

# **PONDICHERRY UNIVERSITY**

(A Central University)

**DIRECTORATE OF DISTANCE EDUCATION**

## **Human Resource Development**

Paper Code : MBHR 3001



**MBA - HUMAN RESOURCE MANAGEMENT**

**III Semester**

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ISBN No. 978-93-81932-00-1

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**PAPER – XI**

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**Human Resource Development**

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**Objectives**

- To understand the evolution and functions of HRD
- To identify the content, process and the outcomes of HRD applications
- To evaluate and understand diversity issues and their impact on organizations

**Unit - I**

Human Resource Development – Evolution of HRD - Relationship with HRM - Human Resource Development Functions - Roles and Competencies of HRD Professionals - Challenges to Organization and HRD professionals – Employee Behaviour – External and Internal Influence – Motivation as Internal Influence – Learning and HRD – Learning Strategies and Styles

**Unit - II**

Frame work of Human Resource Development - HRD Processes - Assessing HRD Needs - HRD Model - Designing Effective HRD Program - HRD Interventions- Creating HRD Programs - Implementing HRD programs - Training Methods - Self Paced/Computer Based/ Company Sponsored Training - On-the-Job and Off-the-Job - Brain Storming - Case Studies - Role Plays - Simulations - T-Groups - Transactional Analysis.

**Unit - III**

Evaluating HRD programs - Models and Frame Work of Evaluation - Assessing the Impact of HRD Programs - Human Resource Development Applications - Fundamental Concepts of Socialization - Realistic Job Review - Career Management and Development.

## **Unit - IV**

Management Development - Employee counseling and wellness services – Counseling as an HRD Activity - Counseling Programs - Issues in Employee Counseling - Employee Wellness and Health Promotion Programs - Organizational Strategies Based on Human Resources.

## **Unit - V**

Work Force Reduction, Realignment and Retention - HR Performance and Bench Marking - Impact of Globalization on HRD- Diversity of Work Force - HRD programs for diverse employees - Expatriate & Repatriate support and development.

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## UNIT - I

### Unit Structure

Lesson 1.1 Human Resource Development

Lesson 1.2 Human Resource Development Functions

Lesson 1.3 Employee Behavior and Influences

Lesson 1.4 Learning and HRD

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### Lesson 1.1 - Human Resource Development

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### Learning Objectives

*After reading this lesson, you may be able to*

- Define HRD
- Understand the Evolution of HRD
- Enunciate the Outcomes of HRD
- Identify the Relationship Between HRD and HRM

### Introduction

Human Resource Development is a system of developing in a continuous and planned way the competencies of individual employees, dyadic groups (supervisor and subordinate), teams and the total organisation to achieve the organisations goals. It maximize the congruence between the individual and the organisational goals of employees an develops an organisational culture in which superior- subordinate relationships, teamwork and collaboration among various units become strong and contribute to the professional well-being, motivation and pride of employees.

## **Definition of HRD**

Nadler (1970) defined HRD as a series of organized activities conducted within a specified period of time and designed to produce behavioral change. In a revised definition Nadler (1984) defined HRD as organized learning experience in a definite time period to increase the possibility of job performance and growth

Human resource development can be defined as a set of systematic and planned activities designed by an organisation to provide its members with the opportunities to learn necessary skills to meet current and future job demands. Learning is at the core of all HRD efforts. HRD activities should begin when an employee joins an organisation and continue throughout his or her career, regardless of whether that employee is an executive or a worker on an assembly line, HRD programs must respond to job changes and integrate the long-term plans and strategies of the organisation to ensure the efficient and effective use of resources.

## **Important characteristics of HRD**

- HRD is a system and HRD develops the competencies at all levels.
- HRD is continuous and planned development effort.
- The ultimate object of HRD is to contribute to the professional well-being, motivation and pride of the employees.

## **Indicators of HRD at the organisational level**

- HRD instruments/sub-systems/mechanisms, (e.g., HRD departments, appraisal systems, job-rotation, training, and development etc.)
- HRD processes, (e.g., role clarity, trust, openness, pro-action, collaboration, etc.)
- HRD outcomes (E.g. more competent people, work, etc.)
- Organisational outcomes (improved performance, profits, diversification, image productivity, etc.)



## HRD Outcomes

- People in the organisation become more competent because on the one hand they become better aware of the skills required for job performance and on the other hand there is greater clarity of norms and standards.
- People understand their roles better because through increased communication they become aware of the expectation which other members of their role set have from them.
- People become more committed to their jobs because now there is greater objectivity in the administration of rewards. They come forward with better and more creative ideas.
- People develop greater trust and respect for each other. They become more open and authentic in their behavior. Thus new values are generated.
- There is greater collaboration and teamwork which produces synergy effects.
- The people find themselves better equipped with problem-solving capabilities. They become more prone to risk taking and proactive in their orientation. There is greater readiness on their part to accept changes.
- Lot of useful and objective data on employees are generated which facilitates better human resource planning.
- The top management becomes more sensitive to employees problems and human processes due to increased openness in communication.

## The Evolution of Human Resource Development

Although the term human resource development has been in common use since the 1980s, the concept has in vogue longer than that. To understand its modern definition, it is helpful to briefly recount the history of this field.

### Early Apprenticeship Training Programs

The origin of HRD can be traced to apprenticeship training programs in the eighteenth century. During this time, small shops operated by skilled artisan produced virtually all household goods, such as furniture,

clothing, and shoes. To meet a growing demand for their products, the craft shop owners had to employ additional workers. Without vocational or technical schools the shopkeepers had to educate them and train their own workers. For little or no wages, these trainees, or apprentices, learned the craft of their master, usually working in the shop for several years until they became proficient in their trade. Not limited to the skilled trades, the apprenticeship model was also followed in the training of physicians, educators, and attorneys. Even as late as the 1920s, a person apprenticing in a law office could practice law after passing a state-supervised exam.

Apprentices who mastered all the necessary skills were considered “**yeomen**,” and could leave their master and establish their own craft shops; however, most remained with their masters because they could not afford to buy the tools and equipments needed to start their own craft shops. To address a growing number of yeomen, master craftsmen formed a network of private “franchises so they could regulate such things as product quality, wages, hours, and apprentice testing procedures. These craft guilds grew to become powerful political and social forces within their communities, making it even more difficult for yeomen to establish independent craft shops. By forming separate guilds called “yeomanry,” the yeomen counterbalanced the powerful craft guilds and created a collective voice in negotiating for higher wages and better working conditions. Yeomanries were the forerunners of modern labor unions.

### **Early Vocational Education Programs**

In 1809, a man named DeWitt Clinton founded the first recognized privately funded vocational school, also referred to as a manual school, in New York City. The purpose of the manual school was to provide occupational training to unskilled young people who were unemployed or had criminal records. Manual schools grew in popularity, particularly in the Midwestern states, because they were a public solution to a social problem: what to do with “misdirected” youths. Regardless of their intent, these early forms of occupational training established a prototype for vocational education.

In 1917, United states Congress passed the Smith-Hughes Act, which recognized the value of vocational education by granting funds (initially \$7 million annually) targeted for state programs in agricultural

trades, home economics, industry, and teacher training. Today, vocational instruction is an important part of each state's public education system. In fact, given the current concerns about a "skills gap" (especially for technical skills), vocational education has become even more relevant.

### **Early Factory Schools**

With the advent of the Industrial Revolution during the late 1800s, machines began to replace the hand tools of the artisans. "Scientific management" principles recognized the significant role of machines in better and more efficient production systems. Specifically, semiskilled workers using machines could produce more than the skilled workers in small craft shops. This marked the beginning of factories as we know them today.

Factories made it possible to increase production by using machines and unskilled workers, but they also created a significant demand for the engineers, machinists, and skilled mechanics needed to design, build, and repair the machines. Fueled by the rapid increase in the number of factories, the demand for skilled workers soon outstripped the supply of vocational school graduates. To meet this demand, factories created mechanical and machinist training programs, which were referred to as "factory schools." The first documented factory school was located at Hoe and Company, a New York manufacturer of printing press in 1872. This was soon followed by Westinghouse in 1888, General Electric and Baldwin Locomotive in 1901, International Harvester in 1907, and then Ford, Western Electric, Goodyear, and National Cash Register. Factory school programs differed from early apprenticeship programs in that they tended to be shorter in duration and had a narrow their focus on the skills needed to do a particular job.

### **Early Training Programs For Semiskilled And Unskilled Workers**

Although both apprenticeship programs and factory schools provided training for skilled workers, very few companies during this time offered training programs for unskilled or semiskilled workers. This changed after two significant historical events. The first was the introduction of the Model T by Henry Ford in 1913. The Model T was the first car to be produced on a large scale using an assembly line, in which

production required only the training of semiskilled workers to perform several tasks.

