



ROLE OF PUBLIC SECTOR UNDERTAKINGS IN TRAINING EMPLOYEES

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ABSTRACT

This research study essentially aims at understanding the concept of Training and Development and empirically measures the employee perception of effectiveness of various components of a Training program in Indian Public Sector Undertakings. The data, collected from 78 employees of two leading Indian PSUs based at Hyderabad, through a structured questionnaire, reveals that PSUs give adequate importance to T&D programs. They are well planned, periodically evaluated and are handled by competent faculty making them extremely effective. The respondents opine that the programs helped them to acquire technical knowledge and skills, laid adequate emphasis on developing their managerial capabilities and adequately developed their human relations competencies. It is concluded that there is ample evidence of evaluation and objective assessment of effectiveness and outcomes of training and development programs in PSUs.

Keywords: *Training and Development benefits, Effectiveness, Public Sector Undertakings, Organizational Performance.*

INTRODUCTION

To many, a well-performing Public Sector Undertaking (PSU) is an oxymoron. However, a serious look at their functioning in India reveals that several PSU's are profitable, efficient and well performing and has always played a dominant role in shaping the path of India's economic development since the adoption of Industrial Policy Resolution, 1956. Further, with economic liberalization, the role of the Indian PSUs has undergone a rapid change and has thrown up a plethora of opportunities and challenges. PSUs now have a dominant/ significant share in several sectors/ industries on account of their continued efforts towards achieving competitiveness and excellence to operate at par vis-à-vis their private sector counterparts.

This is the result of increased realization that deployment of quality human resources is critical for sustainable performance. Indian PSUs embraced numerous best practices in the areas of Organization Behaviour and Human Resources Management to achieve operational excellence (Hemant Kothari, 2010). While focusing on attracting and retaining quality talent, requisite initiatives have been taken in organizing and arranging Training and Development (T&D) programs, aimed at capacity building and augmentation of skill sets of the existing employees. The recognition of the importance of training activities led India in 1985 to become the first nation in the Asia-Pacific region to create a Ministry of Human Resource

Development (Rao, 2004) and which in turn assisted in the creation of corporate T&D departments in most of the PSU's.

Training and Development has assumed strategic role and is now seen as an essential element for organizations to gain a competitive advantage through a highly skilled and flexible workforce required particularly in today's turbulent economic conditions (Peteraf, 1993). Organizations can also gain high productivity and quality performance through T&D policies that are liberal, concept-based, comprehensive, systematic, well planned and dynamic. However, training is not a core competence for many organizations both private and public. Moreover, there is ample evidence in research to show that evaluation and objective assessment of effectiveness and outcomes of training are not given due importance as that of their planning and implementation (Abdus Sattar Niazi, 2011). Organizations report their training in terms of amount spent per annum, with little attention paid to the value that training delivers, or the extent to which it minimizes risk and reinforces compliance. Spending money on training does not by itself guarantee the success. Evaluating the effectiveness of training is becoming increasingly important. In recent years, the need to rigorously evaluate T&D initiatives in economic terms and to justify high costs is becoming more apparent. Swanson (2001) study found that fewer than 5% of all T&D programs are assessed in terms of their financial benefits to the organization. Evaluation of the economic benefits along with non-economic ones, and the investments associated with the T&D programs is absolutely critical in determining how these initiatives contribute to organizational performance. Many are currently struggling to evolve a valid, reliable and operationally viable model to measure and evaluate the effectiveness of T&D programs (Phillips, 1999). While it is practically impossible to measure the overall effect of T&D, efforts can be made to know whether T&D has achieved its purpose through the comparison of objectives (criterion behavior) with effects (terminal behavior). It is of utmost importance that for a T&D program to be effective, it must be perceived as useful and valuable by employees who seek it. An ideal evaluation is a systematic investigation of whether a training program resulted in knowledge, skills, or affected changes in learners. Mumford (1988) observes that prior to participating in any T&D experience; participants implicitly ask themselves a variety of questions: Do I believe this training and development will help me? Are there risks for me if I perform poorly? How does this experience relate to my job performance? Not surprisingly, the yield from T&D initiatives will be maximized when employees perceive that desirable outcomes (or avoidance of undesirable outcomes) are attained as a result of their full commitment to a T&D program. This area of how people react to training has continued to receive significant attention in the literature, particularly around the question of how best to use learner reactions for improving training design and delivery. The objective of the study is to understand the concept of T&D and measure the employee perception of effectiveness of various components of a T&D program in Indian PSUs.

