

# **MAR GREGORIOS COLLEGE OF ARTS & SCIENCE**

Block No.8, College Road, Mogappair West, Chennai – 37

Affiliated to the University of Madras  
Approved by the Government of Tamil Nadu  
An ISO 9001:2015 Certified Institution



## **PG DEPARTMENT OF SOCIAL WORK**

**SUBJECT NAME: HUMAN RESOURCE MANAGEMENT  
AND DEVELOPMENT**

**SUBJECT CODE: HBWCB**

**SEMESTER: III**

**PREPARED BY: PROF. D. MOIEESON THAIRIYAM**

**Objectives:**

- Gain knowledge about the Concepts, Principles and strategies of HRD
- Understand the strategic role and efficient use of human resources
- Acquire the skills of implementing Strategic HR aiming at higher practices; Acquiring counseling skills.

**Unit 1**

HRD: Concept, Objectives, Approaches & Principles – Systems & strategies in HRD – HRD Interventions: Organizational Goal setting process - Key Result Areas (KRA) and Key Performance Indicators (KPI) - Performance Measurement Systems – Feedback sessions - Coaching, Mentoring, Career planning, Career development, Reward system.

**Unit 2**

Approaches to Measuring Human Resources: Competitive Benchmarking, HR Accounting, HR Auditing, HR Effectiveness Index, HR Key Indicators, HR Management by Objectives.

**Unit 3**

Talent Development: Concept and importance - Training Need Analysis at Individual and Organizational level: Designing and conducting Training programs - Types of Training: On the Job and Off the Job Training- Coaching Apprentices, Job Rotation.

**Unit 4**

Training & Development: Methods - programmed instruction, role play, structured and unstructured role plays, in-basket exercise, simulation, case study and sensitivity training. Evaluation of Training Program. The Cost/Benefit Analysis of training- using the results to improve training and development function. Improving training utility by following up Training Action Plans. Balance Score Card.

**Unit 5**

Employee Empowerment: Concept, Definition & Objectives of employee empowerment – Prerequisites – Types & benefits – Strategies - Ways to employee empowerment – Employee Counselling; Counseling skills; Practice of Social Work Methods; Role of Employee Counsellor in Organizations. Developing Positive Employee Relationship

**BOOKS FOR REFERENCE**

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## Unit 1

### Concept of Human Resource Development (HRD)

Human resources development refers to an organization's focus on improving the knowledge, ability, skills, and other talents of their employees. It is the integrated use of training, organization, and career development efforts to improve individual, group, and organizational effectiveness.

Human Resources Development (HRD) as a theory is a framework for the expansion of human capital within an organization through the development of both the organization and the individual to achieve performance improvement" or "HRD is a new systematic approach to proactively deal with issues, related to individual employees and teams, and organizations and a movement to develop organizational capability to manage change and challenge"

The active resource of an organization is the human resource. Other resources remain inactive unless there are competent people to utilize the available resources for the production of goods and services. A human brain has a limitless energy to think and act in a productive way. Hence, competent and qualified human resource is a key factor of organizational success. In this regard, the emergence of human resource development (HRD) plays a vital role in enhancing the entrepreneurial skill of people.

Human Resource Development (HRD) is a process of developing skills, competencies, knowledge, and attitudes of people in an organization. The people become human resource only when they are competent to perform organizational activities. Therefore, HRD ensures that the organization has such competent human resource to achieve its desired goals and objectives. HRD imparts the required knowledge and skill in them through an effective arrangement of training and development programs. HRD is an integral part of Human Resource Management (HRM) which is more concerned with training and development, career planning and development and the organization development. The organization has to understand the dynamics of HR and attempt to cope with changing the situation in order to deploy its HR effectively and efficiently. And HRD helps to reach this target.

Hence, HRD is a conscious and proactive approach applied by employers which seek to capacitate employees through training and development to give their maximum to the organization and to fully use their potential to develop themselves.

#### Human Resource Development Unit 1

2. HRD Concept • Human Resource Development is the part of human resource management that specifically deals with training and development of the employees in the organization. • Development of human resources is essential for any organization that would like to be dynamic and growth-oriented. • HRD concept was first introduced by Leonard Nadler in 1969 in a conference in US. "He defined HRD as those learning experience which are organized, for a specific time, and designed to bring about the possibility of behavioral change". • The focus of all aspects of Human Resource Development is on developing the most superior workforce so

that the organization and individual employees can accomplish their work goals in service to customers

### **HRD Definitions**

- According to Leonard Nadler, "Human resource development is a series of organized activities, conducted within a specialized time and designed to produce behavioral changes.
- According to M.M. Khan, "Human resource development is the across of increasing knowledge, capabilities and positive work attitudes of all people working at all levels in a business undertaking."

### **The Concept of HRD**

- Acquire or sharpen capabilities required to perform various functions associated with their present or expected future roles;
- Develop their general capabilities as individuals and discover and exploit their own inner potentials for their own and/or organizational development purposes; and
- Develop an organizational culture in which supervisor-subordinate relationships, teamwork and collaboration among sub-units are strong and contribute to the professional wellbeing, motivation and pride of employees.

### **Difference between HRD and HRM**

- The human resource management is mainly maintenance oriented whereas human resource development is development oriented.
- Organization structure in case of human resources management is independent whereas human resource development creates a structure, which is inter-dependent and inter-related.
- Human resource management mainly aims to improve the efficiency of the employees whereas aims at the development of the employees as well as organization as a whole.
- Responsibility of human resource development is given to the personnel/human resource management department and specifically to personnel manager whereas responsibility of HRD is given to all managers at various levels of the organization.
- HRM motivates the employees by giving them monetary incentives or rewards whereas human resource development stresses on motivating people by satisfying higher-order needs.

### **The need for HRD**

- Growth oriented
- Employee capabilities must be used
- Use their initiative, take risks, experiment, innovate
- Needs to adapt to the changing environment

### **HRD Functions**

- 1. Employee training and development,
- 2. Career planning and development,
- 3. Succession planning,
- 4. Performance appraisal,
- 5. Employee's participation in management,
- 6. Quality circles,
- 7. Organization change and organization development.

### **Features of HRD**

1. Systematic approach:
2. Continuous process:
3. Multi-disciplinary subject
4. All-pervasive
5. Techniques:

### **Scope of HRD**

• 1. Recruitment and selection of employees for meeting the present and future requirements of an organization. • 2. Performance appraisal of the employees in order to understand their capabilities and improving them through additional training. • 3. Offering the employees' performance counselling and performance interviews from the superiors. • 4. Career planning and development programme for the employees. • 5. Development of employees through succession planning. • 6. Workers' participation and formation of quality circles. • 7. Employee learning through group dynamics and empowerment. • 8. Learning through job rotation and job enrichment. • 9. Learning through social and religious interactions and programmes. • 10. Development of employees through managerial and behavioral skills.

### **Objectives of HRD**

• Develop human resource of the company continuously for better performance to meet objectives. • Provide opportunity for development of different level of employees. • Suitable need based training programs • Prepare newly inducted staff to perform their work with high level of competency and excellence. • Meet social obligations of industry to contribute towards the excellence of technical and management education. • Assist the existing and potential customers in the better use of our equipments by training the employees. • Promote a culture of creativity, innovation, human development, respect and dignity. • Achieve excellence in every aspect of working life. • Create environment for the trainees conducive to their character building.

**HRD Goals** • Strategy • Assessment • Return on investment • Technology

### **Challenges of HRD**

• Rapid changes in Technology • Transnational suppliers and customers • Fierce competition • Innovation for survival • World-class Quality-demand of customer • Mergers, Takeovers and Acquisitions • High product differentiation achieved by very low manufacturing costs • extremely short lifecycles of products/services • Quicker response to market

**HRD Practices in Indian Industries** • 1. HRD Departments • 2. Performance Appraisal • 3. Potential Appraisal • 4. Feedback and Counseling • 5. Training • 6. Career Planning And Development • 7. Rewards • 8. Organization Development • 9. Human Resources Information System

### **Sub systems of HRD**

1. Performance Appraisal 2. Potential Appraisal 3. Career Planning and Development 4. Counseling 5. Feedback 6. Training and Development 7. Organizational Development 8. Rewards 9. Employees Welfare 10. Quality of Work Life

## **Principle of Human Resource development**

### **Principle of Development of Organizational Capability:**

An ideal HRD system should be based on the principle of overall development of employees and the organization as a whole. The capabilities include overall development of the work force in all aspects, may it be technical, physical, psychological or moral development in an organized manner.

### **Principle of Potential Maximization:**

HRD system must enable their employees to identify their hidden potential and make them competent enough to exploit their talent in an optimum manner so that they could contribute their efforts in attaining organizational goals.

### **Principle of Autonomy Maximization:**

Autonomy is the degree of independence given to employees at work so that they could be able to tackle responsibility to some extent of what they are capable of handling. A proper HRD system must provide certain level of autonomy to its employees enabling them of handling duties on their own.

### **Principle of Maximum delegation:**

Delegation of responsibilities means sharing responsibilities of authorities with subordinates so that a cohesive and a congenial environment could be developed in an organization.

### **Principle of Participative Decision-making:**

Participation of subordinates must be encouraged by top level managers in an ideal HRD system to create a comfortable working atmosphere where workers are free to discuss their ideas and always welcomed for suggestions.

### **Principle of Change Management:**

Change is the only permanent thing in this universe but usually people resists change. To beat the competition an organization and its human resource should be as much flexible in getting itself adapt to the changing scenario of 21st century. A good HRD system must attempt to strike a balance between the organizational culture and the changing culture.

### **Principle of Periodic Review:**

Review and renewal of HRD functions like training and development, career planning and development, performance and potential appraisal, counseling, etc. of employees should take place regularly in an organization at certain periodic intervals.

## APPROACHES TO HRD

□ Strategic HR framework approach □ Integrative framework □ Human capital appraisal approach □ PCMM approach □ integrated system approach □ HRD score card approach

### Strategic HR framework approach

□ Propounded by Ulrich and Lake (1990) □ Business strategy, organizational capabilities and HRD practices are the main elements in this approach □ Aims to leverage HRD practices to build critical organizational capabilities that enable organization to achieve its goals □ Framework offers specific tools and path to identify how an organization leverage its HR practices

### Integrative framework approach

Propounded by Yeung and Berman (1997) □ Identified 3 paths through which HRD practices can contribute to business performance, they are □ Building organizational capabilities, □ Improving employee satisfaction, □ Shaping customer and

□ This approach emphasis on focusing the entire human resource development system taking into account the synergies existing among all human resource development practices

### Human capital appraisal approach

□ Propounded by Friedman (1998) □ According to him, there are 5 stages in management of human capital. They are: Clarification stage Assessment stage Design stage Implementation stage Monitoring stage □ There are 5 areas of human capital management; Recruitment Retention & Retirement Rewards & performance management career development, succession planning and training Organizational structure and human capital enablers □ Stages in managing human capital is examined along with the areas of human capital management in order to ensure that each of the area are fit to respective strategies

### People Capability Maturity Model (PCMM)

□ Curtis and team (1995) developed this approach for software organizations □ Aims to provide guidance on how to improve the ability of software organizations to attract develop motivate organize and retain the talent needed to steadily improve their software development capability □ PCMM states that organization improves people management practice through initial, repeatable, defined, managed and optimizing levels of maturity □ Each of maturity level comprises of several Key Process Areas (KPA) that identify clusters of related work practices □ When performed collectively these Key Process Areas (KPAs) achieve a set of goals considered important for enhancing work force capability

### Integrated Systems approach

□ It envisaged separate HRD department for effective designing and implementation of Human Resource Development Systems □ It views strategy as the starting point and focused on all systems to achieve business goals and employee satisfaction □ It aimed at synergy, phased evolution of HRD function and includes most of the elements of the Human Capital approach.



### **HRD Score card Approach**

□ Propounded by Dr T V Rao (1999) □ An HR scorecard attempts to provide a link between HR operations and a company's business targets. □ The approach says that human resource development interventions in order to make right business impact should be mature in terms of human resource development systems, competencies, culture and business linkages □ Managers use an HR Scorecard to measure the HR function's effectiveness and efficiency in producing employee behavior which helps in achieving the company's strategic goals.

### **HRD Strategies**

“ HRD Strategies are a plan that defines how the human resources would be utilized through the use of an integrated array of training, organizational development and career development efforts to achieve individual, organizational objectives.”

### **Major HRD Strategies**

**Communications Strategy:** In today's changing scenario, it is essential to educate and train employees about the changes

**Accountability And Ownership Strategy:** Employee's accountability and ownership leads to higher productivity and customer acceleration.

**Quality Strategy:** Quality needs to be fostered in the employees through training and development.

**Cost Reduction Strategy:** Every employee's contribution in savings is crucial as small contributions from each employee can be pooled by organizations to save substantial savings at the end of a given period and enhance its competitive strategy.

**Entrepreneurship Strategy:** Every employee needs to be an independent entrepreneur, who can generate ideas and bring them to reality by using the existing resources and support of the org to create innovative and creative products and services.

**Culture Building strategy:** Org's valuing its employees have a sustainable competitive edge over competitors because employees are highly charged, motivated and commitment to the org.

**Systematic Training Strategy:** The planning and organization of formal on-job training and off-job training leads to improving vital employee characteristics, build and sustain appropriate work culture and brings in more professionalism in action

**Learning Strategy:** Continuous development and learning environments promote self-development of employees, of self and by self.

**The following are the interventions for any organization which should be applied for Long run.**

**Competency Mapping Exercise:** Map the competencies for the entire organization. Use participative process. Use facilitators to initiate the exercise. This intervention needs specialists

in behavioral science. Ascertain the qualifications of the facilitator. The facilitator should have skills in identifying knowledge attitudes, skills, and knowledge of competency mapping techniques. The competency mapping by itself is a participative process. When mapped and the competencies are used for organization wide interventions it becomes an OD intervention. Competency mapping and designing competency based HR systems is one of the most ROI giving interventions if taken to logical end. By virtue of its linkages with other HR systems it is a whole system involving exercise.

### **Start from the top.**

Top management should know the purpose and importance of CM. They should be involved in setting the vision and strategic plan.

Use Behavioral science specialists and knowledge. Unless educationists trained in CM are used it may be hijacked into other directions.