The new assembly lines cut production costs significantly and Ford lowered its prices, making the Model T affordable to a much larger segment of the public. With the increased demand for the Model T, Ford had to design more assembly lines, and this provided more training opportunities. Most of the other automobile manufacturers who entered the market used assembly line processes, resulting in a proliferation of semiskilled training programs.

Another significant historical event was the outbreak of World War I. To meet the huge demand for military equipment, many factories that produced non - military goods also had to retool their machinery and retrain their workers, including the semi skilled. For instance, the U.S. Shipping Board was responsible for coordinating the training of shipbuilders to build warships. To facilitate the training process, Charles Allen, director of training, instituted a four-step instructional method referred to as “show, tell, do, check” for all the training programs offered by the Shipping Board. This technique was later named as job instruction training (JIT) and is still in use for training many workers on the job.

### **The Human Relations Movement**

One of the undesirable by-products of the factory system was the frequent abuse of unskilled workers, including children, who were often subjected to unhealthy working conditions, long hours, and low pay. The appalling conditions spurred a national anti-factory campaign. Led by Mary Parker Follett and Lillian Gilbreth, the campaign gave rise to the “human relations” movement advocating more humane working conditions. Among other things, the human relations movement provided a more complex and realistic understanding of workers as people instead of merely “cogs” in the wheel of a machine.

The human relations movement highlighted the importance of human behavior on the job. This was also addressed by Chester Barnard, the president of New Jersey Bell Telephone, in his influential 1938 book *the functions of the Executive*. Barnard described the organisation as a social structure integrating traditional management and behavioral science applications.

The movement continued up to 1940s, with World War II as a backdrop. Abraham Maslow published his theory on human needs, stating that people can be motivated by both economic and noneconomic incentives. He proposed that human needs are arranged in terms of lesser to greater potency (strength), and distinguished between lower order (basic survival) and higher order (psychological) needs. Theories like Maslow's serve to reinforce the notion that the varied needs and desires of workers can become important sources of motivation in the workplace.

### **The Establishment of the Training Profession**

With the outbreak of World War II, the industrial sector was once again asked to retool its factories to support the war effort. As was with World War I, this initiative led to the establishment of new training programs within larger organisations and unions. The federal government established the Training Within Industry (TWI) Service to coordinate training programs across defense-related industries. TWI also trained company instructors to teach their programs at each plant. By the end of the war, the TWI had trained over 23,000 instructors, awarding over 2 million certificates to supervisors from 16,000 plants, unions, and services. Many defense-related companies established their own training departments with the instructors trained by TWI. These departments designed, organized, and coordinated training across the organisations. In 1942, the American Society for Training Directors (ASTD) was formed to establish some standards within this emerging profession. At the time, the requirements for full membership in ASTD included a college or university degree plus two years of experience in training or a related field, or five years of experience in training. A person working in a training function or attending college was qualified for associate membership.

### **Emergence of Human Resource Development**

During the 1960s and 1970s, the professional trainers realized that their role extended beyond the training in classrooms. The move toward employee involvement in many organisations required trainers to coach and counsel employees. Training and development (T&D) competencies therefore expanded to include interpersonal skills such as coaching, group process facilitation, and problem solving. This additional emphasis on employee development inspired the ASTD to rename itself as the American Society for Training and Development (ASTD).

The 1980s saw even greater changes affecting the T&D field. At several ASTD national conferences held in the late 1970s and early 1980s, discussions centered on this rapidly expanding profession. As a result, ASTD approved the term *human resource development* to encompass this growth and change. Books by individuals such as Leonard and Zeace Nadler appeared in late 1980s and early 1990s, and these helped to clarify and define the HRD field. Further, in the 1990s and up to today, efforts have been made to strengthen the strategic role of HRD, that is, how HRD links to and supports the goals and objectives of the organisation.

There was also an emphasis within ASTD (and elsewhere) on performance improvement as the particular goal of most training and HRD efforts, and on viewing organisations as high performance work systems. In 2004, ASTD had approximately 70,000 members in over 100 countries, and remained the leading professional organisation for HRD professionals. Recent emphasis on HRD (and within ASTD) will be discussed more in the following sections. First it would be helpful to discuss the relationship between human resource management and HRD.

### **Relationship between HRM and HRD**

In some organisations, training is a stand-alone function or department. In most organisations, however, training or human resource development is part of a larger human resource management system. Human resource management (HRM) can be defined as the effective selection and utilization of employees to best achieve the goals and strategies of the organisation, as well as the goals and needs of employees. An important point of emphasis is that the responsibility of the HRM is (or, at least, should be) shared by human resource specialists and line management. Some organisations have a centralized HRM department with highly specialized staff, but in other organisations, the HRM function is decentralized and conducted throughout the organisation.

HRM can be divided into primary and secondary functions. Primary functions are directly involved with obtaining, maintaining, and developing employees. Secondary functions either provide support for general management activities or are involved in determining or changing the structure of the organisations. These functions are detailed below.

### ***Primary HRM Functions***

- *Human resource planning* activities are used to predict how changes in management strategy will affect future human resource needs. These activities are critically important with the rapid changes in external market demands. HR planners must continually chart the course of the organisation and its plans, programs, and actions.
- *Equal employment opportunity* activities are intended to satisfy both the legal and moral responsibilities of the organisations through the prevention of discriminatory policies, procedures, and practices. This includes decisions affecting hiring, training, appraising, and compensating the employees.
- *Staffing (recruitment and selection)* activities are designed for the timely identification of potential applicants for current and future openings and for assessing and evaluating applicants in order to make appropriate selection and placement decisions.
- *Compensation and benefits* administration is responsible for establishing and maintaining an equitable internal wage structure, a competitive benefits package, as well as incentives tied to individual, team, or organisational performance.
- *Employee (labor) relations* activities include developing a communication system through which employees can address their problems and grievances. In a unionized organisation, labor relations will include the development of working relations with each labor union, as well as contract negotiations and administration.
- *Health, safety, and security* activities seek to promote a safe and healthy work environment. This can include actions such as safety training, employee assistance programs, and health and welfare programs.
- *Human resource development* activities are intended to ensure that organisational members have the skills or competencies to meet current and future job demands.

### ***Secondary HRM Functions***

Other functions that may be shared by HRM units include the following:

- *Organisation/job design* activities are concerned with interdepartmental relations and the organisation and definition of jobs.
- *Performance management and performance appraisal system* are used for establishing and maintaining accountability throughout the organisation.
- *Research and information systems* (including Human Resource Information Systems) are necessary to make enlightened human resource decisions.

Thus, the relationship between the HRM and HRD can be explained as:

- HRM is the large system in an organisation. HRD is a sub system of the large system and HRD activities cannot be performed in isolation
- HRM function is largely maintenance oriented and a function of management. HRD is an ongoing process and it is development oriented, aiming to enhance both personal and professional growth
- HRM believes that an increase in the business results would lead to increase in the performance or productivity. But HRD believes that the improvement in the performance would be the result of the continuous increase in its activities.
- HRM is more result oriented, whereas HRD is more process oriented
- HRM focuses more on the improvement in performance and on improvement in the capabilities of employees productivity
- HRM aims at creating a successful business result for the organisation and HRD aims at creating learning organisation for improving organisational capabilities and thereby successful business results.



## Summary

Human Resource Development is a system of developing in a continuous and planned way the competencies of individual employees, dyadic groups (supervisor and subordinate), teams and the total organisation to achieve organisational goals. Human resource development can be defined as a set of systematic and planned activities designed by an organisation to provide its members with the opportunities to learn necessary skills to meet current and future job demands. The evolution of human resource development includes apprenticeship training programs, vocational education programs, and factory schools, training programs for semiskilled and unskilled workers, human relations movement. In most organisations, however, training or human resource development is part of a larger human resource management department.

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## Lesson 1.2 - Human Resource Development Functions

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### Learning Objectives

*After reading this lesson, you may be able to*

- Understand the Functions of HRD
- Enunciate Roles of HRD Professionals
- Enumerate the Competencies of HRD Professionals
- Identify the Challenges of HRD

### Introduction

Human resource development can be a stand-alone function, or it can be one of the primary functions within the HRM department. An ASTD sponsored study by Pat McLagan sought to identify the HRD roles and competencies needed for an effective HRD function. This ASTD study documented a shift from the more traditional training and development topics to a function that included career development and organisation development topics to a function that included career development and organisation development issues as well. The study depicted the relationship between HRM and HRD functions as a “human resource wheel.”

