costs and strategically spend your budget dollars
- If done properly, a way to gauge a perceived return on learning investment

### 12.4.2 Level Two - Learning

Level Two is a 'test' to determine if the learning transfer occurred. Per Kirkpatrick, "It is important to measure learning because no change in behavior can be expected unless one or more of these learning objectives have been accomplished. Measuring learning means determining one or more of the following."

- What knowledge was learned?
- What skills were developed or improved?
- What attitudes were changed?

The Guidelines for Level Two are as follows:

- Use a control group, if practical
- Evaluate knowledge, skills, and or attitudes both before and after the program
- Use a 'test' to measure knowledge and attitudes
- Strive for 100% response
- Use the results to take corrective actions

The benefits to conducting Level Two Evaluations are:

- Learner must demonstrate the learning transfer
- Provides training managers with more conclusive evide nce of training effectiveness

### 12.4.3 Level Three - Behavior

Level Three evaluates the job impact of training. "What happens when trainees leave the classroom and return to their jobs? How much transfer of knowledge, skill, and attitudes occurs?" Kirkpatrick questions, "In other words, what change in job behavior occurred because people attended a training program?"

The Guidelines for Level Three are as follows:

- Use a control group, if practical
- Allow time for behavior change to take place
- Evaluate both before and after the program if practical
- Survey or interview trainees, supervisors, subordinates and others who observe their behavior
- Strive for 100% response
- Repeat the evaluation at appropriate times

The benefits to conducting Level Three evaluations are as follows:

- An indication of the 'time to job impact'
- An indication of the types of job impacts occurring (cost, quality, time, productivity)

### 12.4.4 Level Four - Results

Per Kirkpatrick, Level Four is "the most important step and perhaps the most difficult of all." Level Four attempts to look at the business results that accrued because of the training.

The Guidelines for Level Four are as follows:

- Use a control group if practical
- Allow time for results to be achieved

- Measure both before and after the program, if practical
- Repeat the measurement at appropriate time
- Consider costs versus benefits
- Be satisfied with evidence if proof not possible

The advantages to a Level Four evaluation are as follows:

- Determine bottom line impact of training
- Tie business objectives and goals to traixning

### 12.4.5 Training Measurement Five Level (Phillips)

Level Five is not a Kirkpatrick step. Kirkpatrick alluded to ROI when he created level Four linking training results to business results. However, over time the need to measure the dollar value impact of training became so important to corporations that a fifth level was added by Dr. Phillips. Dr. Phillips outlines his approach to Level Five in his book Return on Investment in Training and Performance Improvement Programs, Butterworth Heinemann Publishers, Inc, Woburn, MA 1997. Dr. Phillips has written extensively on the subject, publishing or editing dozens of books on the topic of ROI.

The Guidelines for Level Five are as follows:

- Use a control group, if practical
- Allow time for results to be achieved
- Determine the direct costs of the training
- Measure a productivity or performance before the training
- Measure productivity or performance after the training
- Measure the productivity or performance increase
- Translate the increase into a dollar value benefit
- Subtract the dollar value benefit from the cost of training
- Calculate the ROI

ROI calculations are being done by a few world-class training organizations. They help these organizations:

- Quantify the performance improvements
- Quantify the dollar value benefits
- Compute investment returns
- Make informed decisions based on quantified benefits, returns, and percent return comparisons between learning programs

## 12.5 DECISION POINTS IN PLANNING TRAINING EVALUATION

John Dopyera and Louise Pitone identified eight decision points in planning training evaluation. They are:

1. Should an evaluation be done? Who should evaluate?
2. What is the purpose of evaluation? There are mainly two purposes of doing evaluation. They are justification evaluation and determination evaluation.

Justification evaluations are undertaken as reactions to mandates, other purposes that will make evaluation efforts more fruitful. These purposes include training needs assessment, programme improvements and impact evaluation.

3. What will be measured? The focus of the evaluation will be on training and delivery, programme content, materials, impact of training on individuals through learning, behaviour or performance change. Learning can be measured through pre-test and post-test. Evaluate the effects of training after the trainee returns to the work place, using changes in between or the work results as indicators.