Use sequential approach. CM should start with diagnosis. What is lacking because of lack of role directory, role clarity, team work, capability shortage, succession planning? What a right diagnosis can help? Use participative approach. Develop internal resource. Explain the importance of CM to all levels. Disengage after competency based HR systems one in place.

Use multiple interventions, workshops, seminars; interviews, task forces etc. conduct it for all levels.

Demonstrate how it leads to organizational effectiveness and change. Link it with all other systems – recruitment, induction, PMS Etc.

**Leadership Development Programs (Using 360 Degree Feedback and climate Surveys) :** A number of organization use leadership development in-house based on the 360 Degree feedback. The usual design is to start with a competency framework and develop a leadership and managerial effectiveness tool. This tool is then used to get individual assessments made for the top level, senior level and middle level executives. 360 Degree feedback profiles are prepared based on the assessments of juniors, seniors, internal and external customers of the candidate along with self assessment. The assessments are summarized and graphically presented to help the candidate get an insight into his/her own behavior and leadership competencies. The profiles are then given to the candidates individually and perhaps in a workshop form. The candidates are then assisted to prepare action plans and make commitments to change. The level-wise (HOD, General Manager, Vice-presidents etc.) or the group-wise trends of the feedback are shared and development activities undertaken by the HR department. For example if most participants need to be vision driven or systems driven then a series of programs to develop their vision or systems orientation are made and a training intervention undertaken. Individual coaching also becomes part of the intervention.

**Assessment and Development Centers :** ADCs have begun as potential assessment tools. Over a period of time they have acquired the potential as competency building tools. They are being used for identifying high fliers, succession planning and promotion tools. Though they are tools with limited purpose they can be used for larger purposes including culture change. However, when they are used for larger purposes they should be used as culture building tools. Creating a competency culture, high performance culture, leadership culture are some of the higher goals. However they should be supplemented with other interventions like climate surveys, succession planning etc. The limitations of ADCs as predictive tools should be explained. Organizations like Aditya Birla Group in private sector in NTPC, HPCL etc. in public sector have used these interventions to bring systematic changes. Most organizations however make the mistake of frequently changing consultants. Mostly they bring Consultants for specific interventions and as a result synergistic effect is lost. Some consultants are also shy of getting into long term contracts to bring change. Short term interventions have better remuneration possibilities for consultants but may have a limited impact.

**Performance Appraisal Interventions:** PMS is a great change tool. However most organization treat it merely as a system to manage people or as a human resource management system than as a change management system. The potential of this tool has been grossly underestimated and attention paid to this and investments made on this are extremely small. The most important investment it requires is a managerial time. The even this time is a mere 1% to 5% of each manager's time in a year to plan, review, and develop the performance, competencies and culture of individuals, dyads, teams and the organization as a whole.

### **Understand the potential of PMS.**

Examine the multiple objectives of PMS and choose the objectives that are manageable in a short span and in the long run.

Use a participative approach. Get top management commitment. Help them to experience how it helps them focus their work, plan time and maximize their impact.

PMS facilitator should be knowledgeable in behavioral sciences. The person should be process sensitive, know goal setting, identify Key Performance Areas KPAs, difference between KPAs & KRAs (Key result Areas), force field analysis, coaching, biases in ratings etc.

The interventions may include education program, training internal resource persons etc.

A good PMS can create new culture of transparency, integrity, and promote OCTAPACE values mentioned earlier. The intervention should be system driven and should involve the whole system.

## Organizational Goal Setting

Organizations cannot survive and flourish for a very long time without some basic goals. Goals give an organization a purpose and direction to move towards the entire year.

### Three Levels of Organizational Priorities

**Purpose**—a broad, general statement that tells why your organization exists; it usually doesn't change from year to year and is often the first statement in your constitution.

**Goals**—statements describing what your organization wishes to accomplish, stemming from your purpose. Goals are the ends toward which your efforts will be directed and often change from term to term or year to year, depending on the nature of the group.

**Objectives**—descriptions of exactly what is to be done, derived from the goals. They are clear, specific statements of measurable tasks that will be accomplished as steps toward reaching your goals. They are short term and have deadlines.

### Steps for Setting Goals

- Brainstorm goals as a group. (People support what they create, and will accept responsibility more easily.)
- Choose from the brainstormed list those you want to attend to.
- Prioritize as a group.
- Determine objectives and plans of action for each goal. Be specific and include deadlines.
- Move into action. Follow through.
- Continually evaluate your progress.
- Be flexible; allow your objectives to change to meet your new circumstances.

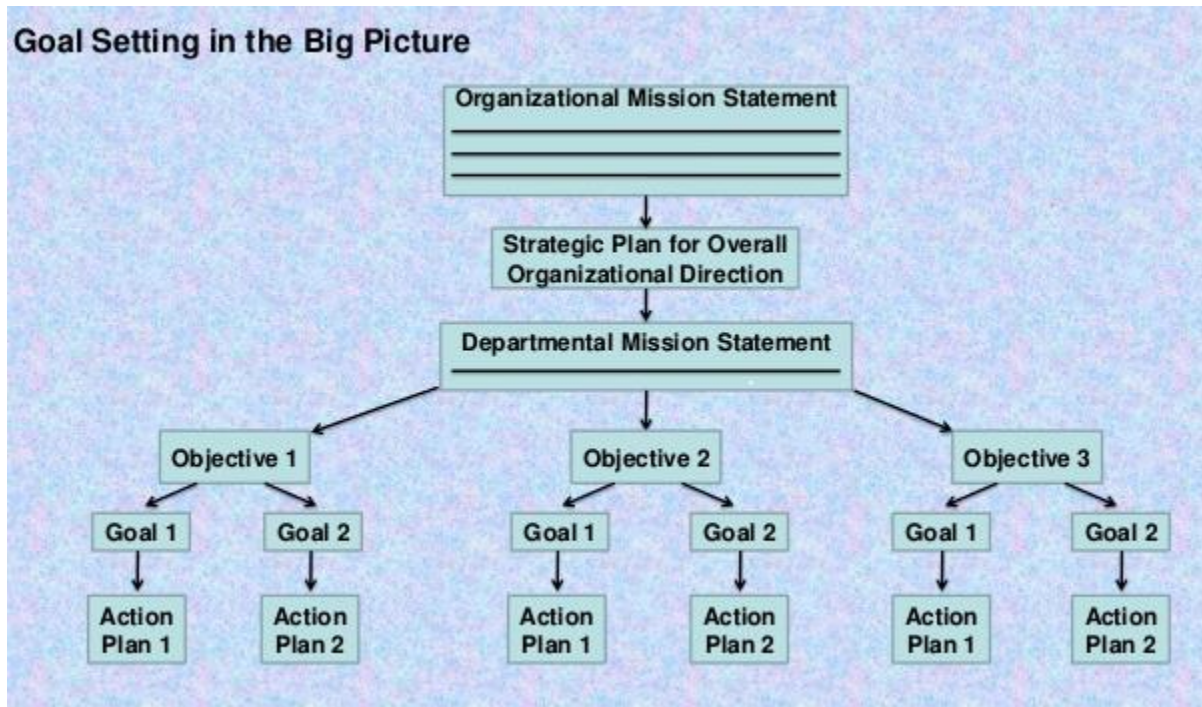
### Here's a tip that might help: Make your goals VISIBLE!!

- Post them.
- Give a copy to every member.
- Discuss them at meetings—put them on the agenda.
- Put them in newsletters and materials you send out.

### Goal setting

It involves establishing specific, measurable, achievable, realistic and time-targeted (S.M.A.R.T) goals. Work on the theory of goal-setting suggests that an effective tool for making progress is to ensure that participants in a group with a common goal are clearly aware of what is expected from them. S.M.A.R.T Goals specific measurable achievable relevant time-bound

## Goal Setting in the Big Picture



- KRAs is the set of activities on which performances are rated. • KRAs are key result areas which are the main objectives of the employee in an organization. • key result areas or KRAs refer to general areas of outcomes or outputs for which a role is responsible. • KRAs are also known as key work outputs (KWOS).
- Process individual determine the KRAs of their roles:
  - they list their main day to day responsibilities/ activities.
  - they review the answers to their “why” questions, looking for common themes or areas.
  - for each activity, they ask “why do i do this?”
  - they identify their KRA’S from these themes.
  - they share their KRA’s, preferably with those they report to, those they work along with, and those who report to them.
- KRA’S prepared should be specific – KRA’S should be specific and should make sense. Measurable – KRA’S should be measurable. Achievable – KRA’S framed should be achievable. Related to job – KRA’S should be related to job. Time bound – KRA’S framed should be defined for a specific period. s
- Remember to focus on why the job exists and not on what the person does what we do? (“i fix machinery”) but why our job exists, which is the vital one (“i keep the plant operating”) what our job title is (“i’m an engineer”) focus : why our job exists
- KRA’S distribution .... 20% are shared 80% responsibilities KRA’S are 20% like } helping team members. 80% of work role } image of the organization. } Activities good for the organization. Most roles include 3 to 5 key result areas. If individuals are accountable for more than this, they may be overloaded
- VALUE
  - identifying kras helps individuals
  - clarify their roles.
  - set goals and objectives.
  - focus on results rather than activities.
  - align their roles to the organization’s business or

strategic plan. • prioritize their activities, and therefore improve their time/work management • communicate their role's purposes to others • make value-added decisions

- **Implementation individuals** :•develop specific goals and objectives, and plans to reach them. • take control of their time/work management strategies • work with those they report to, those they work along with, and those who report to them to identify their KRA'S so all on a team have clarity regarding outputs.
- **Scope**• deliverables. • measurement matrix. • performance revisal. • acceptance. • KRA really help to get hr thinking strategically.

## KEY PERFORMANCE INDICATOR

1. What is KPI □ Definition of Key Performance Indicators - KPI ' A set of quantifiable measures that a company or industry uses to gauge or compare performance in terms of meeting their strategic and operational goals. KPIs vary between companies and industries, depending on their priorities or performance criteria. Also referred to as "key success indicators (KSI)".

2. **Objectives of KPI** • Improve personnel's understanding of KPIs. + = • Improve personnel's awareness of maintenance performance.

3. • KPIs are directly linked to the overall goals of the company. • KPIs are measurements that define and track specific business goals and objectives. Key Success Key Performance Business Indicators (KPIs) Factors (KSFs) Objectives Determine. Tracked by.

4. □ The larger or smaller organizational strategies require monitoring, improvement, and evaluation. □ Once an organization has analyzed its mission, identified all its stakeholders, and defined its goals, it needs a way to measure progress toward those goals. □ KPIs are utilized to track or measure actual performance against key success factors.

5. • Key Success Factors (KSFs) only change if there is a fundamental shift in business objectives. • Key Performance Indicators (KPIs) change as objectives are met, or management focus shifts.

6. Why Use KPI's □ Performance effectiveness. □ For the accuracy, actual reflection of the process, efficacy in delivering the outcome. □ The effects of a change can be monitored reliably, repeatedly and accurately by KPI.

7. □ A KPI can be used to closely monitor the results of actions. □ Detect potential problems and it can drive improvement. □ It is reasonable to use the KPI as a tool to improve ongoing process performance.

8. **Uses of KPI** □ A key performance indicator (KPI) or performance indicator is used to measure the performance. □ To make the decision making process easier. □ Key Performance Indicators (KPIs) help organizations to understand how well they are performing in relation to their strategic goals and objectives.

9. □ They are used by an organization to evaluate its success or the success of a particular activity in the organization. □ To analyze the operational details of the organization. □ It helps to focus on the facts clearly. □ Key performance indicators are used periodically assess the performances of organizations, business units, and their division, departments and employees.

10. **How to design KPI's** □ KPIs should be clearly linked to the strategy, i.e. the things that matter the most. □ KPIs have to provide the answers to our most important questions. □ KPIs should be primarily designed to empower employees and provide them with the relevant information to learn.

11. **Identifying the KPI's** □ Related to strategic aims. □ Identify what makes the organization success or failures. □ Controllable and accountable. □ Qualitative and quantitative. □ Long term and short term.

12. □ Consider Stakeholder needs. □ Identify important aspects. □ Establish Company Goals and KPIs. □ Select Performance Indicators and Metrics. □ Set Targets and Track Performance.

13. **How Are KPIs Evaluated** □ A KPI's status and score are determined by comparing its actual value against the thresholds that you define. □ The performance status of a KPI is represented by the status icon that you assign to each range.

14. **Advantages** □ Identifies everything that is easy to measure and count. □ Visibility on performance and strategic goal □ Agility in decision making □ Efficient management □ A team work on the basis of shared and measurable objectives. □ KPI's do not give answers, rather they raise questions and direct once attention.

15. □ It helps to measure both the financial and operational goals of a company. □ Improve operations. □ Increase project flexibility. □ Better job costing processes. □ KPIs focus employees attention on the tasks and processes.

16. **Disadvantages** □ The KPI's is intended to simply improve future results without reference to external parties and benchmarks. □ In that case one must develop KPI's which use existing data available to the organization. □ Frequency of Data Collection. □ Should be measured frequently. □ No connection with the external database.

□ Short – term is. □ Backward looking. □ Used to punish rather than to motivate and equip. □ Too many measurements. □ Limits are to be set by the company itself.

#### 18. Types of KPI

□ **Process KPIs** - measure the efficiency or productivity of a business process.

Examples - Days to deliver an order.

□ **Input KPIs** - measure assets and resources invested in or used to generate business results.

□ Examples - Dollars spent on research and development, Funding for employee training, Quality of raw materials.

□ **Output KPIs** - measure the financial and nonfinancial results of business activities. Examples - Revenues, Number of new customers acquired.

□ **Leading KPI** measure activities that have a significant effect on future performance. □ Drive the performance of the outcome measure, being predictor of success or failure.

□ **Lagging KPI** is a type of indicator that reflect the success or failure after an event has been consumed. □ Such as most financial KPIs, measure the output of past activity.

□ **Outcome KPI** - Reflects overall results or impact of the business activity in terms of generated benefits, as a quantification of performance. □ Examples are customer retention, brand awareness.

□ **Qualitative KPI** - A descriptive characteristic, an opinion, a property or a trait. □ Examples are employee satisfaction through surveys which gives a qualitative report.

□ **Quantitative KPI** - A measurable characteristic, resulted by counting, adding, or averaging numbers. Quantitative data is most common in measurement and therefore forms the backbone of most KPIs. □ Examples are Units per man-hour.