### Functions of HRD

The original HR wheel from McLagan identified three primary HRD functions: (1) training and development, (2) organisation development, and (3) career development. These functions are discussed in greater detail.

### Training and Development (T&D)

Training and development (T&D) focus on changing or improving the knowledge, skills and attitudes of individuals. Training typically involves

providing employees the knowledge and skills needed to do a particular task or job, though attitude change may also be attempted. Developmental activities, in contrast, have a longer-term focus on preparing for future work responsibilities, by also increasing the capacities of employees to perform their current jobs.

T&D activities begin when a new employee enters into the organisation, usually in the form of induction training i.e. employee orientation and skills training. Employee orientation is the process by which new employees learn important organisational values and norms, establish working relationships, and learn as to how to function within their jobs. The HRD staff and the hiring supervisor generally share the responsibility for designing the orientation process, conducting general orientation sessions, and begin the initial skills training. Skills and technical training programs then narrow down in scope to teach the new employee a particular skill or area of knowledge.

Once the new employees have become proficient in their jobs, HRD activities should focus more on developmental activities—specifically, coaching and counseling. In the coaching process, individuals are encouraged to accept responsibility for their actions, to address any work-related problems, and to achieve and sustain superior levels of performance. Coaching involves treating employees as partners in achieving both personal and organisational goals. Counseling techniques are used to help employees deal with personal problems that may interfere with the achievement of these goals. Counseling programs may address such issues as substance abuse, stress management, smoking cessation, or fitness, nutrition and weight control.

HRD professionals are also responsible for coordinating management training and development programs to ensure that managers and supervisors have the knowledge and skills necessary to be effective in their positions. These programs may include supervisory training, job rotation, seminars, or college and university courses.

### **Organisation Development**

Organisation development (OD) is defined as the process of enhancing the effectiveness of an organisational capabilities and the

well-being of its members through planned interventions that apply behavioral science concepts. OD emphasizes both macro and micro level organisational changes; macro changes are intended to ultimately improve the effectiveness of the organisation, whereas micro changes are directed at individuals, small groups, and teams. For example, many organisations have sought to improve organisational capabilities by introducing employee involvement programs that require fundamental changes in work expectations, reward systems, and reporting procedures.

The role of the HRD professionals involved in an OD intervention is to function as a change agent. Facilitating change often requires consulting with and advising line managers on strategies that can be used to effect desired change. The HRD professional may also become directly involved in carrying out the intervention strategy, such as facilitating a meeting of the employees responsible for planning and implementing the actual change process.

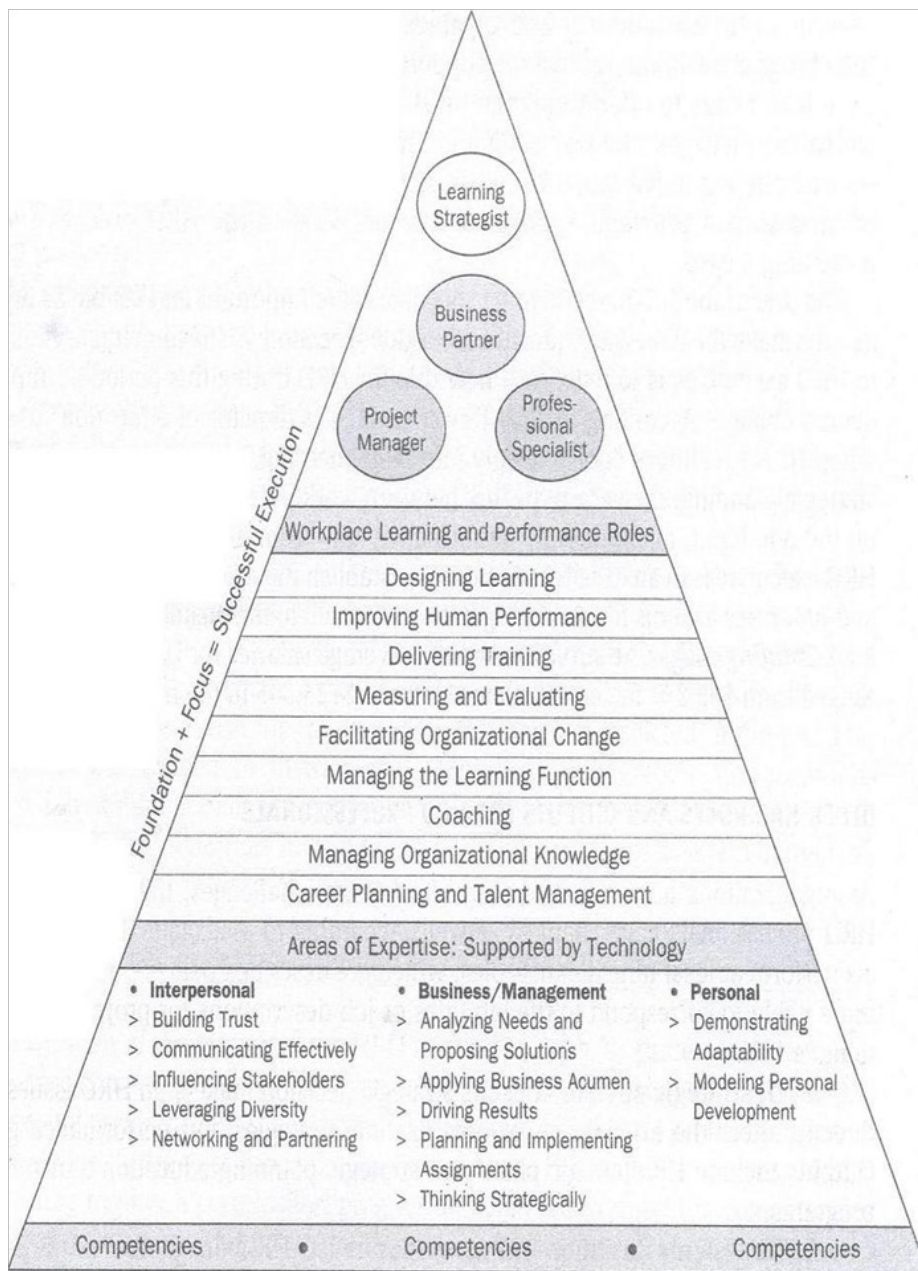
### **Career Development**

Career development is “an ongoing process by which individual’s progress through a series of stages, each of which is characterized by a relatively unique set of issues, themes, and tasks.” Career developments involve two distinct processes: career planning and career management. Career planning involves activities performed by an individual, often with the assistance of counselors 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 the organisation can do for foster employee career development. There is a strong relationship between career development and T&D activities. Career plans can be implemented, at least in part, through an organisation’s training programs.

### **Role & Competencies of HRD Professionals**

A HRD professional must perform a wide variety of functional roles. A functional role is a specific set of tasks and expected outputs for a particular job, for example, classroom trainer or instructional designer. To carry out these various roles, HRD professionals need to possess many different skills or competencies. In their “Mapping the Future” study,

Bernthal et al. described three areas of “foundational” competencies needed by all HRD professionals (see Figure). Foundational competencies are described in three areas: personal, interpersonal, and business/management. HRD professionals then make use of these foundational competencies as they develop particular areas of expertise. These areas of expertise are shown in the middle of the pyramid. Finally, the top of the pyramid shows four key roles for HRD professionals: learning strategist, business partner, project manager, and professional specialist.



### Competency Model

*Adopted from Werner & DeSimone (2007). Human Resource Development, 4e. Thomson South-Western.*

The learning strategist is involved in the high-level decision making concerning how HRD initiatives will support the goals and strategies of the organization.

The business partner works together with managers and others in determining how the HRD initiative will be implemented and evaluated. The project manager is involved in the day-to-day planning, funding, and monitoring of HRD initiatives, whereas the professional specialist adds his or her expertise in particular areas, for example, designing, developing, delivering, and evaluating the HRD initiative. HRD managers and executives are most likely to be involved with the learning strategist and business partner roles. Next, we will briefly discuss the roles played by two types of HRD professionals: the HRD executive/manager and the HRD practitioner.

### **The HRD Executive/Manager**

The HRD executive/manager has primary responsibility for all HRD activities. This person must integrate the HRD programs with the goals and strategies of the organization, and normally assumes a leadership role in the executive development program, if exists. If the organization has both the HRM and a HRD executive, the HRD executive must work closely with the HRM executive as well. The HRD executive often serves as an adviser to the chief executive officer and other executives. The outputs of this role include long-range plans and strategies, policies, and budget allocation schedules. One of the important tasks of the HRD executive is to promote the value of HRD as a means for ensuring that organizational members have the competencies to meet current and future job demands.