**Box 12.1: An Example of a Trainee Reaction Questionnaire**

Evaluation Questionnaire
(Please return this form unsigned to Development Group)

1. Considering everything, how would you rate this program? (Check one)
Unsatisfactory _____ Satisfactory _______
Good ______ Outstanding _____

Please explain briefly the reasons for the rating you have given:

2. Ware your expectaions: exceeded _______ matched _____ fallen below ____? (Check one)

3. Are you going to recommend this training progm to other members of your department?
Yes ____ No ____ If you checked "yes," please describe the job titles held by the people to whom you would recommed this progrm?
________________________________
________________________________

4. Please rate the relative value (1 = very valuable; 2 = worthwhile; 3 = negligible) of the following components of the training program to you:

Videocassettes ________
Role-playing exercises ________
Workbooks ________
Small group discussion ________
Small group discussions ________
Lectures ________

5. Please rate the main lecturer's presentation (1 = not effective; 2 = somewhat effective; 3 = very effective) in terms of:
Ability to Communicate ________
Emphasis on Key Points ________
Visual Aids ________
Handout Materials ________

6. Please rate the following cases, readings, and videocassettes by placing a checkmark in the appropriate colum:

| | Excellent | Good | Fair | Poor |
|---|---|---|---|---|
| Overcoming Resistance to Change | | | | |
| Reviewing Performance Goals | | | | |
| Setting Performance Goals | | | | |
| Handling Employee Performance | | | | |
| Slade Co. | | | | |
| Superior Slate Quarry | | | | |
| McGregor's Theory X and Y | | | | |
| Henry Manufacturing | | | | |
| First Federal Savings | | | | |
| Claremont Industries | | | | |

7. Was thr ratio of lectures to cases (check one); High _______ Ok ________ Low _______?

8. Were the videocassetts pertinent to your work? (check one)
To most of my work ________
To some of my work ________
To none of my work ________

9. To help the training director and the staff provide further improvements in future programs, please given us your frank opinion of each case discussion leaders contribution to your learning. (Place your checkmarks in the appropriate boxes.)

| | Excellent | Above Average | Average | Below Average | Poor |
|---|---|---|---|---|---|
| DAVIS | | | | | |
| GLEASON | | | | | |
| LAIRD | | | | | |
| MARTIN | | | | | |
| PONTELLO | | | | | |
| SHALL | | | | | |
| SOMMERS | | | | | |
| WILSON | | | | | |
| ZIMMER | | | | | |

10. How would you evaluate your participation in the progam? (check)
Over workload: Too heavy _______ Too heavy _______ Top light _______
Case preparation: Too heavy _______ Too heavy _______ Top light _______
Homework assignments: Too heavy _______ Too heavy _______ Top light _______

11. What suggestions do you have for improving the program?
________________________________________________
________________________________________________
________________________________________________

***Source:*** K.N. Wexley and G.P.Latham, Developing and Training Human Resources in Organisations

4. How comprehensive will the evaluation be? The scope or the duration and comprehensiveness of the evaluation is influenced by available support, communication and evaluation purpose.

5. Who has the authority and responsibility? Who has the authority and responsibility at different stages of evaluation will be determined by the factors like personnel, credibility of internal staff, communication, objectivity of internal staff to do an evaluation regardless of results.

6. What are the sources of data? The most common sources of evaluation data are reactions, opinions and/or test results of the participants, managers, supervisors, production records, quality control, financial records, personnel records, safety records, etc.

7. How will the data be collected and compiled? Data can be collected before training for needs analysis or pre-testing purpose, during training programme to make improvements along the way and after training for evaluation. Next step is selection of treatment or control groups and determination of nature of samples. Data can be compiled either manually or by computers.
8. How will the data be analysed and reported? First reporting issue is concerned with audiences like participants or trainees, training staff, managers, customers etc. Second and third issues are concerned with analysis and results and accuracy, policies and format respectively.