**Characteristics of a good KPI** □ KPI is always connected with the corporate goals. □ A KPI are decided by the management. □ They are the leading indicators of performance desired by the organization. □ Easy to understand

## Career Development

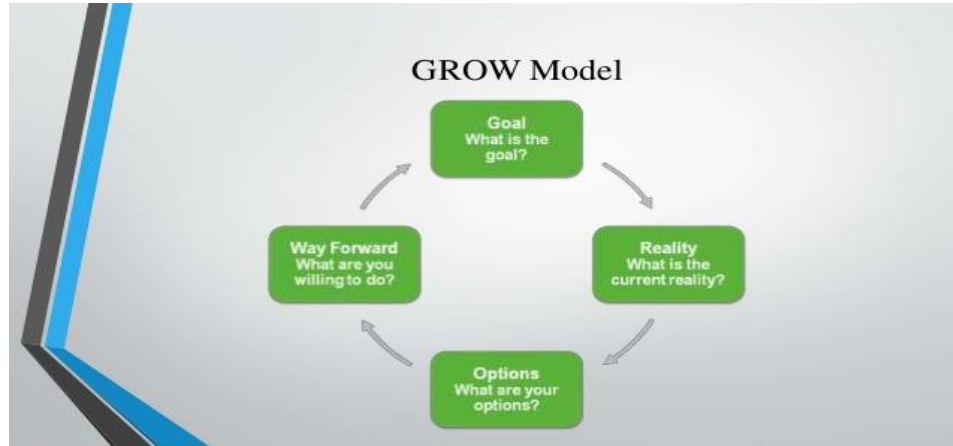
- Career development is “an ongoing process by which individuals progress through a series of stages, each of which is characterized by a relatively unique set of issues, themes, and tasks.” Career development involves two distinct processes: Career planning and career management
- Career planning involves activities performed by an individual, often with the assistance of counsellors and others, to assess his or her skills and abilities in order to establish a realistic career plan. Career management involves taking the necessary steps to achieve that plan, and generally focuses more on what an organization can do to foster employee career development.
- Changing workforce demographics }Competing in global economy }Eliminating the skills gap }Increasing workforce diversity }Need for lifelong learning }Facilitating organizational learning(learn, adapt and change)
- HRD, as part of a larger human resource management system, includes training and development, career development, and organization development programs and processes. }HRD managers and staff must establish working relationships with line managers to coordinate HRD programs and processes throughout the organization. }To be effective, HRD professionals must possess a number of competencies and must be able to serve in a number of roles.

## Coaching and Mentoring

- Coaching and Mentoring can be a powerful form of support for career development in any sphere and provides a framework which can help a coachee/mentee develop confidence in their work. Ideally, it is a dynamic, collaborative, reciprocal relationship and focused on a coachee/mentee’s personal and professional development
- **Coaching**  
“Coaching is about developing a person’s skills and knowledge so that their job performance improves, hopefully leading to the achievement of organizational objectives. It targets high performance and improvement at work, although it may also have an impact on an individual’s private life. It usually lasts for a short period and focuses on specific skills and goals.”
- **Features of coaching** • one-to-one • on-going and regular • Adapted and adaptable • Planned • Model-based • Focused on aims • Measured and recorded • Time based
- **Coaching models** • A coaching model is a framework; it does not tell you how to coach but, rather, it's the underlying structure that you can use when you're coaching someone.



- Important coaching model
  - GROW model



- OSCAR model



- The COACH model



- **Role of HR in coaching** • Guide the employees by helping to match their skills, interests, and work values with job opportunities. • Conduct frequent discussions of developmental needs. • Give timely and specific feedback about an individual's performance against established expectations. • Provide opportunities for coaching, when necessary. • Work with employees to draft individual development plans and follow through to achieve them.
- **Benefits of coaching** • Improved relationship • Improved teamwork • Improved job satisfaction • Improved productivity • Improved quality

### **Mentoring**

- "Mentoring is an intense work relationship between senior and junior organizational members. The mentor has experience and power in the organization, and personally advises, counsels, coaches and promotes the career development of the mentee" - Anne Stockdale
- **Functions of mentoring** • Learning technical skill and knowledge • Learning current job • Learning organizational culture • Learning organizational policies • Preparation for a future job
- **Characteristics of a good mentor** • Willingness to share skills, knowledge, and expertise. • Demonstrates a positive attitude and acts as a positive role model. • Takes a personal interest in the mentoring relationship. • Exhibits enthusiasm in the field. • Provides guidance and constructive feedback. • Respected by colleagues and employees in all levels of the organization. • Sets and meets ongoing personal and professional goals. • Values the opinions and initiatives of others. • Motivates others by setting a good example.
- **Mentoring models** • One-on-one mentoring • Resource based mentoring • Group mentoring • Training based mentoring • Executive mentoring
- **Benefit of mentoring** • Conveys to people within the organization that management is willing to invest in its members/employees • Shows the outside world that the organization values its members/employees • Fosters more loyal employees/members -- this can lead to reduction in turnover rates. • Creates a more positive work

environment • Fosters leadership skills in mentors • Encourages the mentoree's growth from junior-level members/employee to future leader • Promotes a sense of cooperation and harmony within the organization

## Difference between coaching and mentoring

Aspect	Coaching	Mentoring
Duration of relationship	Relationship generally has a set duration, typically from 6 – 18 months.	Ongoing relationship that might last beyond mentor's/mentee's employment term.
Structure	Generally structured and more regular.	Generally informal and ad-hoc meetings may be called if mentee needs advice or whenever necessary.
Focus	Short-term focus on specific development areas/issues.	Long-term focus and takes a holistic view of the mentee.
Relationship	Partnership between coach and coachee.	Tends to be advisory. Typically between more experienced (mentor) and less experienced (mentee) members.
Experience required	Coach does not need to have direct experience of their coachee's formal occupational role.	Mentor has more experience within the organization, and is able to give the mentee a 'big picture' view of the mentee's role in the organization.
Use of diagnostic tools	Profiling tools (e.g. 360 degree feedback, personality questionnaire) are commonly used to offer alternative insights.	Not often used.

- **Conclusion** • Coaching and mentoring can provide an array of benefits for organizations of all sizes, especially small businesses. When conducted in an efficient and productive manner, coaching and mentoring provides employees a way to connect, learn and grow within the company and along their own career paths.

### Reward systems

Reward systems are central to the Human Resource Management function. Their purpose is to attract talented individuals, motivate them and retain those that have a better fit with the organization. Reward systems have a direct impact (and in most firms the most important one) on the cost side of the organization's financial statement. They are strategic as they influence people's attitudes, behavior and performance (Gomez-Mejia et al., 2010). Here we provide an overview of reward systems and their main components.

### THE TOTAL REWARD SYSTEM

The Total Reward System comprises the extrinsic and intrinsic reward mechanisms available to an employer to motivate, attract and retain employees. Different combinations of rewards will generate different employer-employee relationships. Figure 1 shows the variety of reward mechanisms organizations may use.

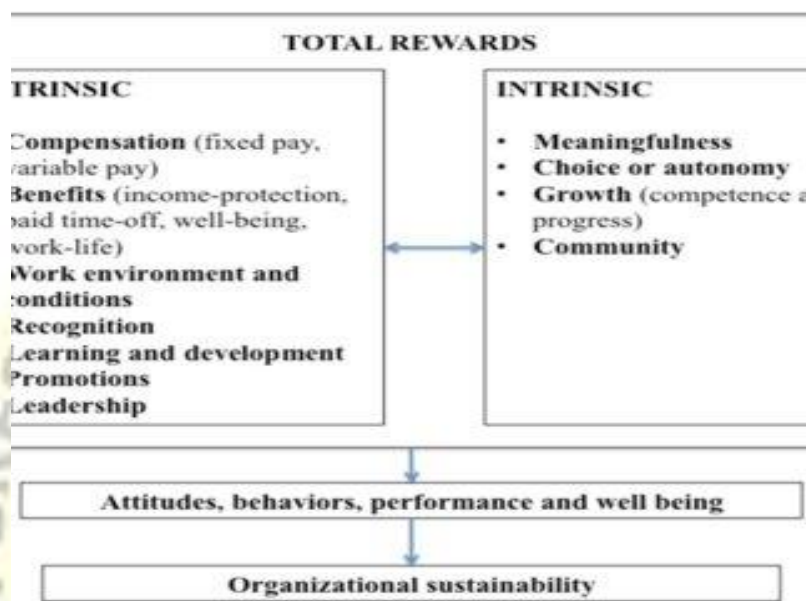
### Types of rewards,

- **Intrinsic**

Intrinsic Rewards internal to the individual and normally derived from involvement in certain activities or task.

- **Extrinsic.**

Extrinsic Rewards that are controlled and distributed directly by the organization and are of a tangible nature.



## Unit 2

### Approaches to Measuring Human Resources

#### Approaches to Measuring Human Resources

There are several approaches to human resource evaluation. The most prominent of them are: audit approach, analytical approach, qualitative and quantitative approach, balanced scorecard perspective, and benchmarking.

#### Competitive Benchmarking

To grow and succeed in a competitive industry, companies must look carefully at their operations and performance and how they stack up against similar businesses. Benchmarking is a valuable tool that allows companies to compare products, policies, and services. What is benchmarking for human services, exactly? It is a process of measuring and comparing human resources (HR) policies and practices with those of other organizations. By measuring various areas of business, such as recruitment and employee retention, companies can better gauge where they stand compared to their competitors and where they can improve.

**Internal Benchmarking**

Internal benchmarking occurs when a company looks at its inner operations to determine the best practices or policies for conducting a specific task. Ideally, businesses want to complete a job using as few resources as possible. For example, a company may compare the cost and efficiency of shipping products from one warehouse to shipping from a different warehouse in another location. Internal benchmarking can also help businesses better measure the performance of individuals within a workplace to determine if performance is living up to expectations.

**External Benchmarking**

While internal benchmarking consists of companies looking within their own business, external benchmarking involves comparing a business and its performance to other companies in the same industry. By comparing your business to similar businesses, you can see where your company falls short and what areas of performance could benefit from improvements. External benchmarking requires some research and effort as businesses must collect benchmarking data from other companies. This may mean having to create alliances with other companies or hunting down public financial filings. This can be tricky and often requires the assistance of an HR benchmarking expert.

**Benefits of Benchmarking**

Benchmarking is a common practice among companies and organizations in all industries. HR benchmarking is an effective way for businesses to identify opportunities for improvement and to develop a competitive environment that puts their business in front of the competition. It is an excellent way to define success and pinpoint shortcomings, encouraging businesses to find solutions to areas in which they may fall short. This can provide companies with an independent perspective of how they perform compared to others and what performance gaps need to be remedied. In addition, benchmarking puts businesses in the mindset for continuous improvement. Human resources benchmarking can provide companies with countless benefits, including lowered labor costs. Lowering costs can help businesses save money, which can then be used for other purposes, such as new opportunities that help grow the business. For example, a company may choose to set up a robot phone answering service instead of paying more humans to answer phone calls. This can save a substantial amount of money over time. Benchmarking can also be useful for improving product quality. When businesses are able to compare their products to similar products from other companies, they can see how their goods perform in comparison.

Benchmarking is also an effective way to increase sales and profits. When a business takes advantage of benchmarking to improve its operations, products, and services, they will often find that the process improves their ability to create sales. Combine this with the ability to lower labor costs and businesses can see a major upswing in profits. Benchmarking can be highly useful across all departments within a business and can encourage positive change. However, the benchmarking process does have its limits. While benchmarking can tell you a lot about how your business is performing, business leaders must make the initiative to introduce changes in the workplace.

### **Benchmarking Practices**

When going through the benchmarking process, it is important to maintain certain practices to ensure that your results are satisfactory. Before undergoing data collection for the purpose of business comparison, take the time to determine what you are looking to learn from the information you obtain. Having an abundance of research can be useless if you do not know what you are looking for. In addition, choose your sources of comparison wisely. If you are a small business, you do not want to compare your company with one that is much larger and has much more experience.

### **HR Benchmarking Tips**

There are many steps in the HR benchmarking process that must be followed to avoid getting off track with your primary mission. In addition to outlining what you want to learn from the process and what type of businesses to use for comparison, you will also want to determine what benchmarks to set. What units of measurements will you use to ensure that you are meeting your objectives in a timely manner? Over time, it is important to make sure that you are completing these objectives. If you fall behind, either modify your plan or make an effort to catch up.

Goal setting is an important component of the benchmarking process for human resources. However, there is a right way and a wrong way to approach goal setting. You do not want to simply set goals and step away from the situation. Little progress will be made. Instead, you want to share your goals with staff and stakeholders and take the proper steps to make your goals a reality. Set a specific timeframe that you want to follow and choose smaller objectives to meet along the way. Toward the end of the process, create a report that outlines your benchmarking results.

### **Human Resource Accounting and Auditing**

#### **DEFINITION OF HR ACCOUNTING**

"HRA is the process of identifying and measuring data about human resources and communicating this information to interested parties." "Human Resource Accounting is the process of identifying and measuring data about human resources and communicating this information to interested parties."- American Accounting Society Committee on HRA

"A term used to describe a variety of proposals that seek to report and emphasize the importance of human resources – knowledgeable, trained and loyal employees in a company earning process and total assets." - Davidson and Roman L Weel® "Human resource accounting is the measurement of the cost and value of the people for the organisation." - Eric Flamholtz of university of California, Los Angeles

## **Concept of HR Accounting**

Human Resource Accounting (HRA) is a new branch of accounting. It is the measurement of the cost and value of people to organizations. It involves measuring costs incurred by private firms and public sectors to recruit, select, hire, train and develop employees and judge their economic value to the organization.

## **ADVANTAGES OF HR ACCOUNTING**

Information for manpower planning. Information for making personnel policies. Utilization of human resources. Proper placements. Increases morale and motivation. Attracts best human resources. Designing training and development programs. Valuable information to investors

## **Measurement in HRA**

Two main approaches are employed for measurement: 1. Cost Approach which involves methods based on costs incurred by the company, with regard to an employee. 2. Economic Value Approach which includes methods based on : Economic value of the human resources And their contribution to the company's gains This approach looks at human resources as assets & tries to identify the stream of benefits flowing from the asset.