If senior managers do not understand the value of HRD, it will be difficult for the HRD executive to get their commitment to HRD efforts and to justify the expenditure of funds during tough times. Historically, during the times of financial difficulties, HRD programs have been the major target of cost-cutting efforts. Unless the HRD executive establishes a clear relationship between HRD expenditures and organizational effectiveness (including profits), HRD programs will not receive the support they need. But how does an HRD executive who wants to offer a program on stress management, for example, compete with a line manager who wants to purchase a new piece of equipment? The answer is the executive must

demonstrate the benefits the organization may receive by offering such a program. Evaluation data are vital to the HRD executive when presenting a case.

The role of the HRD executive has become more important and visible as organizations make the necessary transition to a global economy. The immediate challenge to HRD executives is to redefine a new role for HRD during this period of change. According to Jack Bowsher, former director of education for IBM, when HRD executives “delve deeply into reengineering, quality improvement, and strategic planning, they grasp the link between workforce learning and performance on the one hand, and company performance and profitability on the other.” The HRD executive is in an excellent position to establish the credibility of HRD programs and processes as tools for managing in today’s challenging business environment.

### **Other HRD Roles and Outputs for HRD Professionals**

As organizations have adjusted to environmental challenges, the roles played by HRD professionals have changed as well. According to McLagan, HRD professionals perform at least nine distinct roles. These roles as given below are more likely to correspond to the job titles or job descriptions for professional positions in HRD.

The *HR strategic advisor* consults strategic decision makers on HRD issues that directly affect the articulation of organization strategies and performance goals. Outputs include HR strategic plans and strategic planning education and training programs.

The *HR systems designer and developer* assist HR management in the design and development of HR systems that affect organization performance. Outputs include HR program designs, intervention strategies, and implementation of HR programs.

The *organization change agent* advises management in the design and implementation of change strategies used in transforming organizations. The outputs include more efficient work teams, quality management, intervention strategies, implementation, and change reports.



The *organization design consultant* advises management on work systems design and the efficient use of human resources. Outputs include intervention strategies, alternative work designs, and implementation.

The *learning program specialist (or instructional designer)* identifies needs of the learner, develops and designs appropriate learning programs, and prepares materials and other learning aids. Outputs include program objectives, lesson plans, and intervention strategies.

The *instructor/facilitator* presents materials and leads and facilitates structured learning experiences. Outputs include the selection of appropriate instructional methods and techniques and the actual HRD program itself.

The *individual development and career counselor* assists individual employees in assessing their competencies and goals in order to develop a realistic career plan. Outputs include individual assessment sessions, workshop facilitation, and career guidance.

The *performance consultant (or coach)* advises line management on appropriate interventions designed to improve individual and group performance. Outputs include intervention strategies, coaching design, and implementation.

The **researcher** assesses HRD practices and programs using appropriate statistical technique to determine their overall effectiveness and communicates the results to the organization. Outputs include research designs, research findings and recommendations, and reports.

### **Challenges to Organization and HRD Professionals**

Organizations confront with many challenges as a new organisation culture crop up. The recent ASTD-sponsored study (mentioned earlier) presented eight emerging workplace trends that impact HRD. These trends are given in Box 2.1 Along the same lines, Michael Hitt and his colleagues have identified increasing globalization and the technological revolution (in particular, the Internet) as two primary areas that enforce new environment. They suggest a number of actions that organizations have to address to the uncertainty and turbulence in the external environment.



These actions include developing employee skills, effectively using new technology, developing new organizational structures, and building cultures that foster learning and innovation. These obviously have a great deal to do with human resource development. We will add to and build upon their list to present five challenges currently facing the field of HRD. These challenges include (1) increasing workforce diversity, (2) competing in a global economy, (3) eliminating the skills gap, (4) meeting the need for lifelong individual learning, and (5) facilitating organizational learning.

### **Increasing Workforce Diversity**

The workforce has become increasingly diversified, and this trend will continue. This includes along racial, ethnic, and gender lines, as well as increasing percentage of the workforce over 55 of age.

Effectively managing diversity has been identified as one of five distinguishing features of organizations that make it into Fortune magazine's list of "100 Best Companies." Diversity issues have several implications for HRD professionals. First, organizations need to address racial, ethnic, and other types of diversity that may persist, as well as cultural and language diversities.

Second, with the increasing numbers of women in the workforce, organizations should continue to provide developmental opportunities that will prepare women for advancement into the senior ranks and provide safeguards against sexual harassment. Third, the aging of the workforce highlights the importance of creating HRD programs that recognize and address the learning-related needs of both younger and older workers.

1. Drastic times, drastic measures: Uncertain economic conditions force organizations to reconsider how can they grow and be profitable.
2. Blurred lines –life or work? New organizational structures are changing the nature of work for employees and HRD professionals.
3. Small and shrinking world: Global communication technology is changing the way people connect and communicate. The globe has become a small place.
4. New faces, new expectations: Diversity in the workplace continues to rise.

5. Work is nimble, work be quick: The accelerated pace of change requires more adaptable employees and nimbler organizations.
6. Security alert! Concerns about security and the ability of the governments to provide protection have increased individual anxiety levels worldwide.
7. Life and work in the e-lane: Technology, especially the Internet, is transforming the way people work and live.
8. A higher ethical bar: Ethical lapses at the highest levels in large organizations have shaken employees' loyalty, trust, and sense of security.

### **Competing in a Global Economy**

As companies compete in a global economy, many are introducing new technologies that require more educated and trained work force. Thus, successful organizations must hire employees with the knowledge to compete in an increasingly sophisticated market. Competing in the global economy requires more than educating and training workers to meet new challenges. In addition to retraining the workforce, successful companies will institute quality improvement processes and introduce change efforts (for example, high involvement programs). The workforce must learn to be culturally sensitive to communicate and conduct business among different cultures and in other countries. Developing managers to be global leaders has been identified as a major challenge for organizations in this decade. Additionally, employers are learning and implementing new ways of managing their employees.

### **Eliminating the Skills Gap**

As discussed, for companies to compete in a global economy, they must hire educated workers. The skills gap poses serious consequences for companies. Obviously, the business community has a vested interest in educational reform. There are some encouraging signs like, the Los Angeles public school system offering a guarantee to employers, stating that if any high school graduate is found to be deficient in basic skills, such as computation and writing, the school system will retain the graduate at no cost to the employer.

Other industrialized nations have made systematic changes to bridge the skills gap. For example, Japan and Germany, two of the United States' biggest competitors, have educational systems that do a better job of teaching students the basic skills needed by most employers. Among other things, Germany emphasizes vocational education and school-to-work transition programs, so that school-age children can begin apprenticeship programs as part of their formal education.

### **The Need for Lifelong Learning**

Given the rapid changes that organizations face, it is clear that employees must continue the learning process throughout their career to meet these challenges. This need for lifelong learning will require organizations to make an ongoing investment in HRD. Lifelong learning can mean different things to different employees. For example, for semiskilled workers, it may involve more rudimentary skills training to help them to build their competencies. To professional employees, this learning may mean taking advantage of continuing education opportunities. This is particularly important for certified professionals who are required to complete a certain number of continuing education courses to maintain their certification. To managers, lifelong learning may include attending management seminars that address new management approaches.

The challenge to HRD professionals is to provide a full range of learning opportunities for all kinds of employees. One way that organizations are meeting this challenge is by establishing multimedia learning centers (sometimes on the organization's intranet). These centers offer a variety of instructional technologies that can be matched to each trainee's unique learning needs. Individual assessments can determine deficiencies or gaps in employees' performance capabilities, while also pointing out their preferred learning styles. For instance, self-motivated employees found to be deficient in arithmetic may be trained in an interactive video program allowing them to set their own pace. A multimedia learning center could also provide teleconferencing facilities for technical and professional employees to participate in a seminar that is being conducted thousands of miles away. What is clear, however, is that whether they use multimedia or other training approaches, organizations must find a way to provide lifelong learning opportunities to all of their employees.

## **Facilitating Organizational Learning**

Organization development scholars such as Chris Argyris, Richard Beckhard, and Peter Senge, author of the book *The Fifth Discipline*, have recognized that if organizations are going to make fundamental changes, they must be able to learn, adapt, and change. A survey of HRD executives stated that 94 percent of the respondents felt that it is important for an organization to become a learning organization.

Although such principles emphasize the organizational level, they also have implications at the group and individual levels. One challenge for HRD professionals is to facilitate the transition of traditional training programs to emphasis on learning principles and tactics, on how learning relates to performance, and more importantly, on the relationship between learning and fundamental change. To do this, HRD professionals must develop a solid understanding of learning theory and be able to devise learning tools that enhance individual development.