OBJECTIVES OF THE STUDY

- To maintain Sustained growth for employees

- To enhance employee with training sessions
- To achieve optimum utilization of human resources
- To Analyze employee SWOT analysis

LITERATURE REVIEW

The literature on T&D is vast and growing. A considerable number of individual studies and meta-analytic reviews of T&D have taken a multi-dimensional perspective enveloping the needs of individuals, teams, organizations and the society at large to document evidence of a positive impact on them. A T&D program - an essential Human Resource Development (HRD) function of any organization - addresses a discrepancy between the current performance of the employee and what is expected of him. Training refers to a systematic approach to learning and development to improve individual, team, and organizational effectiveness (Goldstein & Ford, 2002). Alternatively, development refers to activities leading to the acquisition of new knowledge or skills for purposes of personal growth or future jobs and/or roles. However, with the changing socio-economic and technological relevance of T&D, the definitions, scope, methods and evaluation of these programs have undergone a sea change in the last decade. This literature review offers a comprehensive look at T&D and presents its interesting facets. In the current study, the word “training” is often referred to mean both training and development efforts.

Training-related changes result in improved job performance and other positive changes (e.g., acquisition of new skills; Hill & Lent 2006, Satterfield & Hughes 2007) that serve as antecedents of job performance (Kraiger 2002). Barber (2004) found that training led to greater innovation and tacit skills. Decker & Nathan (1985), Robertson (1990) in their research found that training affects change in worker skills through a change in trainees' knowledge structures or mental models. Training may not only affect declarative or procedural knowledge but also may enhance strategic knowledge which is defined as knowing when to apply a specific knowledge or skill (Kozlowski et al. 2001, Kraiger et al. 1993). Training benefits employees to perform their jobs in a different culture and/or adjust psychologically to living in that culture (Bhawuk&Brislin 2000, Lievens et al. 2003). Studies made by Morey et al. 2002, Salas et al. 2001 indicate that training improves declarative knowledge, planning and task coordination, collaborative problem solving, and communication in novel team and task environments.

Several studies have also documented the impact of training on the organizational performance. Results of the research by Aragon-Sanchez et al. (2003) indicate that training activities were positively related to most dimensions of effectiveness (i.e., employee involvement, human resource indicators, and quality) and profitability (i.e., sales volume, benefits before interest and taxes, and a ratio of benefit before taxes/sales). Ubeda Garcia (2005) study on organizations' training policies suggested that training programs oriented toward human capital development were directly related to employee, customer, and owner/shareholder satisfaction as well as an objective measure of business performance (i.e., sales per employee). Similarly, it is also observed that 4.6% of the variance in financial

performance was explained by training via the mediating role of social and organizational performance (Guerrero &Barraud-Didier, 2004). Yet another possible benefit of training is social capital, via relationship building, norm development, and institutional trust (Brown & Van Buren, 2007). Interestingly, Clardy (2005) noted that an organization's reputation can be affected by its training practices.

The adoption of many policies to encourage the design and delivery of training programs at the national level is the recognition of the benefits of training activities for society (Herman Aguinis and Kurt Kraiger, 2009). Most of the researches on the relationship between training activities and their benefits for society have been conducted by economists; the focal dependent variable is national economic performance. Becker (1964) observed that training efforts produce improvements in the quality of the labor force, which in turn is one of the most important contributors to national economic growth.

Riding on the benefits as T&D efforts in many organizations continue to expand and grow, there has been a greater than ever pressure to show the results of training. It is imperative to focus and to adequately and properly demonstrate and communicate that training efforts are making worthwhile contributions. As a result, there is a growing body of conceptual work on measuring the effectiveness of T & D. Hamblin (1974) defined the process of evaluating T&D as "any attempt to obtain information (feedback) on the effects of a training program, and to assess the value of the training in the light of that information". Sackett and Mullen, (1993) suggested that the purpose of evaluation is to help organizations make decision about future training activities, and provide tools needed to assess the type of evaluation possible in a given situation, to conduct the most informative evaluation possible, given the constraints of the situation, and to communicate to organizational decision makers both the strengths and the limitations of whatever evaluation data is obtained. The findings of the study by Grideret. al (1990) suggested that Organizations should provide necessary resources to evaluate the training activity effectiveness while Integrating T&D into the strategic plan of the firm. They also opine that organizations should establish an information network to facilitate access to necessary data for before and after measurement. Saxena (1997) reported that the actual practice of evaluation in many organizations did not often follow the strict recommendations of evaluation literature. However, Campbell (1998) suggested evaluation can provide a sense of satisfaction and accomplishment to the personnel associated with a course or program. The key messages from the literature reviewed include that Training evaluation can take many forms and the components it includes should be selected according to the information needed and how those information are expected to be used. It should essentially look at the whole training cycle and not just at the course itself, including needs assessment, design, and delivery and follow up

RESEARCH METHODOLOGY

The sample for the study consists of one hundred and twenty employees representing executives, managers, supervisors and professional/ administrative staff of different

departments drawn from two leading PSUs. The rationale behind the selection of these PSUs is that they are under Navaratna Category and are easily accessible as they are based at Hyderabad. Anonymity has been maintained as regards names on request of the organizations. In order to ensure an acceptable number of responses, a convenience and simple random sampling was used. Data were collected through the questionnaires which were given to respondents to be completed in their own time and same returned after three days.