## **LIMITATIONS OF HR ACCOUNTING**

The valuation of human assets is based on the assumption that the employees are going to remain with the organisation for a specified period. However, this assumption is wrong because employee mobility is very high. The human resource accounting may lead to the dehumanization in the organisation. If the valuation is not done correctly or the results of the valuation are not used properly. In the case of financial accounting, there are certain specified accounting standards which every organisation must follow. However, there are no standards for HRA. Each organisation has its own standards for it. So, there are no uniform standards for it. Therefore, the HRA of two organisations cannot be compared. There are no specific and clear cut guidelines for 'cost' and 'value' of human resources of an organisation. The present valuation systems have many limitations. The life of a human being is uncertain. So its value is also uncertain.

## **OBJECTIVES OF HR ACCOUNTING**

To furnish cost value information for making proper and effective management decisions about acquiring, allocating, developing and maintaining human resources in order to achieve cost effective organisational objectives. ® To monitor effectively the use of human resources by the management. ® To have an analysis of the human assets i.e. whether such assets are conserved, depleted or appreciated. ® To aid in the development of management principles. and proper decision making for the future by classifying financial consequences of various practices. ® In all, it facilitates valuation of human resources recording the valuation in the books of account and disclosure of the information in the financial statement. ® It helps the organisation in decision making in the following areas: Direct Recruitment vs. promotion, transfer vs. retention, retrenchment vs. retention, impact on budgetary controls of human relations and organisational behaviour, decision on reallocation of plants closing down existing units and developing overseas subsidiaries etc.

## **CONCEPT OF HUMAN RESOURCE AUDIT**

The word “audit” comes from the Latin verb audire , which means, to listen. Listening implies an attempt to know the state of the affairs as they exist and as they are expected/ promised to exist. Auditing as a formal process is rooted in this feature of listening. Consequently, it is a diagnostic tool to gauge not only the current status of things but also the gaps between the current status and the desired status in the area that is being audited. Auditing has been a routine exercise in the area of finance, especially because it is a statutory obligation. However, in case of Human Resource, there is no legal binding to adopt auditing. Some of the companies nevertheless prefer to have Human Resource audits.

### **DEFINITION OF HR AUDITING**

The American Accounting Association’s Committee on Human Resource Accounting (1973) has defined Human Resource Accounting as “the process of identifying and measuring data about human resources and communicating this information to interested parties”. ®Flamholtz (1971) too has offered a similar definition for HRA. They define HRA as “the measurement and reporting of the cost and value of people in organizational resources”.

### **NEED FOR HR AUDIT**

To increase the size of the organization and personnel in several organisations. ® To change the philosophy of management towards HR ®To increase the strength and influence of trade unions ® To change HR management philosophy and thereby personnel policies and practices throughout the world, and ® To increase the dependence of the organization on the HR system and its effective functioning



## Who should conduct the audit?

The team that is responsible for the audit should represent a cross-section of the organization's staff, including line staff, middle and upper management, and those responsible for HR functions.

## Approaches to Human Resources Audit

The following approaches are adopted for purpose of evaluation:} Comparative approach} Outside authority approach} Statistical approach} Compliance approach} Management by objectives (MBO) approach

- **Comparative Approach}** In this, the auditors identify Competitor Company as the model. The results of their organization are compared with that Company/ industry.
- **Outside authority approach}** In this, the auditors use standards set by an outside consultant as benchmark for comparison of own results.
- **Statistical approach}** In this, Statistical measures are performance is developed considering the company's existing information.
- **Compliance approach}** In this, auditors review past actions to calculate whether those activities comply with legal requirements and industry policies and procedures.
- **Management by objectives (MBO) approach}**
- This approach creates specific goals, against which performance can be measured, to arrive at final decision about organization's actual performance with the set objectives.

## HR Effectiveness

HR EFFECTIVENESS Creating Value for Business

HR Effectiveness Effectiveness = Doing the right things ♣ HR effectiveness plays a large part in how well the entire organization functions. ♣ Effective HR can help the organization to achieve its strategic objectives. ♣ HR should be aligned with the broad strategy of the organization. Back to Index

Aligning Human Resources Strategy with Organizational Context Source: Adapted from "Culturally Compatible Rewards Strategies" by R. J. Greene, ACA Journal, Autumn 1995 (revised December 1998). Back to Index

**Strengths of HR Function** • HR helps in Hiring and Training the Workforce • HR helps keeping employees motivated • HR helps in building culture and values in the organization • Conflict Management is also an important responsibility of HR Back to Index

**Weaknesses of HR Function** • Inadequate Resources • Inadequate Development Programs • Lack of Support from Top Management • Weak Research & Development Back to Index

**Creating Value Prerequisite HR Initiatives** to Facilitate Needed for Individual Performance Needed for Organizational Performance Able to Do it Selection Right persons hired Interpersonal and conflict management skills developed Placement People utilized well Necessary knowledge exists within the unit Development Training adequate/timely Processes appropriate Role/Job Design Resources adequate Role design appropriate Allowed to do it Culture Permission/support for exercising appropriate autonomy Group structure appropriate Role/Job Design Resources adequate Individual roles clearly defined Nature of management Role design appropriate Roles integrated/not conflicting Management oversight appropriate Want to do it Rewards Rewards tied to performance Competition at individual level does not drive rewards Recognition Behavior and results are both appropriately rewarded Performance criteria/standards not in conflict with norms/values Culture “Heroes” are high performers People experience intrinsic satisfaction from group success Intrinsic satisfaction provided Knows what "IT" is Vision/mission Clear direction Clear direction Culture Values stated Values stated Performance criteria Objectives clear Objectives clear Objectives Performance criteria and standards accepted by all Performance criteria and standards accepted by all Communication Communication channels open and feedback provided continuously Communication channels open and feedback provided continuously Back to Index

### **HR index**

Human Resource (HR) Index □ Human Resource Index is a system for examining and measuring a company's ability to capitalize on its human resource investment. □ HR Index measures the quality, impact & effectiveness of HR in a place. □ It is measured by deducing the contributions of the human resources to the organization vis-à-vis organizational productivity, staff satisfaction, innovation, technology, mentoring, return on training among other indices.

Human Resource Index (Contd.) □ With 40-70% of a company's cost associated with payroll and other human resource functions, the investment, when managed wisely becomes a company's most valuable asset. □ HR index helps a company in out-performing competition, control costs, increase productivity, reduce legal exposure, avoid unionization and plan for continued success by strategically & innovatively managing human resources.

Human Resource Index (Contd.) □ Human Resource Index focuses on ten primary functions within the Human Resource realm: - Employment, - Compensation, - Employee Benefits, - Training & Development, - Management Development, - Succession Planning, - Organization Climate, - Health & Safety, - Equal Employment Opportunity and - Legal Compliance.

### **HR Management by Objectives.**

1. **Introduction** • Popular technique of appraisal of managerial performance. • The first original work on MBO can be found in Peter Drucker's book, *The Practice of Management*, published in 1954. • He states that it is soundly based on "a concept of human behavior and human motivation and that it applies to managers at all levels, in all functional areas and to any kind and size of organization." MBO is a process which ideally begins at the top of the organization with the establishment of specific organizational objectives. • Then, at second level of the organization, managers working with their bosses, establish objectives for their departments that are consistent with the organization's objectives. • This procedure is repeated down to the lowest level managers in the organization. • The value of MBO is that it communicates the mission, goals and objectives of the organization to the lower levels. • The lower level managers work out their plans and targets in consultation with their subordinates. • These are then sent to higher levels for consideration. • MBO, thus, allows employees to participate in planning and control of their own work. • This involvement of employees increases their motivation and commitment to their work.

### **Definition of MBO**

- "A process whereby the superior and subordinate managers of an enterprise jointly identify its common goals, define each individual's major areas of responsibility in terms of the results expected of him, and use these measures as guides for operating the units and assessing the contribution of each of its members." -George S. Odiume

- MBO is a comprehensive managerial system that integrates many key managerial activities in a systemic manner, consciously directed towards the effective and efficient achievement of organizational objectives. Heinz Wehrich and Harnold Koontz • MBO is a process in which there is periodic agreement between a superior and a subordinate on the subordinates objectives for a particular period and a periodic review of how well the subordinate achieved those objectives. Wendell L French

### **Purpose of MBO**

- To translate mission statements into operational terms • To give directions and set standards for the measurement of performance. • To set both long term and short term objectives. Basic tenets of MBO • Result orientation • Concept of human behavior and motivation or aims at achieving the laid down objectives

**Features of MBO** (Given by Ivancevich, Donnelly, and Gison, 2007) • The superior and the subordinate meet to discuss and set goals for the subordinate for a specified period of time. • Both the superior and the subordinate attempt to establish goals that are realistic, challenging, clear and comprehensive. • The standards for measuring and evaluating the goals and objectives are agreed upon. • The superior and the subordinate establish some intermediate review dates when the goals will be reexamined. • The superior plays more of a coaching, counseling, and supportive role. • The entire process focuses on results and on the counseling of the subordinates, and not on activities, mistakes, and organizational requirements.

**Benefits of MBO** • It emphasizes developmental human resources. and utilization of • It identifies the problems of management, including structure, strategies and practice. • It focuses attention and effort on priority areas. • Planning becomes more precise and useful. • It makes objectives explicit and directs work activity towards their achievement. • It provides clear standards of control and facilitates self-control. • It sharpens accountability. • It highlights organization. Interdependence within the • MBO provides a vehicle for delegation of authority. • It stimulates organizational change enabling the top management to initiate plan, direct and control the direction and speed of change by providing guidelines for planned change. • It provides clarity in organization action. • It provides greatest opportunity for personnel satisfaction by adopting participatory approach. • It establishes good interpersonal relationship between management and employees. It increases efficiency of management and the organization as a whole as the decisions are taken both by superiors and subordinates. • It helps in coordinating the activities of different units and departments. • It is the welding technique that joins personal centered management to result centered management.

**Limitations of MBO** • Difficulty in objective setting. • It is a time consuming process especially in the initial stages. • Lack of cooperation between superiors and subordinates can be there due to differences in their opinions during setting objectives. • It represents the danger of inflexibility in the organization. 'MBO can be in failure, if competent and trained managers are not available. • It is one of the greatest managerial illusions because it fails to take adequately into account the deeper emotional components of emotions

**Essential Conditions for Successful Execution of MBO** 1. Support from all 2. Acceptance of MBO programme by managers 3. Training of managers 4. Organizational commitment 5. Allocation of adequate time and resources 6. Provision of uninterrupted information feedback

### Unit 3 Talent Development

#### Meaning of Talent Development

1. Talent Development is a set of integrated organizational HR processes designed to attract, develop, motivate, and retain productive, engaged employees. The goal of talent development is to create a high-performance, sustainable organization that meets its strategic and operational goals and objectives.

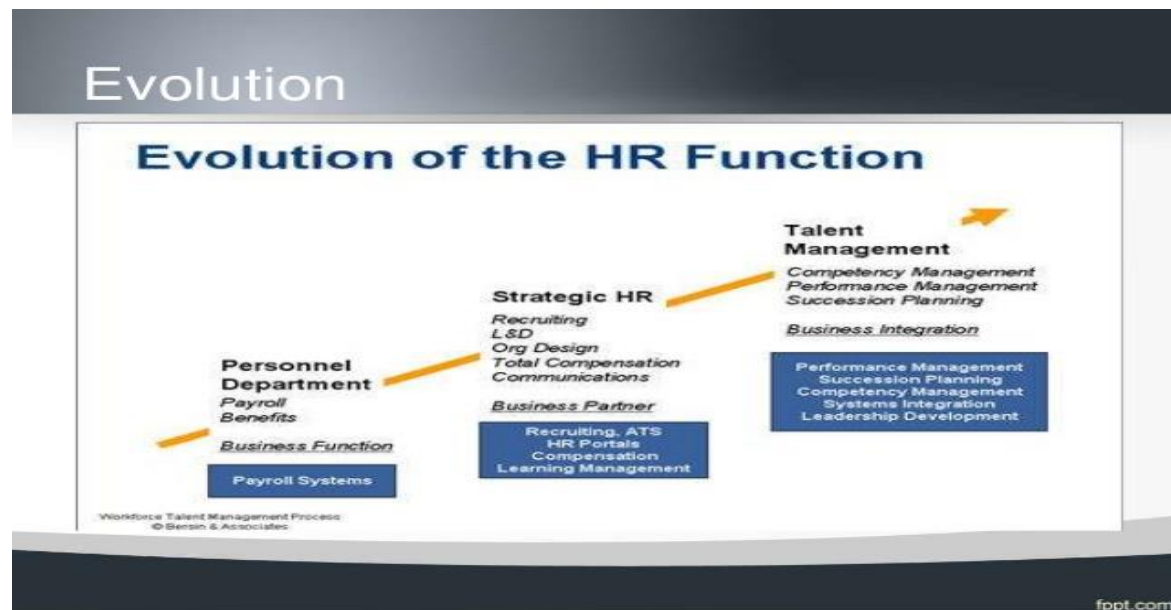
#### To Understand

2. ♣ Meaning of Talent & Talent Management ♣ Evolution of Talent Management ♣ Process of Talent Management ♣ Emphasis on Talent Management ♣ Nine Best Practices ♣ Its Strategic Importance ♣ Conclusion

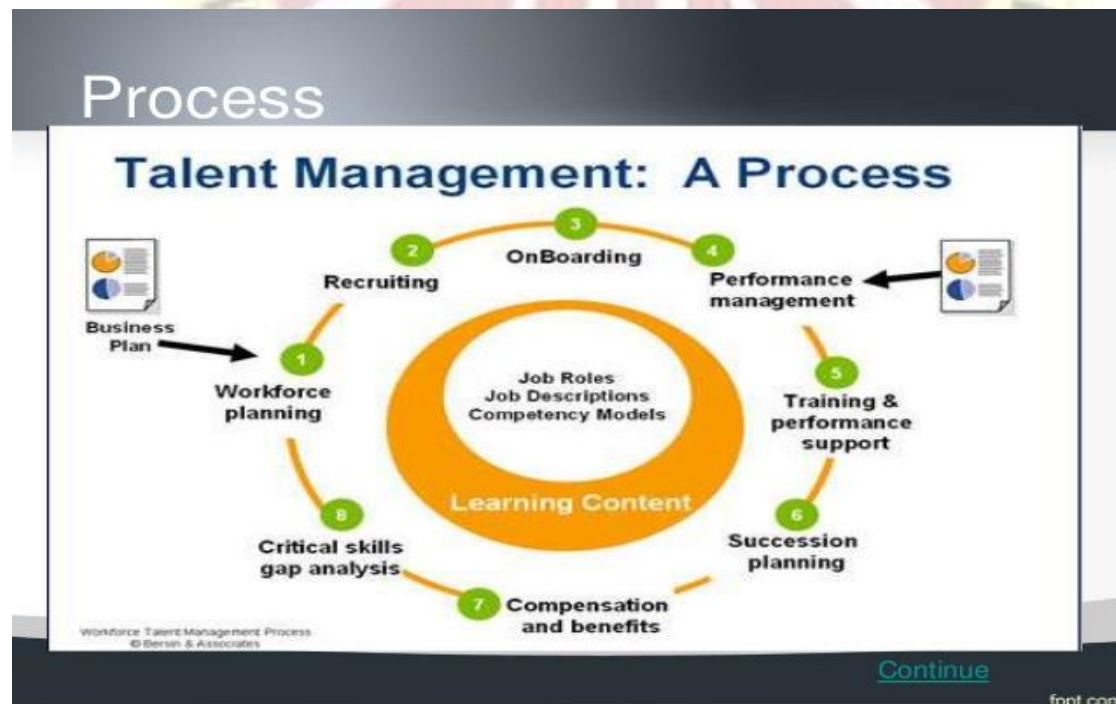
**3. What is Talent?** According to McKinsey; talent is the sum of • a person's abilities, • his or her intrinsic gifts, • skills, knowledge, experience, • intelligence, • judgment, attitude, character, drive, • his or her ability to learn and grow.