### **Summary**

HRD functions are training and development, organization development and career development. A HRD professional must perform a wide variety of functions. A functional role is a specific set of tasks and expected outputs for a particular job. To carry out these various roles, HRD professionals need to possess many different skills or competencies. Roles are more likely to correspond to the job titles or job descriptions for professional positions in HRD. Increasing globalization and the technological revolution are identified as two primary factors that make for a new competitive advantage.

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## Lesson 1.3 - Employee Behavior and Influences

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### Learning Objectives

*After reading this lesson, you may be able to*

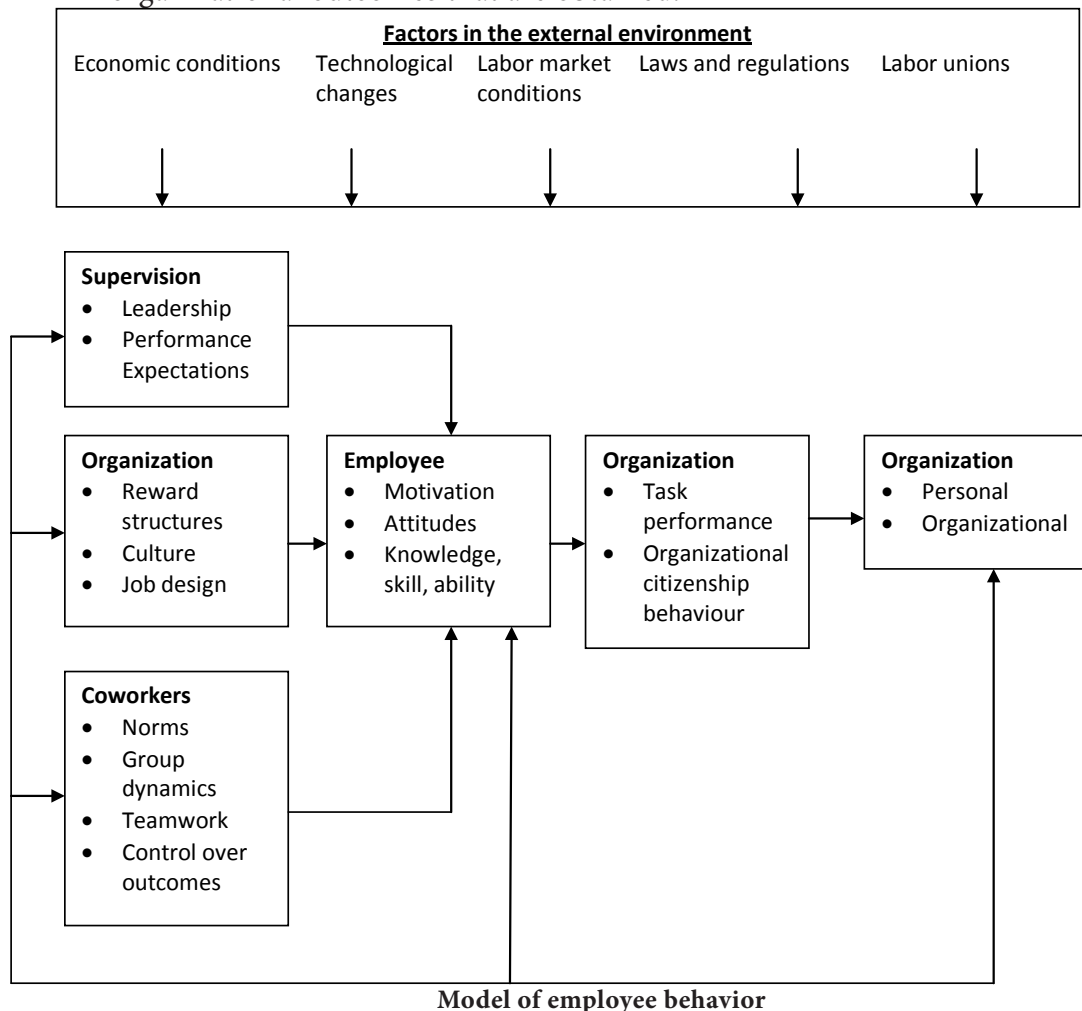
- Understand The Model Of Employee Behaviour
- Delineate The Internal Influence Of Employee Behaviour
- Enumerate The Factors Influencing Employee Behaviour
- Introduction
- Model Of Employee Behavior
- Motivation: An Internal Influence
- Other Internal Factors That Influence Employee Behavior
- Summary
- Review Questions
- Suggested Readings

### Introduction

The overarching goal of Human Development interventions is to assist employees and organizations in attaining their goals. HRD professionals can help employees meet their personal goals by providing programs and interventions that promote individual development, for example, career development activities, mentoring, and formal training and educational opportunities. With reference to the organizational goals, the ultimate objective of most is to improve organizational performance. HRD efforts are certainly not the only contributors to organizational performance; however, they are increasingly recognized as a critical component of organizational success. Further, a major focus of most HRD interventions is an effort to change employee behavior. That is, providing the employees with the skills and behavior they need to perform successfully should lead to the greatest accomplishment of both employee and organizational goals. Thus, the field of HRD has a strong focus on employee behavior.

## Model of Employee Behavior

The model of employee behavior is shown in Figure which presents the key factors affecting employee behavior and their corresponding relationships. It includes two main categories: (1) external forces- found in the external environment (outside the organization), as well as in the work environment (inside the organization), including leadership, aspects of the organization, coworkers, and the outcomes of performance and (2) internal forces- that is, those within the employee, including motivation, attitudes, and KSAs (knowledge, skills and abilities). The model assumes that external and internal forces interact to produce a given behavior, and that employee behavior has a direct relationship to the personal and organizational outcomes that are obtained.



*Adopted from Werner & DeSimone (2007). Human Resource Development, 4e. Thomson South-Western.*

The model is relatively simple for clarity and relevance to HRD. Our goal is not to cover all possible causes for employee behavior, but to

include only those most critical to designing, delivering, and using HRD programs.

## **External Influences on Employee Behavior**

### **Factors in the External Environment**

Influences from outside the organization, that is, the external environment, clearly influence employee behavior. Factors from the external environment include the general state of the economy the various governmental laws, regulations, and regulatory agencies; what other organizations or competitors are doing; plus the many global and technological issues. Even organizations with strong internal work environments and high levels of employee behaviors can be negatively impacted by external factors such as a downturn in the economy or a sudden technological change. External forces often lead organizations to reduce their workforce. Downsizing refers to actions on the part of organizations to reduce the overall size of their workforce, generally to reduce costs.

### **Factors in the Work Environment**

In addition to factors in the external environment, there are also factors within the organization that influence employee behavior. There are four sets operating within the work environment that affect employee behavior: They are outcomes, the supervisor, characteristics of the organization itself, and coworkers. Table 3.1 presents a list of these forces and some of the issues found in each.

**Outcomes:** It occur as a result of a given employee behavior. Outcomes can be personal or organizational in nature. Personal outcomes are those that have value to the individual, such as pay, recognition, and emotions. Organizational outcomes are things valued by the organizations, such as teamwork, productivity, and product quality. These outcomes are what the organization would ultimately hope to achieve by the collective efforts of all organizational members. The word value in this context should not imply those outcomes that are always positive or desirable. Behavior can also result in outcomes out of the employees fear or dislike. Embarrassment, disciplinary actions, transfers, loss of pay or privileges, and ostracism are all possible unpleasant outcomes of employee behavior.

From the Work Environment	
Factor	Issues
Outcomes	Types Effect on motivation
Supervision	Leadership Performance Expectations
Organization	Reward structure Organizational culture Job design
Coworkers	Norms Group dynamics Teamwork Control of outcomes

**Influences on employee behaviour**

***Supervision and Leadership:***

The immediate supervisor plays an important role in the employee's work life, delegating tasks and responsibilities, setting expectations, evaluating performance, and providing (or failing to provide) feedback, rewards, and discipline. Even with the shift toward greater use of teams, including more self-directed work teams, supervisors continue to play a critical role in the success of most organizations. Although the influences supervisors have on subordinates are numerous and sometimes complex, two factors deserve comments: i.e. self-fulfilling prophecy and leadership.

Research on *self-fulfilling prophecy*, or the Pygmalion effect, has shown how the expectations a supervisor establishes can influence a subordinate's behavior. Self-fulfilling prophecy states that expectations of performance can become reality because people strive to behave consistently with their perceptions of reality. If supervisors (or trainers) expect good performance, their behavior may aid and encourage their subordinates (or trainees) to raise their own self-expectations, increase their efforts, and ultimately perform well. The opposite would happen if supervisors or trainers expected poor performance.