These decision points are intended to increase awareness of, and interest in, the evaluation of training, to improve planning skills and to encourage more systematic evaluation of training.

**Check Your Progress 2**

1. What are the benefits of training evaluation feedback?

   ..........................................................................................................

   ..........................................................................................................
2. Mention the four levels of Kirkpatrick's training measurement.

   ..........................................................................................................

   ..........................................................................................................

## 12.6 METHODS OF EVALUATION

Various methods can be used to collect data on the outcomes of training. Some of these are:

- ***Questionnaires:*** Comprehensive questionnaires could be used to obtain opinions, reactions, views of trainees.
- ***Tests:*** Standard tests could be used to find out whether trainees have learnt anything during and after the training.
- ***Interviews:*** Interviews could be conducted to find the usefulness of training offered to operatives.
- ***Studies:*** Comprehensive studies could be carried out eliciting the opinions and judgements of trainers, superiors and peer groups about the training.
- ***Human resource factors:*** Training can also be evaluated on the basis of employee satisfaction, which in turn can be examined on the basis of decrease in employee turnover, absenteeism, accidents, grievances, discharges, dismissals, etc.
- ***Cost benefit analysis:*** The costs of training (cost of hiring trainers, tools to learn, training centre, wastage, production stoppage, opportunity cost of trainers and trainees) could be compared with its value (in terms of reduced learning time, improved learning, superior performance) in order to evaluate a training programme.
- ***Feedback:*** After the evaluation, the situation should be examined to identify the probable causes for gaps in performance. The training evaluation information (about costs, time spent, outcomes, etc.) should be provided to the instructors, trainees

and other parties concerned for control, correction and improvement of trainees' activities. The training evaluator should follow it up sincerely so as to ensure effective implementation of the feedback report at every stage.

## 12.7 LET US SUM UP

Training evaluation checks whether training has had the desired effect. Evaluation includes getting ongoing feedback, e.g., from the learner, trainer and learner's supervisor, to improve the quality of the training and identify if the learner achieved the goals of the training.

The five main purposes of training evaluation are:

1. Feedback
2. Research
3. Control
4. Power Games
5. Intervention

Training and development activities can be evaluated before, during and after the activities. Consider the following very basic suggestions:

One way to think about evaluation is to use a model that provides concrete definitions of what can be learned from them. Kirkpatrick's four-level framework is one example that can be used. This framework consists of four levels that progress in difficulty from 1 (the easiest to conduct) to 4 (the hardest).

## 12.8 LESSON END ACTIVITY

How do you monitor the trainess's performance? How do you analyse the faults that may arise during the performance of trainees' tasks?

## 12.9 KEYWORDS

***Training:*** A planned programme designed to improve performance and bring about measurable changes in knowledge, skills, attitude and social behaviour of employees.

***Feedback:*** The process of providing trainees with information about their performance.

***Training Evaluation:*** The process of examining a training programme is called training evaluation.

## 12.10 QUESTIONS FOR DISCUSSION

1. Explain whether and how the effectiveness of training programmes can be evaluated.
2. What are the principles that should be kept in mind while designing a sound employee ctraining evaluation?
3. How do you evaluate the training staff performance?
4. Explain Kirpatrick's four levels training measurement criteria.

**Check Your Progress: Model Answers**

***CYP 1***

1. T, 2. T, 3. F, 4. F

***CYP 2***

1. ***Benefits of Training Evaluation Feedback:*** Evaluation feedback assists in improving efficiency and effectiveness of:
   - ❖ Training content and methods
   - ❖ Use of organization dollars, personnel, and other resources
   - ❖ Employee performance
   - ❖ Organizational productivity
2. ***Four levels of Kirkpatrick's Training Measurement:***
   (i) Reaction,
   (ii) Learning,
   (iii) Behaviour, and
   (iv) Results.

## 12.11 SUGGESTED READINGS

Rao VSP, *Human Resource Management*, Excel Books, New Delhi, 2005

Rao PL, *Comprehensive HRM*, Excel Books, New Delhi, 2004

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