**4. Talent Management**• The ability, competency and power of employees within an organization. • The concept is not restricted to recruiting but also to exploration, development, transition according to the culture of the organization. • It is a continuous process that involves sourcing, hiring, developing, retaining and promoting them while meeting the organization's requirements simultaneously.

## 5. Evolution



## 6. Process Continue



**7. Emphasis on TM**• Demonstrated relationship between better talent and better business performance. • Rapidly increasing source of value creation. • Helps in creativity, innovation and value creation in the dynamic and complex environment. • Changes of Employee Expectation. Continue

**8. Nine Best Practices**• Start with the end in mind. • Talent management professionals need to move from a seat at the table to setting the table. • You must know what you're looking for— the role of Success Profiles. • The talent pipeline is only as strong as its weakest link. Continue  
• Talent Management is not a democracy. • Potential, performance and readiness are not the same thing. • Putting the right people in the right jobs. • More about the “hows” than the “whats.” • Software does not equal talent management. Continue

**9. Strategic Importance**• Consideration to the revenue, innovation and organization effectiveness. • Cost of lost opportunities, downtime and the replacement costs of losing critical talent must be analyzed. • Consequences of wrong kind of managers in the leaders top management position. • Investment in talent management is not short term. • Talent Management is strategic and holistic approach to both HR and business planning. Continue

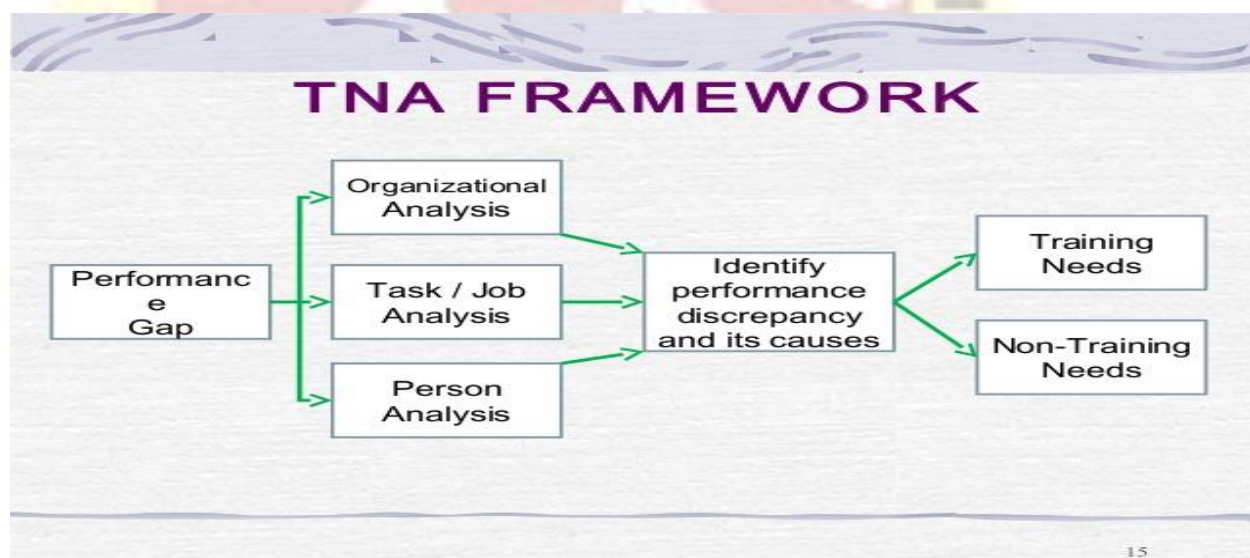
**10. Conclusion**• Talent Management" has become one of the most important buzzwords in Corporate HR and training today. Organizations know that they must have the best talent in order to succeed in the hypercompetitive and increasingly complex global economy. They must manage talent as a critical resource to achieve the best possible results in the long run.

### Training Needs Analysis

- Learning Outcomes Define a Training Needs Analysis (TNA). 2 Explain the significance of a TNA. Describe the process for carrying out a TNA.
- The Training Process Identify the Need Identify the Need Evaluate Evaluate the Training the Training Plan the Training Plan the Training Deliver the Training Deliver the Training
- What is a TNA? A TNA is the method of determining if a training need exists and if it does, what training is required to fill the gap. This is achieved by collecting both qualitative and quantitative data for analysis.
- TRAINING NEEDS ANALYSIS Scrutiny of the training, learning and development needs of the employees. It considers the KSA's and how to develop them and support the individual's career progression.
- TRAINING NEEDS ASSESSMENT A process by which we can determine what sort of KSA of employees that can be accomplished via some sort learning / training means. 6
- A training needs exists when there is a gap between what is required of an employee to perform their work competently and what they 7 actually know.
- Significance of a TNA Training may be incorrectly used as a solution to a performance problem. Training program may have the wrong content, objectives or methods. Trainees

may be sent to training programs for which they do not have the basic skills or confidence needed to learn.

- Significance of a TNA Learning can be directly related to organizational objectives. Learning can be targeted at specific requirements. Learning needs can be identified and prioritized. Learning can be tailored to requirements.
- What Triggers TNA?  $AP < EP = P G$
- STARTING POINTS FOR A TNA Complaints from staff, customers/clients Poor quality work Frequent errors Large staff turnover Deadlines not being met Conflict amongst staff New equipment
- TNA INPUT ORGANIZATIONAL ANALYSIS Analysis of the environment, strategies and resources to determine where to emphasize training. Mission and Strategies Resources Internal Environment
- TNA INPUT PERSON ANALYSIS Analysis of performance, knowledge and skills in order to determine who needs training. Define the Job Determine where to collect information Identify the method to use Gather and analyze data
- THREE ELEMENTS OF TNA 14 TASK / JOB ANALYSIS Analysis of the activities to be performed in order to determine needed competencies. 1. Performance Appraisals 2. Self-ratings 3. Tests
- TNA FRAMEWORK

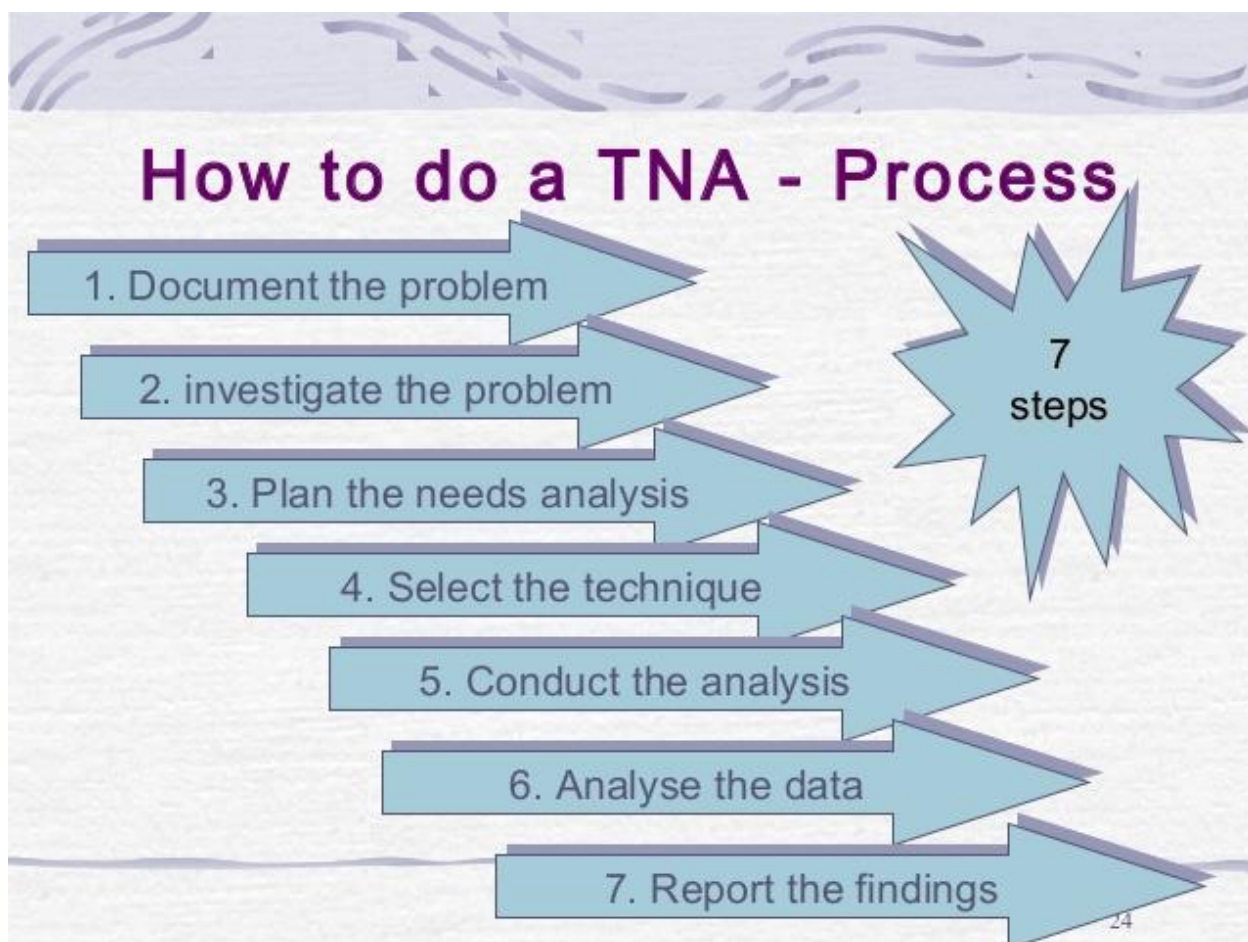


- Needs Assessment Techniques 16 OBSERVATION PROS CONS • Generates data relevant to work environment • Minimizes interruption of work • Needs skilled observer • Employee's behavior may be by being observed
- Needs Assessment Techniques 17 QUESTIONNAIRE • Inexpensive • Can collect data from a large number of persons • Data easily summarized • Requires time • Possible low return rates, inappropriate responses • Lack details S PROS CONS

- Needs Assessment Techniques 18 INTERVIEWS PROS CONS • Good at uncovering details of training needs as well as causes of and solutions to problems • Can explore unanticipated issues that come up • Time consuming • Difficult to analyze • Needs skilled interviewer • Difficult to schedule
- Needs Assessment Techniques 19 FOCUS GROUPS PROS CONS • Useful with complex or controversial issues that one person may be unable or unwilling to explore. • Questions can be modified to explore unanticipated issues. • Time-consuming to organize. • Group members only provide information they think you want to hear
- Needs Assessment Techniques 20 DOCUMENTATIO PROS CONS • Good source of information on procedure • Objective • Good source of task information for new jobs in the process of being created. N • You may be unable to understand technical language • Materials may be obsolete
- What Caused the Gaps? Performance Gap 1. KSA Deficiency 2. Reward/ Punishment Incongruence 3. Inadequate Feedback 4. Obstacles in the System
- TNA Output Training Needs Performance gaps that resulted from the lack of KSAs and which training is necessary.
- TNA Output Non-Training Needs (without KSA Deficiency) Reward/Punishment Incongruencies Inadequate Feedback Obstacle in the System
- How to do a TNA







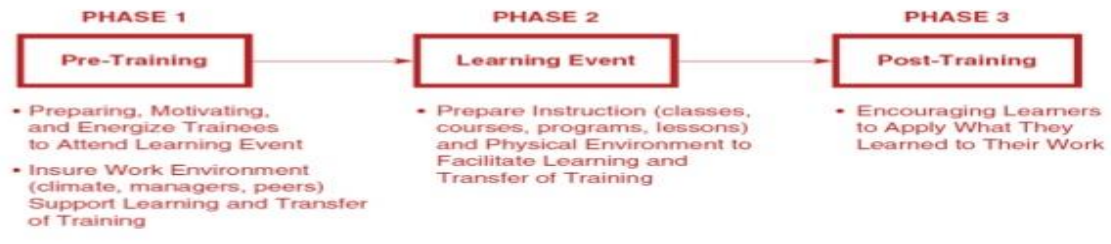
- Report the findings Title page Executive summary Table of contents Introduction Recommendation Training Plan Data collection and analysis methods Cost analysis, proposed costs of recommended solutions

### Designing and conducting training program

1. Learning Objectives
  - Be able to choose and prepare a training site based on how trainees will be involved and interact with the content and each other in the course
  - Prepare for instruction using a curriculum road map, lesson plan, design document, and concept map
  - Explain how trainees' age, generational differences, and personality might influence how programs are designed
  - Prepare a request for proposal (RFP) and a list of questions to evaluate training consultants and suppliers
  - Explain the program design elements that should be included to ensure near and far transfer of training
  - Develop a self-management module for a training program
  - Design application assignments and action plans to enhance learning and transfer of training
  - Make recommendations about what managers can do before, during, and after training to facilitate learning and transfer
2. Program Design :□Organization and coordination of the training program