The supervisor's approach to leadership can influence employee performance as well. *Leadership* is the use of non coercive influence on the followers to direct and coordinate the activities of a group toward accomplishing a goal. There are almost as many definitions of leadership and theories as there are leadership researchers. Two examples serve to demonstrate the effect a supervisor's leadership may have on employee behavior.

First, Robert House argued in his path-goal theory that a leader's role is to identify goals and clarify the paths employees may have to take to reach these goals.

Second, George Graen's Leader-Member-Exchange (or LMX) model of leadership (earlier called the vertical-dyad linkage approach) observes that supervisors tend to develop different quality relationships with different subordinates.

### ***The organization:***

The organization itself can influence employee behavior through its reward system, culture, and job design. Reward structure focuses on

- The types of rewards an organization uses (monetary rewards and non monetary rewards);
- How the rewards are distributed (e.g., equally to all, relative to each individual's contribution, or on the basis of need); and
- The criteria for reward distribution (results, behavior, or nonperformance issues, such as seniority or tenure).

Further, rewards include not only tangible things, such as financial bonuses and plaques, but also intangible things, such as recognition and acceptance. Reward systems should ideally provide the outcomes desired by members of the organization. Similar to our previous discussion of "outcomes," motivation theories can serve as the foundation for organizational reward systems as well.

*An organization's culture* can also have a strong effect on individual behavior. Organizational culture is a set of values, beliefs, norms, and patterns of behavior that are shared by organization members and that

guide their behavior. Individuals who understand an organization's culture are better able to accurately interpret ways in new or unfamiliar situations. Organizations that have a strong culture try to perpetuate that culture by selecting individuals who already share the culture (as Southwest Airlines does in its efforts to recruit people who have "fun," team-oriented attitude) and by socializing new members so that they accept these norms and values.

*Job design* is the development and alteration of the components of a job (such as the tasks one performs, and the scope of one's responsibilities) to improve productivity and the quality of the employee's work life. According to Hackman and Greg Oldham, when jobs contain factors that satisfy employees' personal growth needs or provide elements that generate feelings of responsibility, meaningfulness, and knowledge of results, employees will be more satisfied and more productive.

Job design has received considerable attention and research support. The implication of job design for HRD is twofold. First, the way an organization chooses to construct its job can affect an employee's behavior and attitudes. Second, to improve an employee's performance and attitudes, the focus can be on altering the job rather than the employee.

### **Coworkers and Teams**

Coworkers, and especially team members, can exert a strong influence on an employee's behavior in at least three ways. *First*, coworkers' control some of the outcomes valued by an employee, and may use those outcomes to influence the employee's behavior. For example, if an employee behaves in a way coworkers' value, they may reward or reinforce that behavior by offering friendship and recognition.

Similarly, coworkers may choose to react to behavior they disapprove of by withholding desired outcomes or punishing the employee through insults, ostracism, or threats. This is especially true in team situations, where members hold each other accountable for behaviors and performance, and where access to rewards is based on team performance.

*Second*, norms, or informal rules for appropriate behavior established within work groups, can serve as guidelines for appropriate

behavior, if employees choose to comply. Norms send a clear message about what behavior is expected and may lead employees to behave in ways that differ from typical patterns.

*Third*, because HRD programs are often administered to groups of employees and employees must perform newly learned behaviors in group settings, HRD professionals need to understand the effect of group dynamics on behavior. Group dynamics influence the way an employee may behave when interacting in a group.

Dynamics such as groupthink and social loafing show that the performance of individuals within groups can differ from their behavior. Groupthink occurs when group members are primarily concerned with unanimity, making poor decisions by failing to realistically assess alternatives. Social loafing is the tendency of the group members to reduce their effort as the size of the group increases.

The implication of dynamics, such as social loafing and groupthink is that, consideration must be given to how employees will behave when they are in group settings. Care should be taken when designing and implementing HRD programs to ensure that group dynamics do not undermine the learning process.

Teamwork both amplifies the importance of coworkers' influence on individual behavior and brings other dynamics to the forefront. Two teamwork issues are trust and cohesiveness. Trust has to do with expectations that another person (or group of people) will act benevolently toward you. There is a certain vulnerability or riskiness to trust, in that the other party may not fulfill your expectations.

Yet, research has demonstrated strong links between interpersonal trust and employee performance (including citizenship behaviors), problem solving, and cooperation. Cohesiveness is the members' sense of togetherness and willingness to remain as part of the group. Given team members' level of interdependence, they must trust one another and feel a sense of cohesiveness if the team is to work together and be successful.

**Motivation: an Internal Influence**

Motivation is one of the most basic elements of human behavior. Motivational theories attempt to explain how the effort is generated and channeled. Terry Mitchell synthesized many definitions of work motivation as “the psychological processes that cause the arousal, direction, and persistence of voluntary actions that are goal directed.”

This definition makes several important points. **First**, work motivation pertains to the causes of voluntary behavior performed in the workplace. Even in situations where employees feel they do not have a choice, their behavior reflects their consideration of the perceived consequences of their actions.

**Second**, motivation focuses on several processes affecting behavior:

- Energizing- The generation or mobilization of effort
- Direction- Applying effort to one behavior over another
- Persistence- Continuing to perform a behavior.

*Third*, motivation at work is usually seen as an individual phenomenon, because all people have unique needs, desires, attitudes, and goals. Most motivational theories recognize these differences, and often include components that describe how they affect the motivational process.

Understanding motivation is critical to HRD. The success of many HRD programs and processes depends in part on as to whether the individual is motivated to participate, learn, and use what is learned to improve performance. A person choosing to attend a training class, but failing to use the skills learned may be rooted in motivation.

Programs designed with an eye on motivation can explicitly address these issues. In addition, motivation theories are useful in diagnosing the causes of performance problems and often serve as the basis for designing or choosing HRD programs to remedy those problems.

Theories of work motivation are abundant. Although some theories share common processes and constructs, there is no single, inclusive, and widely accepted explanation of work motivation.

In general, approaches to explaining motivation can be grouped into the three categories as displayed in Table need-based, cognitive, and non cognitive.

Approach	Theories
<b><i>Need based</i></b>	
Underlying needs, such as the needs for safety or power, drive motivation	Maslow's Need Hierarchy Theory, ERG- Alderfer's Existence, Relatedness, and Growth Theory, Herzberg's two factor theory
<b><i>Cognitive process</i></b>	
Motivation is a process controlled by conscious thoughts, beliefs, and judgements	Expectancy Theory, Goal-setting Theory, Social learning Theory, Equity Theory
<b><i>Noncognitive</i></b>	
Motivation is explained as an interaction between behaviour and external events without appealing to internal thoughts or needs	Reinforcement Theory

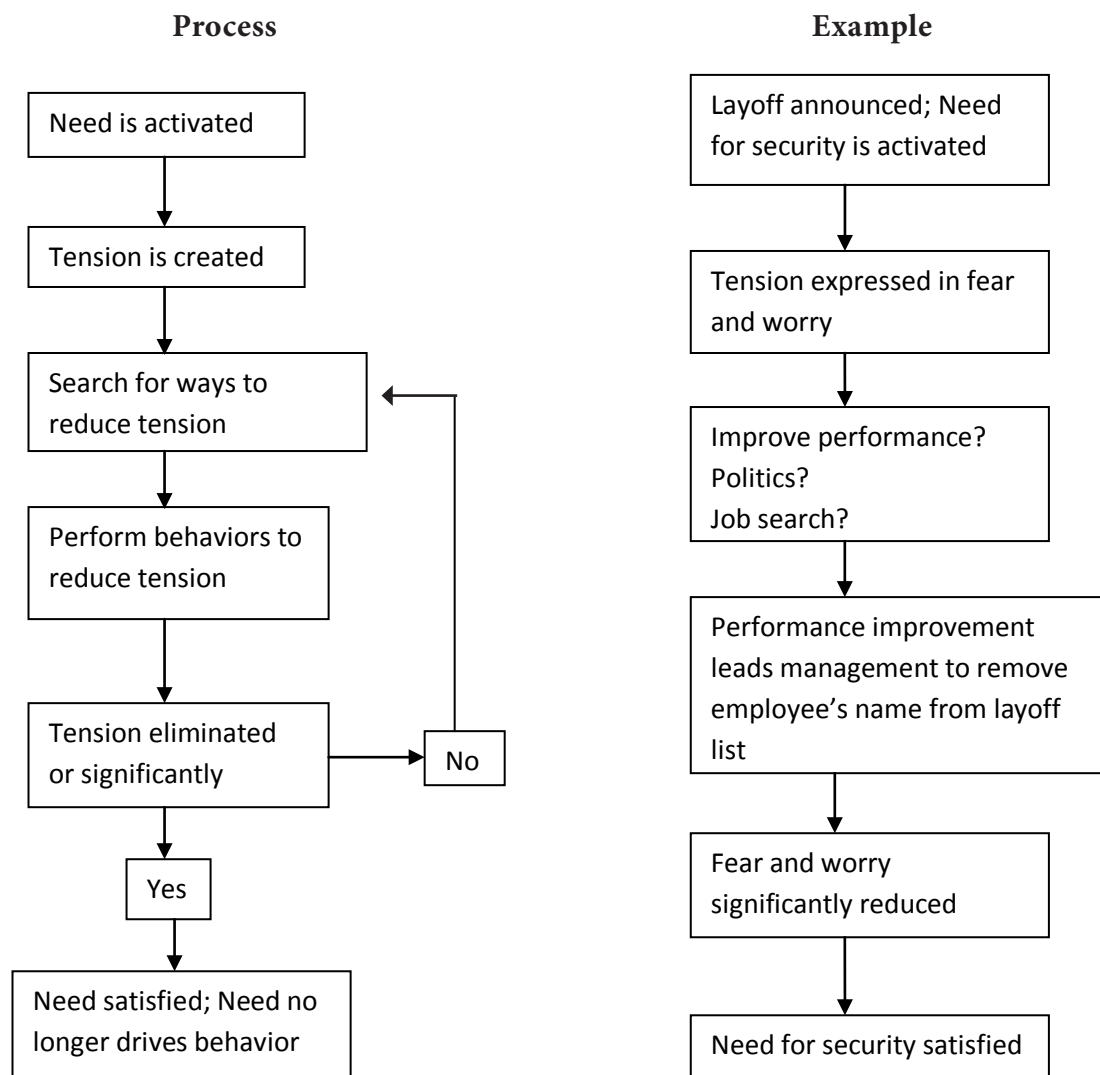
**Approaches for explaining motivation**