The questionnaire is a modified version of the one developed by Prof. TV Rao, an expert in the area of HRD. It has four sections. Section I deals with demographic data. Section II to IV, comprising 24 close ended questions, addresses respondents' overall satisfaction with training and development; their perceptions of effective training and development practice, content and delivery methods. The responses showing level of importance against each question was measured on a five point Likert scale ranging from Strongly Agree - Agree - Neutral - Disagree - Strongly Disagree. The internal consistency of the questionnaire was tested by computing the Cronbach's Alpha (α) and the value of alpha was 0.90, which is well above the acceptable value of 0.70 (Nunnally 1988). Apart from questionnaire, data was also collected through informal interviews to have greater understanding of the issues. Data collection occurred between January and April of 2012.

Secondary data were collected from published articles in professional academic journals, published books, research theses, manuals and reports on PSU performance and T&D initiatives. The response rate was 65% and the responses from all the 78 questionnaires were considered for data analysis. Descriptive and Analytical statistical techniques were utilized to analyze the data with the help of SPSS package. The values from percentage analysis and correlation analysis highlighted the salient features of the collected data, facilitated comparisons between variables and enabled to study relationships more readily.

RESULTS AND CONCLUSIONS

The respondents of the study mainly belong to the age group of 35-45 years as 72% of the respondents belong to that group. Among the respondents, 28 (36%) were female, 40 (51%) are post graduates, 54 (69%) had more than four years of work experience in their present organization, 36 (46%) had total work experience of more than 10 years, 51 (65%) were at middle level in the organizational hierarchy.

Majority of the respondents (89%) perceive that T&D at their organization have high priority, over 6% marked the "neutral" category, just over 4 % of respondents believe that their organization places a low priority on training and development. Quite importantly, 97 percent of the respondents supported that T&D programs contributes to improve their overall efficiency and productivity as well as that of their organization. They also felt that it helps them to reach higher level of performance and responsibility. However, a close analysis revealed that they had mixed opinion on whether it enables them for cross functional movements. A majority of the respondents (95%) agreed about conduct of specific need based training programs by the organization while 75% of the respondents agreed that the



training they receive allows them to keep up with new changes. Respondents were of the view that such types of trainings were based on their own gap assessment and the feedback received in their appraisal. 84% of the respondents felt that the T&D programs are well-planned, periodically evaluated and are handled by competent faculty making them extremely effective.

However, 63% of the respondents opined that training programs should focus more on behavioral modifications along with skill building, and should be geared towards adding value to the organization's competitiveness. It is appropriate to note that training should not be seen as an end, but as a means to achieving the organizational objective. The changing of behavioral patterns is a long term process which to be successful, need to be continuously monitored and reinforced. Ninety three (93%) percentage of the respondents stated that providing excellent training does not lead to significant results without a good deal of deliberate and consistent reinforcement. Here, the role of the supervisor or manager is critical. They are the key people who reinforce the newly learned knowledge and skills through support and accountability. As training is considered a strategic investment, the line managers should adopt a focused approach towards T&D and remain fully involved in making policy decisions for training, being in line with Human Resource Department. A majority of respondents (84%) felt that managers need to look beyond training by establishing a coaching and mentoring period to follow up the training. Research suggests that the follow up should be carefully planned. The follow up interventions should be planned and developed in such a way that they specify who provides follow up to whom; what should be looked at; where follow up will take place; when and how often it will take place as well as how it will be done.

Almost all the respondents (99%) felt that they should have a feeling of success at the end of their T&D efforts and be able to foresee or even plan how they will apply their learning in their work environment. Interestingly, on evaluation process, the respondents felt that it is carried out with a sense of purpose, pride, and direction with the bases or criteria for evaluation being clear and appropriate. The respondents opined that it is performed by those who have professional, management and administrative responsibilities for T&D.

It is concluded that Indian PSUs give adequate importance to T&D programs which help their employees to acquire technical knowledge and skills, lay adequate emphasis on developing their managerial capabilities and adequately develop their human relations competencies. There is also ample evidence of evaluation and objective assessment of effectiveness and outcomes of training and development programs in PSUs. However, care need to be taken while applying these results. A major limitation is that the study was conducted in select organizations with a small sample. Future research can address these issues. Nevertheless, it provides a direction to PSUs to understand the concept, design and conduct T&D policies appropriately. It is evident from the study that Indian PSUs truly believe in what Benjamin Franklin rightly said "An investment in knowledge pays the best interest"

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