3. The Program Design Process

# The Program Design Process

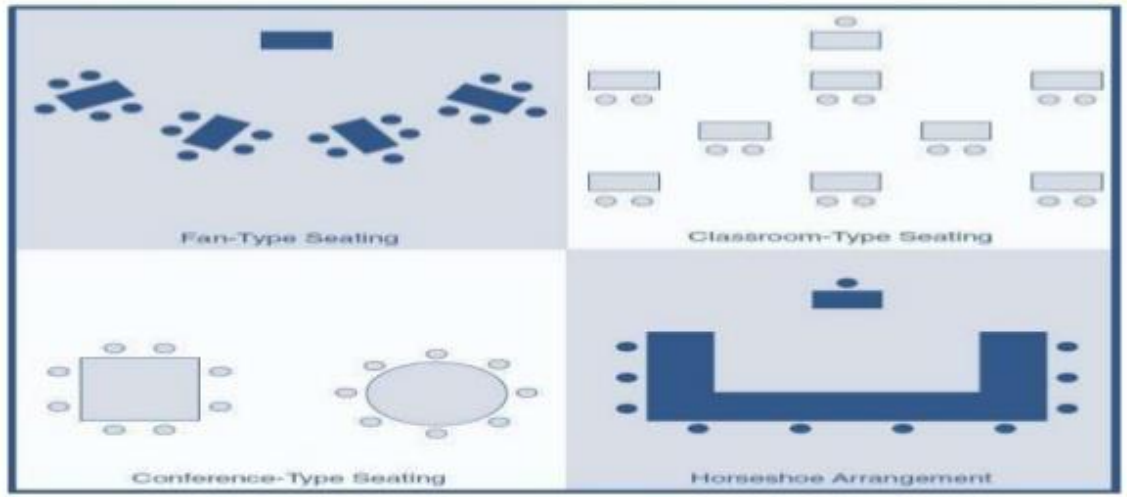


4. Selecting and Preparing Training Site :  
□ Training site: Room where training will be conducted  
□ Characteristics of good training room  
□ Comfortable and accessible  
□ Quiet private and free from interruptions  
□ Sufficient space for trainees to move around easily  
□ Enough room for trainees to have adequate work space  
□ Good visibility for trainees to see each other, the trainer and any visual displays

5. Details to Consider When Evaluating a Training Room :  
□ Noise and colors  
□ Room structure and lighting  
□ Wall and floor covering  
□ Meeting room chairs  
□ Glare  
□ Ceiling  
□ Electrical outlets  
□ Acoustics  
□ Technology

6. Examples of Seating Arrangements

## Examples of Seating Arrangements



7. Making Training Site and Instruction Conducive to learning  Creating learning setting- Determine the extent to which trainees decide  When, where, and how they will learn (self-direction)  Whether learning will occur by interaction with others (collaboration)  Preparation of materials  Know the audience  Pretraining  Provide overview of the course
8. Making Training Site and Instruction Conducive to learning  Help trainees retain and recall training content  Application assignments  Trainees are asked to identify work problems or situations and to apply training content to solve them  Class room management  Interacting with trainees  Dealing with disruptive trainees  Managing group dynamics
9. Curriculum Course and Lesson Design 11  Curriculum  Organized program of study designed to meet a complex learning objective  Includes several courses  Learning objectives- Broader and less measurable than course or lesson  Course or Program  Covers specific learning objectives  Addresses limited number of competencies
10. Curriculum Road Map 12  Shows  All of the courses in a curriculum  Paths that learners can take through it  Sequences in which courses have to be completed  Includes  Brief statement of the course purpose  Prerequisite skills needed for the course  Learning objectives or competencies covered by the course  Format of the content and course expectations  Delivery method for the content  Design document  Outlines scope of project, delivery methods, and objectives  Detailed lesson plan  Translates the content and sequence of training activities into a trainer guide  Lesson plan overview  Matches major activities of the training program and specific times
11. Choosing Vendor or Consultant For Training Services 18  Request for proposal (RFP)  Used for potential vendors and consultants  Outlines:  Type of service the company is seeking  Type and number of references needed  Number of employees who need to be trained  Funding for the project  Follow-up process used to determined level of satisfaction and service  Expected date of completion of project, and the date when proposals must be received by the company
12. Transfer of Training 20  Encourage trainees to self-manage the use of learned skills  Provide trainees with opportunities to use training content  Near transfer  Applying learned capabilities exactly in a work situation  Training tasks involve responding to predictable Situations  In Programs with emphasis on near transfer, trainees  Need to follow standardized procedures, processes, and checklists  Should be encouraged to focus only on important differences between training tasks and work tasks  Should be provided with an explanation of why and how the procedure should be performed  Learn behaviors or skills that contribute to effective performance
13. Transfer of Training 21  Far transfer  Involves using learned capabilities to novel situations involving original thinking  Training tasks require variable interactions and unpredictable responses  Programs with emphasis on far transfer should:  Teach

general concepts, broad principles, or key behaviors □ Provide a list of prompts or questions to help trigger thoughts and question sets

14. Encourage Manager Support for Training 22 □ Manager support: Degree to which managers □ Emphasize the importance of attending training programs □ Stress the application of training content to job □ Provide opportunities for trainees to use what they have learned on the job □ Action plan □ Document that includes the steps required to ensure that training transfers to the job □ Includes □ A goal identifying what training content will be used and how it will be used □ Strategies for reaching the goal □ Strategies for receiving feedback □ Expected results
15. Opportunity to Use Learned Capabilities 24 □ Opportunity to perform □ Extent to which the trainee is provided with or actively seeks experiences that allow: □ Application of the newly learned knowledge, skill, and behavior from the training program □ Determined by: □ Breadth- Number of trained tasks performed □ Activity level- Number of times with which trained tasks are performed □ Task type- Difficulty of the trained tasks that are actually performed □ Can be measured by asking former trainees indicate: □ Whether they perform a task □ How many times they perform the task □ The extent to which they perform difficult and challenging tasks

### **Training Methods: On Job Training and off the Job Training Methods!**

A large variety of methods of training are used in business. Even within one organization different methods are used for training different people. All the methods are divided into two classifications for:

#### **A. On-the-job Training Methods:**

1. Coaching
2. Mentoring

#### **ADVERTISEMENTS:**

3. Job Rotation
4. Job Instruction Technology
5. Apprenticeship
6. Understudy

#### **ADVERTISEMENTS:**

#### **B. Off-the-Job Training Methods:**

1. Lectures and Conferences
2. Vestibule Training
3. Simulation Exercises

#### **ADVERTISEMENTS:**

4. Sensitivity Training
5. Transactional Training

#### **A. On-the-job training Methods:**

Under these methods new or inexperienced employees learn through observing peers or managers performing the job and trying to imitate their behaviour. These methods do not cost much and are less disruptive as employees are always on the job, training is given on the same machines and experience would be on already approved standards, and above all the trainee is learning while earning. Some of the commonly used methods are:

1. Coaching:

Coaching is a one-to-one training. It helps in quickly identifying the weak areas and tries to focus on them. It also offers the benefit of transferring theory learning to practice. The biggest problem is that it perpetrates the existing practices and styles. In India most of the scooter mechanics are trained only through this method.

2. Mentoring:

ADVERTISEMENTS:

The focus in this training is on the development of attitude. It is used for managerial employees. Mentoring is always done by a senior inside person. It is also one-to-one interaction, like coaching.

3. Job Rotation:

It is the process of training employees by rotating them through a series of related jobs. Rotation not only makes a person well acquainted with different jobs, but it also alleviates boredom and allows to develop rapport with a number of people. Rotation must be logical.

4. Job Instructional Technique (JIT):

It is a Step by step (structured) on the job training method in which a suitable trainer (a) prepares a trainee with an overview of the job, its purpose, and the results desired, (b) demonstrates the task or the skill to the trainee, (c) allows the trainee to show the demonstration on his or her own, and (d) follows up to provide feedback and help. The trainees are presented the learning material in written or by learning machines through a series called 'frames'. This method is a valuable tool for all educators (teachers and trainers). It helps us:

a. To deliver step-by-step instruction

ADVERTISEMENTS:

b. To know when the learner has learned

c. To be due diligent (in many work-place environments)

5. Apprenticeship:

Apprenticeship is a system of training a new generation of practitioners of a skill. This method of training is in vogue in those trades, crafts and technical fields in which a long period is required for gaining proficiency. The trainees serve as apprentices to experts for long periods. They have to work in direct association with and also under the direct supervision of their masters.

The object of such training is to make the trainees all-round craftsmen. It is an expensive method of training. Also, there is no guarantee that the trained worker will continue to work in the same organisation after securing training. The apprentices are paid remuneration according the apprenticeship agreements.

6. Understudy:

ADVERTISEMENTS:

In this method, a superior gives training to a subordinate as his understudy like an assistant to a manager or director (in a film). The subordinate learns through experience and observation by participating in handling day to day problems. Basic purpose is to prepare subordinate for assuming the full responsibilities and duties.

#### B. Off-the-job Training Methods:

Off-the-job training methods are conducted in separate from the job environment, study material is supplied, there is full concentration on learning rather than performing, and there is freedom of expression. Important methods include:

##### 1. Lectures and Conferences:

Lectures and conferences are the traditional and direct method of instruction. Every training programme starts with lecture and conference. It's a verbal presentation for a large audience. However, the lectures have to be motivating and creating interest among trainees. The speaker must have considerable depth in the subject. In the colleges and universities, lectures and seminars are the most common methods used for training.

##### 2. Vestibule Training:

Vestibule Training is a term for near-the-job training, as it offers access to something new (learning). In vestibule training, the workers are trained in a prototype environment on specific jobs in a special part of the plant.

An attempt is made to create working condition similar to the actual workshop conditions. After training workers in such condition, the trained workers may be put on similar jobs in the actual workshop.

This enables the workers to secure training in the best methods to work and to get rid of initial nervousness. During the Second World War II, this method was used to train a large number of workers in a short period of time. It may also be used as a preliminary to on-the job training. Duration ranges from few days to few weeks. It prevents trainees to commit costly mistakes on the actual machines.

##### 3. Simulation Exercises:

###### ADVERTISEMENTS:

Simulation is any artificial environment exactly similar to the actual situation. There are four basic simulation techniques used for imparting training: management games, case study, role playing, and in-basket training.

###### (a) Management Games:

Properly designed games help to ingrain thinking habits, analytical, logical and reasoning capabilities, importance of team work, time management, to make decisions lacking complete information, communication and leadership capabilities. Use of management games can encourage novel, innovative mechanisms for coping with stress.

Management games orient a candidate with practical applicability of the subject. These games help to appreciate management concepts in a practical way. Different games are used for training general managers and the middle management and functional heads – executive Games and functional heads.

###### (b) Case Study:

Case studies are complex examples which give an insight into the context of a problem as well as illustrating the main point. Case Studies are trainee centered activities based on topics that demonstrate theoretical concepts in an applied setting.

#### ADVERTISEMENTS:

A case study allows the application of theoretical concepts to be demonstrated, thus bridging the gap between theory and practice, encourage active learning, provides an opportunity for the development of key skills such as communication, group working and problem solving, and increases the trainees' enjoyment of the topic and hence their desire to learn.

#### (c) Role Playing:

Each trainee takes the role of a person affected by an issue and studies the impacts of the issues on human life and/or the effects of human activities on the world around us from the perspective of that person.

It emphasizes the "real- world" side of science and challenges students to deal with complex problems with no single "right" answer and to use a variety of skills beyond those employed in a typical research project.

In particular, role-playing presents the student a valuable opportunity to learn not just the course content, but other perspectives on it. The steps involved in role playing include defining objectives, choose context & roles, introducing the exercise, trainee preparation/research, the role-play, concluding discussion, and assessment. Types of role play may be multiple role play, single role play, role rotation, and spontaneous role play.

#### (d) In-basket training:

#### ADVERTISEMENTS:

In-basket exercise, also known as in-tray training, consists of a set of business papers which may include e-mail SMSs, reports, memos, and other items. Now the trainer is asked to prioritise the decisions to be made immediately and the ones that can be delayed.

#### 4. Sensitivity Training:

Sensitivity training is also known as laboratory or T-group training. This training is about making people understand about themselves and others reasonably, which is done by developing in them social sensitivity and behavioral flexibility. It is ability of an individual to sense what others feel and think from their own point of view.

It reveals information about his or her own personal qualities, concerns, emotional issues, and things that he or she has in common with other members of the group. It is the ability to behave suitably in light of understanding.

A group's trainer refrains from acting as a group leader or lecturer, attempting instead to clarify the group processes using incidents as examples to clarify general points or provide feedback. The group action, overall, is the goal as well as the process.

Sensitivity training Program comprises three steps (see Figure 18.7)

Unfreezing the old values  
Development of new values  
Refreezing the new ones

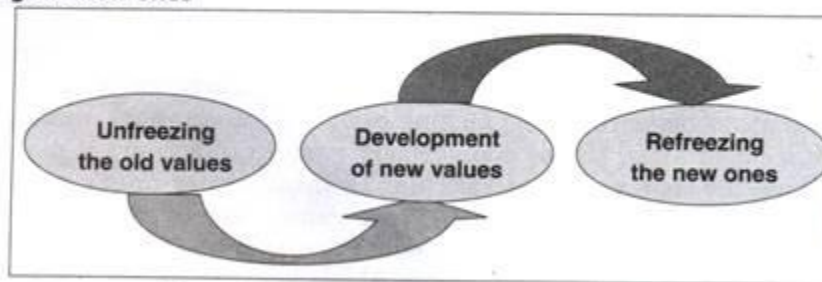


Figure 18.7 Procedure for Sensitivity Training

### 5. Transactional Analysis:

It provides trainees with a realistic and useful method for analyzing and understanding the behavior of others. In every social interaction, there is a motivation provided by one person and a reaction to that motivation given by another person.

#### ADVERTISEMENTS:

This motivation reaction relationship between two persons is known as a transaction. Transactional analysis can be done by the ego (system of feelings accompanied by a related set of behaviors states of an individual).