### **Need-Based Theories of Motivation**

Several motivational theories are rooted in the concept of needs. Needs are deficiency states or imbalances, either physiological or psychological, that energize and direct behavior. Henry Murray proposed that humans experience a large number of needs, such as aggression, affiliation, autonomy, and achievement.

Although needs are internal states, they can be influenced by forces in the environment. Needs are said to drive behavior through the combination of need activation and need satisfaction, a process depicted in Figure. The need becomes activated when a person lacks something necessary for maintaining his/her psychological or physiological equilibrium.

The activated need is felt as tension. The tension may be a recognizable feeling such as loneliness, or it may be more general, such as anxiety. As the tension is unpleasant, the person, the person will look for ways to reduce the tension by eliminating the deficiency that is causing it.



**The need activation and need satisfaction process**

That person will continue to perform different behaviors until one is found effectively reduces the tension and, thus, satisfies that need. Only activated needs can be motivational, because only an activated need produces the tension the person is motivated to eliminate. Once the need is satisfied, the tension is released and the need is no longer felt.

Two widely cited need-based theories of motivation are: Maslow's need hierarchy theory and Alderfer's ERG (existence, relatedness, and growth) theory, suggest that needs are arranged in a hierarchy. They propose that needs emerge in a part pattern, in which certain groups of needs (those important to physical survival) emerge first and the moment it is satisfied other needs (psychological and social needs like affiliation and esteem) arises and affect behavior. Once the currently activated needs are satisfied, the next group of needs are felt and thus will drive behavior.

Maslow's need hierarchy lists five categories or levels: physiological, safety and security, love, status and esteem, and self-actualization. Alderfer's ERG theory reduces Maslow's hierarchy to three levels of needs: existence, relatedness, and growth. More important, ERG theory proposes that if a person becomes frustrated trying to satisfy the currently activated needs, this frustration will cause previously satisfied needs to be activated and drive behavior.

Another widely discussed need-based theory is Herzberg's two-factor theory. Herzberg claimed that people have two sets of basic needs, one focusing on survival and another focusing on personal growth. He argued that factors in the workplace that satisfy survival needs, or hygiene factors cannot provide job satisfaction—they only prevent dissatisfaction. Alternatively, motivating factors, which satisfy the growth needs, can create feelings of job satisfaction, but their absence will not necessarily lead to dissatisfaction. Following the two-factor theory, workers can be motivated by ensuring that hygiene factors are present, thereby preventing dissatisfaction, and then adding motivating factors to create job satisfaction. This strategy is referred to as job enrichment.

### **Cognitive Process Theories of Motivation**

Only a few would deny that our conscious thoughts play a role in our behavior. A second group of motivation theories, called cognitive process theories, recognizes this and argues that “*motivation is based on a person's thoughts and beliefs*” (or cognitions). These theories are sometimes referred to as process theories because they attempt to explain the sequence of thoughts and decisions that energize, direct, and control behavior.

Cognitive motivation theories have direct relevance to HRD. Most HRD programs include attempts to change employee behavior by influencing their thoughts, beliefs, and attitudes. Learning, which lies at the heart of HRD, is often seen as a cognitive process.

**Expectancy theory:** Expectancy theory, first proposed by Victor Wroom, assumes that “*motivation is a conscious choice process*”. According to this theory, people choose to put their effort into activities that they believe they can perform and that will produce desired outcomes. Expectancy theory states that decisions about which activities to engage in

are based on the combination of three sets of beliefs: expectancy, valance and instrumentality.

Expectancy beliefs represent the individual's judgment about whether applying (or increasing) effort to a task will result in its successful accomplishment. People with high expectancy believe that increased effort will lead to better performance, but people with low expectancy do not believe that their efforts, will affect their performance. Other things being equal, people should engage in tasks for which they have high expectancy.

The second belief is the valance. Valence refers to the value a person places on a particular outcome. Valence judgments range from highly valued outcomes, through outcomes the person doesn't care for. Thirdly the Instrumentality is a judgment about the connection the individual perceives between the task performance and possible outcomes.

Expectancy theory states that employees will make these three sets of judgments when deciding which behaviors and tasks to engage in. specifically, the theory predicts that employees will choose to put effort into behaviors they

- The preference for a particular outcome
- The belief that the particular act will lead to the desired out and also the belief that those acts have always led to that outcome.

Viewing employee behavior from an expectancy theory perspective, supervisors and HRD professionals can design and market programs in ways to ensure that employees make the appropriate judgments and as a result will be motivated to learn, and apply what they have learned on the job. Some ways to do this include offering incentives such as holding HRD programs in attractive locations, offering paid time to attend the programs, designing a program that is interesting and enjoyable, providing proof that the program is effective and making success in the program is a prerequisite for promotion and other desirable outcomes.

**Goal-setting theory:** A second cognitive theory of motivation is goal-setting theory. Goal-setting theory states that performance goals play a key role in motivation. The theory proposes that goals can mobilize employee effort, direct their attention, increase their persistence, and



affect the strategies they will use to accomplish a task. Goals influence the individual's intentions, which are defined as the "cognitive representation of goals to which the person is committed." This commitment will continue to direct employee behavior until the goal is achieved, or until a decision is made to change or reject the goal.

Goal setting is probably the best-supported theory of work motivation, and one of the best-supported theories in management. Researches show that goals that are specific, difficult, and accepted by employees will lead to higher levels of performance than easy, vague goals. This research also demonstrates that the presence of feedback enhances the effectiveness of goal setting.

According to goal-setting theory, an employee who establishes career goals is more likely to advance in his or her career, especially if the goals are specific, challenges, and accompanied by regular feedback on progress toward the goals. Career development programs should ensure that employees set such goals and help employees and the organization establish mechanisms for regular feedback.

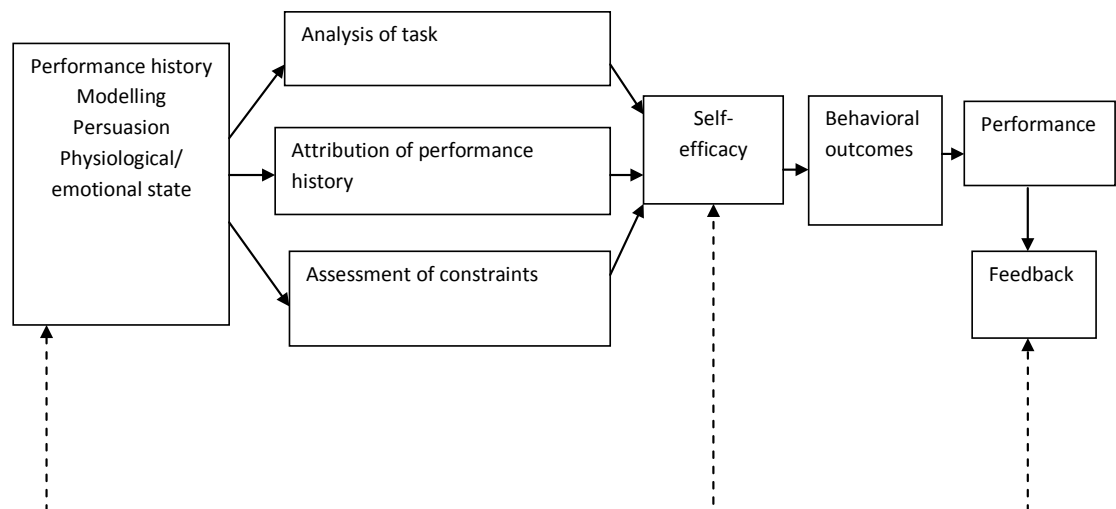
***Social learning theory:*** Albert Bandura developed a third cognitive theory of motivation, which is social learning theory. Bandura proposes that outcome and self-efficacy expectations affect individual performance (Figure). An outcome expectation (similar to instrumentality in expectancy theory) is a person's belief that performing a given behavior will lead to a given outcome.