#### Child:

It is a collection of recordings in the brain of an individual of behaviors, attitudes, and impulses which come to him/her naturally from his/her own understanding as a child. The characteristics of this ego are to be spontaneous, intense, unconfident, reliant, probing, anxious, etc. Verbal clues that a person is operating from its child state are the use of words like “I guess”, “I suppose”, etc. and non verbal clues like, giggling, coyness, silent, attention seeking etc.

#### Parent:

It is a collection of recordings in the brain of an individual of behaviors, attitudes, and impulses imposed on her in her childhood from various sources such as, social, parents, friends, etc.

#### ADVERTISEMENTS:

The characteristics of this ego are to be overprotective, isolated, rigid, bossy, etc. Verbal clues that a person is operating from its parent states are the use of words like, always, should, never, etc and non-verbal clues such as, raising eyebrows, pointing an accusing finger at somebody, etc.

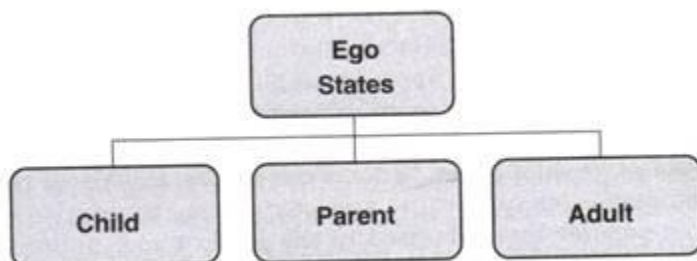


Figure 18.8: The Ego States

#### Adult:



It is a collection of reality testing, rational behaviour, decision making, etc. A person in this ego state verifies, updates the reaction which she has received from the other two states. It is a shift from the taught and felt concepts to tested concepts.

All of us show behaviour from one ego state which is responded to by the other person from any of these three states.



**Unit 4**  
**Training & Development**

**Training and development**

**Training**

The process of teaching new employees the basic skills they need to perform their jobs. Edwin Flippo — The act of increasing the knowledge and skill of an employee for doing a particular job. Training & Development need = Standard performance — Actual performance

**Training methods**

## Training methods

- |   |   |
|---|---|
| <ul style="list-style-type: none"> <li>• <b><u>On the job</u></b></li> <li>• <b>Orientation training</b></li> <li>• <b>Apprenticeship training</b></li> <li>• <b>Internships &amp; assistantships</b></li> <li>• <b>Job instruction training</b></li> <li>• <b>Job rotation</b></li> <li>• <b>Coaching</b></li> </ul> | <ul style="list-style-type: none"> <li>• <b><u>Off the job</u></b></li> <li>• <b>Vestibule</b></li> <li>• <b>Lectures</b></li> <li>• <b>Special Study</b></li> <li>• <b>Conference /Discussions</b></li> <li>• <b>Role play, Case study</b></li> <li>• <b>Simulation</b></li> <li>• <b>Programmed instruction</b></li> <li>• <b>Laboratory training</b></li> <li>• <b>Films</b></li> <li>• <b>Television</b></li> </ul> |
|---|---|

**On-the-Job Training Methods (OJT)** Majority of industrial training is of on-the-job training type. Often it is informal. On-the-Job Training Method Advantages Trainee learns by experience Least expensive Highly motivated trainee is free from artificial environment Disadvantages Experienced employees may lack expertise to train juniors Training is not systematically organized Create safety hazards

**Off-the-job training methods** It occurs away from the workplace. It enables the trainees to study theoretical information or to be exposed to new and innovative ideas. Programmed instruction (PI) This is a method where training is offered without the help of a trainer After reading the information, the learner must answer questions related to the same Computer-assisted instructions (CAI). Off-the-job training methods Simulation It is a kind of equipment of technique that duplicates as nearly as possible the actual conditions encountered on the job. The more widely used simulation exercises are:- Case study Role Playing Vestibule training Sensitivity training

**Training Methods:**

Management development is a systematic process of growth and development by which the managers develop their abilities to manage. It is concerned with not only improving the performance of managers but also giving them opportunities for growth and development.

There are two methods through which managers can improve their knowledge and skills. One is through formal training and other is through on the job experiences.

On the job training is very important since real learning takes place only when one practices what they have studied. On-the-job training methods are as follows:

1. Job rotation: This training method involves movement of trainee from one job to another gain knowledge and experience from different job assignments. This method helps the trainee understand the problems of other employees.
2. Coaching: Under this method, the trainee is placed under a particular supervisor who functions as a coach in training and provides feedback to the trainee. Sometimes the trainee may not get an opportunity to express his ideas.
3. Job instructions: Also known as step-by-step training in which the trainer explains the way of doing the jobs to the trainee and in case of mistakes, corrects the trainee.
4. Committee assignments: A group of trainees are asked to solve a given organizational problem by discussing the problem. This helps to improve team work.
5. Internship training: Under this method, instructions through theoretical and practical aspects are provided to the trainees. Usually, students from the engineering and commerce colleges receive this type of training for a small stipend.

Off-the-job Methods: On the job training methods have their own limitations, and in order to have the overall development of employee's off-the-job training can also be imparted. The methods of training which are adopted for the development of employees away from the field of the job are known as off-the-job methods. The following are some of the off-the-job techniques:

1. Case study method: Usually case study deals with any problem confronted by a business which can be solved by an employee. The trainee is given an opportunity to analyse the case and come out with all possible solutions. This method can enhance analytic and critical thinking of an employee.
2. Incident method: Incidents are prepared on the basis of actual situations which happened in different organizations and each employee in the training group is asked to make decisions as if it is a real-life situation. Later on, the entire group discusses the incident and takes decisions related to the incident on the basis of individual and group decisions.
3. Role play: In this case also a problem situation is simulated asking the employee to assume the role of a particular person in the situation. The participant interacts with other participants assuming different roles. The whole play will be recorded and trainee gets an opportunity to examine their own performance.
4. In-basket method: The employees are given information about an imaginary company, its activities and products, HR employed and all data related to the firm. The trainee (employee

under training) has to make notes, delegate tasks and prepare schedules within a specified time. This can develop situational judgments and quick decision making skills of employees.

5. Business games: According to this method the trainees are divided into groups and each group has to discuss about various activities and functions of an imaginary organization. They will discuss and decide about various subjects like production, promotion, pricing etc. This gives result in co-operative decision making process.

6. Grid training: It is a continuous and phased programme lasting for six years. It includes phases of planning development, implementation and evaluation. The grid takes into consideration parameters like concern for people and concern for people.

7. Lectures: This will be a suitable method when the numbers of trainees are quite large. Lectures can be very much helpful in explaining the concepts and principles very clearly, and face to face interaction is very much possible.

8. Simulation: Under this method an imaginary situation is created and trainees are asked to act on it. For e.g., assuming the role of a marketing manager solving the marketing problems or creating a new strategy etc.

9. Management education: At present universities and management institutes gives great emphasis on management education. For e.g., Mumbai University has started bachelors and postgraduate degree in Management. Many management Institutes provide not only degrees but also hands on experience having collaboration with business concerns.

10. Conferences: A meeting of several people to discuss any subject is called conference. Each participant contributes by analyzing and discussing various issues related to the topic. Everyone can express their own view point

### **Evaluation of Training and Development**

Evaluation leads to control which means deciding whether or not the training was worth the effort and what improvements are required to make it even more effective. Training Evaluation is of vital importance because monitoring the training function and its activities is necessary in order to establish its social and financial benefits and costs. Evaluation of training within work settings can assist a trainer/organization in learning more about the impact of training. It is important to understand the purpose of evaluation before planning it and choosing methods to do it. Some advantages of using evaluations are difficult to directly witness, but when done correctly they can impact organizations in positive ways.

Training Evaluation is the process of deep examination and analysis of: • Selecting measures, • Gathering information based on those measures, • Comparing what participants learn to some standard, goal, or expectation. Evaluation is a process to determine the relevance, effectiveness, and impact of activities in light of their objectives.

In evaluating a training and development programme, one needs to consider that most training and development activities exist in a larger context of projects, programmes, and plans. Definition: "Training Evaluation is a systematic process of collecting information for and about training activity which can then be used for guiding decision making and for assessing the relevance and effectiveness of various training components.

" TYPES OF EVALUATION On the basis of the time dimension, evaluation may be classified as (1) formative evaluation and (2) summative evaluation. Raab et al. (1987), however, classified evaluation into four major types: (1) evaluation of planning, (2) process evaluation, (3) terminal evaluation, and (4) impact evaluation. Stakeholders of training evaluation involve participants, curriculum developers, trainers and training organizer as depicted below: Objectives of Evaluating Training and Development Programmes



Principles of evaluation Must be clear about the goals and purpose of evaluation Evaluation must be continuous It must be specific Realistic target dates must be set for each phase of evaluation

Techniques of Evaluation Experimental and Control Groups Longitudinal or Time-series analysis To send a questionnaire to the trainees after the completion of the training programme.

**Cost Benefit Analysis for Training**

As discussed in previous articles, it is very important to evaluate the benefits of the training and be able to put that in terms of numbers. Training comes at a cost and therefore any organisation would be interested in knowing the return on investment (ROI).

Organisations use different methods to assess the benefits of training in terms of numbers i.e. the profits. Some of the frequently used methods are ROI and Utility analysis. There are many costs that are associated with the training apart from the direct and apparent costs. These costs can be described under two headings:

There are costs incurred towards the training needs analysis, compensation of the training program designers, procurement of training material and various media like the computers, handouts, props, gifts and prizes, audio visuals etc.

Then there is another category is costs incidental to the training session itself such as trainers fee / salary, facility costs / rental etc.

Finally there are costs involved is losing a man day of work (for those who are sent for training), travelling, boarding and lodging and training material that cannot be reused in some other training program.

The various models that are used to estimate the benefits of the training program are as under.

#### **The Return on Investment Model (ROI)**

Organisations spend huge amount of money on employee development, it is therefore very important to ascertain the benefits of training. Different studies were conducted to evaluate the effectiveness of training programs. In one of the studies it was found out that sales and technical trainings gave better ROI compared to managerial training programs. Ford, for example, evaluates all the training programs against the profitability in a given product line. The basic formula for calculating the ROI for training is as:

$$\text{ROI (in percent)} = \text{Program benefits} / \text{Costs} \times 100$$

Let's assume that the total costs incurred towards a certain training is USD. 80,000/- all inclusive and the benefits in terms of overall improvement in productivity and quality are USD. 4,00,000/-. Thus the ROI is 525 %, which means for each rupee invested the return in USD. 5.25 over and above the cost of the program.

This problem however relies upon the assessment of benefits from outside, sometimes which requires that non financial benefits may be converted into financial benefits. This requires precision and the sources have to be credible.

#### **Utility Analysis**

This is another way of reflecting upon the usefulness of a training program. Utility itself is a function of the duration up to which the training leaves an impact upon the trainee, the relative importance of the training program, the importance of the position or profile that received training and the cost of conducting the training. For example leadership programs conducted for top and middle management tend to be high on value where as sales training programs for the front line sales staff tends to be low on value scale.

Utility analysis basically derives the effectiveness from analysing the change in the behaviour of the trainee and the positive financial implications of the same. This model is not very famous because the deductions made are essentially subjective in nature.

### **Training Evaluation - Meaning and its Benefits**

Evaluation involves the assessment of the effectiveness of the training programs. This assessment is done by collecting data on whether the participants were satisfied with the deliverables of the training program, whether they learned something from the training and are able to apply those skills at their workplace. There are different tools for assessment of a training program depending upon the kind of training conducted.

Since organisations spend a large amount of money, it is therefore important for them to understand the usefulness of the same. For example, if a certain technical training was conducted, the organisation would be interested in knowing whether the new skills are being put to use at the workplace or in other words whether the effectiveness of the worker is enhanced. Similarly in case of behavioural training, the same would be evaluated on whether there is change in the behaviour, attitude and learning ability of the participants.

### **Benefits of Training Evaluation**

Evaluation acts as a check to ensure that the training is able to fill the competency gaps within the organisation in a cost effective way. This is specially very important in wake of the fact the organisations are trying to cut costs and increase globally. Some of the benefits of the training evaluation are as under:

**Evaluation ensures accountability** - Training evaluation ensures that training programs comply with the competency gaps and that the deliverables are not compromised upon.

**Check the Cost** - Evaluation ensures that the training programs are effective in improving the work quality, employee behaviour, attitude and development of new skills within the employee within a certain budget. Since globally companies are trying to cut their costs without compromising upon the quality, evaluation just aims at achieving the same with training.

**Feedback to the Trainer / Training** - Evaluation also acts as a feedback to the trainer or the facilitator and the entire training process. Since evaluation accesses individuals at the level of their work, it gets easier to understand the loopholes of the training and the changes required in the training methodology.

Not many organisations believe in the process of evaluation or at least do not have an evaluation system in place. Many organisations conduct training programs year after year only as a matter of faith and not many have a firm evaluation mechanism in place. Organisations like IBM, Motorola only, it was found out, have a firm evaluation mechanism in place.

### **The Way Forward**

There are many methods and tools available for evaluating the effectiveness of training programs. Their usability depends on the kind of training program that is under evaluation. Generally most of the organisations use the Kirk Patrick model for training evaluations which evaluates training at four levels - reactions, learning, behaviour and results.

After it was found out that training costs organisations a lot of money and no evaluation measures the return on investment for training, the fifth level for training evaluation was added to the training evaluation model by Kirk Patrick which is called as the ROI.

Most of the evaluations contain themselves to the reaction data, only few collected the learning data, still lesser measured and analysed the change in behaviour and very few took it to the level of increase in business results. The evaluation tools including the Kirk Patrick model will be discussed in detail in other articles.

### **Balanced Scorecard**

The Balanced Scorecard is a strategic planning and management system used to align business activities to the vision and strategy of the organization by monitoring performance against strategic goals.

Balanced Scorecard Concept Was first published in 1992 by Kaplan and Norton, a book followed in 1996. Traditional performance measurement that only focus on external accounting data are obsolete. The approach is to provide 'balance' to the financial perspective.

Why Use a Balanced Scorecard? Improve organizational performance by measuring what matters Increase focus on strategy and results Align organization strategy with workers on a day-to-day basis Focus on the drivers key to future performance Improve communication of the organization's Vision and Strategy Prioritize Projects / Initiatives

Original Business Perspectives Adapted from The Balanced Scorecard by Kaplan & Norton The Balanced Scorecard model suggests that we view the organization from 4 perspectives. Then Develop metrics, collect data and analyze it relative to each of these perspectives

Business Perspectives Questions Financial What must we do to create sustainable economic value? Internal Business Process To satisfy our stakeholders, what must be our levels of productivity, efficiency, and quality? Learning and Growth How does our employee performance management system, including feedback to employees, support high performance? Customer What do our customers require from us and how are we doing according to those requirements?

Key Implementation Success Factors Obtaining executive sponsorship and commitment Involving a broad base of leaders, managers and employees in scorecard development Choose the right Scorecard Champion >Beginning interactive (two-way) communication first Viewing the scorecard as a long-term journey rather than a short-term project Getting outside help if needed

## **Unit 5 Employee Empowerment**

### **Employee empowerment**

- To invest people with authority  sharing varying degrees of power with lower-level employees to better serve the customer



- Levels Enabling the employees to make bigger decisions without having refer to a senior. Involving the employees to improve the ways things are done Encouraging employees to Play a more effective role in their work.
- Improved employer satisfaction. □ By being shared, organizational power **can grow**. □ Employees to perform better. □ Increases trust in the organization
- Giving up control can be threatening to some managers. □ Managers may not want to share power with someone they look down upon. □ Managers fear losing their own place and special privileges in the system.
- Communicating Expectations Providing Training Selecting the Right Employees Sharing Information Establishing Work Teams Determining Impact of Employee Decisions Changing Behavior of Senior Management Identifying Reasons for Empowerment
- Demonstrate That You Value People 2. Share Leadership Vision 3. Share Goals and Direction 4. Trust People 5. Provide Information for Decision Making 6. Delegate Authority and Impact Opportunities, Not Just More Work 7. Provide Frequent Feedback
- Solve Problems: Don't Pinpoint Problem People 9. Listen to Learn and Ask Questions to Provide Guidance
- Message Disconnect 2. Insufficient Training 3. Reluctant Managers 4. Breakdown of Organizational Structure
- Pros of Employee Empowerment □ It leads to greater job satisfaction, motivation, increased productivity and reduces the costs. □ It also leads to creativity and innovation since the employees have the authority to act on their own. □ There is increased efficiency in employees because of increased ownership in their work. □ Lesser need of supervision and delegation.
  - Employees when empowered become more entrepreneurial and start taking more risks. Greater the risk, greater are the chances to succeed. □ Focus on quality from the level of manufacturing till actual delivery and service of goods.
- □ Cons of Employee Empowerment □ Egotism / arrogance: Worker arrogance can create a big trouble for the supervisors and the managers. There can be problems in delegating. Employees avoid reporting about their work and feedback can be taken negatively. □ Risk: Creativity and innovation demands a greater risk bearing capacity and there are equal chances of success and failure. Workers often lack the expertise to execute an enterprise, which can cost big.
- □ Industrial Democracy: Labor unions and workers are empowered and they may misuse the same. Strikes and lock outs become more frequent. Also, labor unions gain insights into management and their functioning and they leak the same. □ Security: Since information comes and is shared by all, there are apprehensions about leakage of critical data
- We can conclude that definitely employee empowerment is a positive element in an organization. However it depends on the demands & circumstances. Empowering

employees develop self confidence & loyalty in them & leads also to improved customer satisfaction. Moreover everyone's limit is to be defined when empowered.

### **Employee counselling**

Counseling counselling is a therapeutic process of providing help and support to people to face and sail through difficult times in life. it helps people to see things from a different viewpoint and encourage them to draft their action plan

Counseling therapy guidance advising counseling sharing change helping

Need for employee counseling at workplace

When \ unrealistic targets \ excessive workload \ absenteeism and late coming \ lack of awareness of policies & procedures \ performance issues \ slipping deadlines \ career problems

### **Qualities of a Counsellor:**

1. Counsellor should be a morale booster for the employee
2. Counsellor should be unbiased and must never compare one employee with other employees
3. Counsellor should have warm manners and social etiquettes
4. He/she must be well versed in excellent communication skills
5. The counsellor should possess professional qualifications, experienced, maturity
6. Effective listening skill
7. Pleasing personality
8. Immense Patience
9. Compassionate approach
10. Non-judgmental towards a problem or an employee
11. Research-Oriented as counselling is an ever evolving profession
12. Empathetic and sympathetic towards the employees
13. Discrete outlook
14. Ever encouraging to employees to come forward for redressal.

Employee counselling has a positive impact on the employee's life as their problems are solved and they lead a stress free life.

### **Role of Counsellors:**

Counselling is a two-way process in which a counsellor provides help to an employee by way of advice and guidance. There are many occasions in work situations when a worker feels the need for guidance and counselling. In big organisations, counsellors are appointed who are experts in industrial psychology.

They help the employees in the following ways:

- (i) To provide emphatic atmosphere of genuine concern about his difficulties, tensions, worries, problems, etc. so that he can freely discuss and share his views with counsellor;
- (ii) To understand himself better and to gain knowledge about his potential, strengths and weaknesses;
- (iii) To gain an insight into the dynamics of his behaviour by providing necessary feedback;
- (iv) To have better understanding of the environment in which he functions;

(v) To increase his personal and interpersonal effectiveness by assisting him in analysing his interpersonal competence;

(vi) To prepare alternate action plans for improving his performance and behaviour.

The counsellor enjoys a good status in the organisation as he provides an important service in achieving good human relations. He essentially communicates with the employees (listening and responding to their psychological problems) and tries to influence them.

### **Employee Counselling – Factors Necessary to Build a Successful Counselling Program**

The philosophy behind a counselling program is based on the belief that each person is a unique individual with specific needs and talents. Believing and promoting a respect for human dignity and fostering that concept among employees are important for their positive growth.

The counselling program plays a key role in coordinating and facilitating growth and development of the employees. One of the most widely used counselling programs is interviewing which maybe directive, authoritarian, non- authoritarian or non-directive. Whatever the method of Interviewing, it is directed at finding a solution to the problem at hand.

Counselling is essentially helpful. Morrisey in 1972 has suggested many techniques, some of which are as follows –

1. You-we technique where in the compliment is directed towards ‘you’ and the criticism towards ‘we’. This is effective way of establishing a rapport since collective acceptance of blame instead of throwing it on others help to break the ice and build in confidence.
2. Second hand compliment technique is passing on the compliment received from a third party on behalf of the counselee.
3. Advice-request technique as the name itself suggests it is seeking the solution to the problems.
4. Summary technique is summing up the decisions and fixing responsibilities and integrating the whole decision.

The counselling programs are aimed at developing the employee and eventually developing the organization. It includes supplementing the Developing Capable People program through self-awareness guidance; decision making and problem solving strategies on various issues. The counselling works on the dictum of Bradley which says that “If you touch me soft and gentle, If you look at me and smile at me, If you listen to me talk sometimes before you talk, I will grow, really grow” and should be as a rule by every manager.

#### Factors Necessary to Build a Successful Counselling Program:

The corporate world is getting changed and so the HR process also. Counselling not only helps employees but also show how much the organization cares for employees.

Employee Counselling needs to be tackled carefully, both on the part of the organization and the counsellor.

1. The counsellor should be either a professional or an experienced, mature employee.
2. The counsellor should be flexible in his/her approach and a patient listener.
3. The counsellor should have the warmth required to win the trust of the employee so that he/she can share thoughts and problems without any inhibitions.
4. Active and effective listening is one of the most important aspects of the employee counselling.
5. Time should not be a constraint in the process.
6. The counsellor should be able to identify the problem and offer concrete advice.

7. The counsellor should be able to help the employee to boost the morale and spirit of the employee, create a positive outlook and help employees to make decisions to deal with the problem.

8. Counsellor must give that kind of advise which is workable and possible to follow by the employee.

Counsellor must give an advise which is workable and possible.

This is most important & can be understood with the help of a fable about a Centipede who had pain in all 100 of his legs & on the advise of his fellow centipedes, it went to an Owl, considered to be a wise bird to seek a solution to its problem. The Owl asked it to become a Crow so that it would lose 98 legs and fly to solve the problem. Centipede's initial happiness turned sour when it asked the Owl as to how it can become a Crow? The Owl simply told it the "my job is to give advice, how you do it is your problem".

Therefore, an advise must be workable so that the employee receives actual benefit of counselling.

### **Employee Counselling – Benefits and Challenges**

Employee Counselling offers employees a facility that is confidential, easily accessed, provides a properly qualified and supervised practitioner, does not raise the threat of a diagnosis of psychiatric disorder, and promises to alleviate distress within a reasonably short period of time.

Workplace counselling offers a service that is valued by employees. It has the potential for reducing sickness, absence, takes pressure off managers through the availability of a constructive means of dealing with 'difficult staff or situations', and contributes to its reputation as a caring employer.

Employee Counselling is often viewed by employers as an insurance policy against the threat of compensation claims made by employees exposed to work-related stress.

Some benefits may be highlighted as under:

1. It helps employees to tackle with the problems effectively
2. Employees are able to sort out their problems with ease
3. Counselling Helps in taking correct decisions, be it personal or official
4. Counselling gives a new way to look at the situation with a new perspective and positive outlook
5. It also May reduce the number of absenteeism of employee
6. It may prevent termination from employer or resignation from employee
7. It reduces the cost of hiring new employee and training new staff as old staff is retained
8. It results in Possibility of smooth coordination between employer and employee
9. It Helps the individual to understand and help him/herself
10. It provides Alternate solutions to problems
11. Counselling helps in Coping with the situation and the stress
12. Employees frustrations and stress are removed with the help of Counselling
13. The employee is able to overcome his personal weakness, his emotional irritants and come out with refined behaviour
14. He/she is able to improve his/her behaviour to full potential.

### **Challenges to Effective Employee Counselling:**

- (i) Employees are not comfortable sharing their problems with manager/counsellor.
- (ii) Lack of trust in counselling procedure.
- (iii) Providing counselling to employees is a time-consuming and costly process.
- (iv) The very purpose of counselling is defeated if the counsellor is ineffective.

Employee counselling can go a long way in helping employees face their day-to-day problems more effectively and deal with stress in a better manner. It helps them to take increased control over their job and life and maintain a healthy balance between work and personal life.

Counselling helps the organization to identify the problem areas at the earliest and handle them before they blow out of proportion. Workplace stress and anxiety can affect the mental health, productivity and behaviour of the employees. Counselling is necessary to manage the stress so that the productivity and efficiency of the employees is maintained.

Counselling also addresses the psychological and behavioural issues of the employees, thereby helping them to become better human beings who are more loyal and enthusiastic about their workplace commitments.

- When } responsibility & accountability } lack of team spirit } inter personal relations with superiors & subordinates } problems in adjusting to organizational culture } family problems } behavioral issues/tendencies
- Who identifies the need • counselor centered • counselee centered counseling counseling • line managers/human • individual/employee groups resources • supervisor determined a • employee determined the problem problem • supervisor has the solution • employee may have the solution • supervisor takes responsibility for success of counseling • needs a platform for session discussion
- why } chalk down the career path } retaining valuable employees } effective communication } growth for employees } ensure transparent environment } put problems on the table for open evaluation and draft resolutions } clearly define expectations } ensure employee follow ethical standards, company rules, common culture etc.
- counseling modes developmental disciplinary • face to face • pre penalization communication • conducted human • conducted by resource department immediate supervisor • starts with a • starts with a verbal warning/letter discussion • ends with draft plan • ends with draft plan of of action action • second action step (if • first action step developmental counseling fails)
- line manager's role in counseling • listen to problems/address issues • provide feedback and help counselee to see a different view point • investigate problems/matters • avoid word of mouth and see the root cause with evidence • suggest/recommend solutions • observe behavior and clarify expectations • determine right course of action and reach conclusion • draft plan of action and follow up
- hr's role in counseling • need for counseling can be identified by hr as well as supervisor. • hr discusses the issue with the relevant supervisor and continuously ask for feedback • discuss and agree a plan of action with supervisor. • schedule and jointly conduct the counseling session • conclude the counseling session with warning (if

required) • follow-up the action plan and feedback to the supervisor • monitor developments

- Counseling styles evaluative reflective probing counseling styles interpret supportive
- counseling styles –evaluative – make judgments based on what you have heard and suggest answers –interpretative – interpret what you have heard without checking the accuracy of what you have heard –supportive – offer general sympathy –probing – find out more information –reflective – try to feedback your listener’s perception of what has been said in order to check
- Asses your counseling styles the best counselor uses a combination of reflective and probing responses as this encourages staff to think through a problem and come with own solution ultimately, the best style is the one which suits your situation
- Counseling process step 1 step 4 identify the follow-up need counseling process step 3 step 2 conduct the prepare for session counseling
- Counseling process step 1 identify the need ⊗observe the situation, events or issues ⊗compare the current situation with the desired one ⊗focused and two way communication ⊗interactive session
- counseling process step 2 prepare for counseling ⊗ select a suitable place and notify the time ⊗notify the concern members well in advance ⊗ organize information ⊗outline the session components ⊗ plan your counseling strategy ⊗ establish the right atmosphere.
- counseling process step 3 conduct the session ⊗ opening the session ⊗discussing the issue ⊗ developing the plan of action ⊗recording and closing the session
- counseling process step 4 follow up ⊗ support subordinates to implement their plan of action ⊗ review plan of action to determine if the desired results were achieved ⊗amend the plan of action if required ⊗ measures after session include follow up
- counseling skills –active listening –appropriate body language –intelligent questioning –problem solving –decision making –connecting & reflecting back –mutual influencing –reading non verbal behaviors –not imposing superiority or patronage –concluding & recommending
- qualities of an effective counselor empathetic respectful warm confidential honest attentive listening open ended unbiased understandable unhurried authority
- counseling errors }dominating the counseling session }giving unnecessary or inappropriate advice }not listening }projecting personal likes, dislikes and biases }rash judgments }stereotypes }loss of emotional control }absence of action plan & improper follow up } using single counseling style } neglecting privacy factor
- benefits of counseling }decrease costs related to turnover, absenteeism }improvement in employee performance }increase in productivity }manage behavioral problems brought about by organizational change }helps in superior decision making }assist in understanding the situation more objectively }facilitates to look at the situations with a new perspective } motivates to search for alternate solutions to problems