Self-efficacy can be defined as "people's judgments of their capabilities to organize and execute courses of action required to attain designated types of performance. It is concerned not with the skills one has but with judgments of what one can do with whatever skills one possesses." A shorthand way of looking at self-efficacy is that it is a person's judgment of the likelihood that he or she can successfully perform a particular task or activity. Self-efficacy beliefs are malleable and can be influenced by one's accomplishments, observations of others, verbal persuasion, and physiological states.

The major prediction of the social learning theory is that a person's self-efficacy expectations will determine

1. Whether a behavior will be performed,
2. How much effort will be spent, and
3. How long the person will continue to perform the behavior.

Bandura argues that people who have high self-efficacy for a particular task will focus their attention on the challenges of the situation and use greater effort in mastering them, thus increasing the chances of successful task performance.



**A model of the relationship between self-efficacy and performance**

*Adopted from Werner & DeSimone (2007). Human Resource Development, 4e. Thomson South-Western.*

Conversely, people who have low self-efficacy for a particular task will focus their thoughts on obstacles and shortcomings, and as a result, reduce their chances of successful task performance. Clearly, self-efficacy has direct relevance for success in HRD. If employees have low-efficacy expectations, it is unlikely that they will not put forth the same effort as persons with high self-efficacy. Therefore, trainers and supervisors should behave in ways that increase the trainees' judgments of their self-efficacy.

Social learning theory also proposes that most behavior is learned by observing others, a process called modeling. Research suggests that through observing the behaviors and its consequences in others, individuals can learn new behaviors and make decisions about whether to perform a particular behavior themselves. Modeling has also been applied to HRD

with great success in a training approach known as behavior modeling. In behavior modeling training, the trainee is told the components of the behavior to be learned and shown a film or videotape in which an actor (the model) demonstrates how to perform the behavior. Then the trainee practices the behavior with feedback from others and finally receives social reinforcement for performing the behavior.

**Equity theory:** A fourth cognitive theory of motivation, called equity theory, suggests that motivation is strongly influenced by the desire to be treated fairly. As a theory of work motivation, it is based on three assumptions:

1. People develop beliefs about what is fair for them to receive in exchange for the contributions that they make to the organization.
2. People determine fairness by comparing their relevant returns and contributions to those of others.
3. People who believe they have been treated unfairly (called inequity) will experience tension, and they will be motivated to find ways to reduce it.

Equity theory predicts that employees who believe they are being treated fairly (a judgment called equity) will be motivated to continue their performance and behavior patterns. There are at least five ways in which individuals reduce their feelings of inequity whenever they have such feelings:

1. Cognitively distorting views of contributions or rewards
2. Influencing the perceived rival to change his or her contributions or rewards (e.g., convincing the person to be less productive)
3. Changing one's own contributions or rewards (either working harder or contributing less)
4. Comparing oneself to a different person.
5. Leaving the situation (requesting for a transfer or quitting)

### **Reinforcement Theory: A Non Cognitive Theory of Motivation**

Reinforcement theory is rooted in behavioralism, which attempts to explain behavior without referring to unobservable internal forces such

a needs or thoughts. Behaviouralists seek to explain behavior by focusing only on things that can be directly observed. In short, reinforcement theory states that behavior is a function of its consequences. This is based on the law of effect, which states that behavior that is followed by a pleasurable consequence will occur more frequently (a process called reinforcement), and behaviors that is followed by an aversive consequence will occur less frequently. According to reinforcement theory, a manager or trainer can control an employee's behavior by controlling the consequences that follow the employee's behavior.

Reinforcement theory can be applied using a set of techniques known as behavior modification. Behavior modification suggests four choices for controlling an employee's behavior:

1. **Positive reinforcement** refers to increasing the frequency of a behavior by following the behavior with a pleasurable consequence.
2. **Negative reinforcement** increases the frequency of a behavior by removing something aversive after the behavior is performed.
3. **Extinction** seeks to decrease the frequency of a behavior by removing the consequence that is reinforcing it.
4. **Punishment** seeks to decrease the frequency of a behavior by introducing an aversive consequence immediately after the behavior.

In addition to the type of consequences that follows a behavior, the way that consequences are paired with behaviors, called a schedule of reinforcement, is an important part of how behavior modification can be effectively applied.

Reinforcement theory has received strong support in a large body of research and has helped increase the understanding of work-related behavior. Reinforcement theory has also had a strong influence on HRD. Methods of instruction, such as programmed instruction and some approaches to computer-based training, draw heavily from reinforcement theory. Trainers and managers can also motivate employees to learn and use what they have learned back on the job by using behavior modification techniques.

## Other Internal Factors that Influence Employee Behavior

Internal factors, in addition to motivation, that influence employee behavior include attitudes and knowledge, skills, and abilities (KSAs). Each of these factors is discussed as follows:

### Attitudes

Attitudes add to our understanding of employee behavior by showing another way that thoughts can influence behavior. Many HRD interventions, including training evaluation, management development, and organizational development, either focus on modifying employee attitudes or use attitudes as a central component. For example, one common way HRD programs are evaluated is by means of assessing employee attitudes toward the program and its content.

What is an attitude? An attitude “represents a person’s general feeling of favorableness or un-favorableness toward some stimulus object.” Attitudes are always held with respect to a particular object-whether the object is a person, place, event, or idea- and indicate one’s feelings or affect toward that object. Attitudes also tend to be stable over time and are difficult to change.

Of particular interest to HRD is the relationship between attitudes and behavior. Although common sense tells that attitudes often cause behavior, the reality is more complex i.e. whether the attitudes directly affect our behavior, without any other intervening factors, or behavior is consistent with those attitudes. Unfortunately, this is not always the case. Attitudes can be used to predict behavior, but the predictions are at best only moderately accurate. Researchers attempting to prove a direct relationship between attitudes and behavior have experienced considerable frustration.

Research conducted over the past thirty years suggests that the relationship between attitudes and behavior is not simple or direct. One widely discussed model that explains this relationship is the behavioral intentions model. This model states that it is the combination of attitudes with perceived social pressure to behave in a given way (called subjective norms) that influences an individual’s intentions. These intentions, in turn, more directly influence behavior. When attitudes and subjective

norms conflict with each other the stronger of the two plays the dominant role in determining what the individual's intentions will be. According to the behavioral intentions model, then, attitudes appear to affect behavior only to the extent that they influence one's intentions.

Relying solely on measuring attitudes to determine whether employees will apply what they have learned in a HRD program will likely produce only moderately accurate results. The behavioral intentions model suggests that it may be more useful to measure trainee's intentions to use what they have learned, because intentions incorporate attitudes and more directly influence behavior. Although this is no substitute for assessing an actual change in job behavior, the behavioral intentions model implies that intentions, rather than attitudes alone, may be a better indicator of program effectiveness.

Attitudes are an important factor in HRD programs. Ray Noe proposed that two types of attitudes, reaction to skills assessment feedback and career/job attitudes can have a direct effect on the motivation to learn. An empirical test of the model suggested that these factors do influence motivation and learning in a training program.

### **Knowledge, Skills, and Abilities (KSA)**

The final internal factor is the employee's knowledge, skills, and abilities (KSAs). It is clear that KSAs have a significant impact on employee performance. All other things being equal, if employees lack the KSAs to perform a task, they may not perform well. Almost all HRD programs focus on improving or renewing the KSAs of employees.

Despite the ubiquitous nature of KSAs, these factors can be difficult to define with precision. Definitions differ according to the person defining them. Edwin Fleishman, a leading researcher of human abilities, defines abilities as general capacities related to the performance of a set of tasks. Abilities developed over time through the interaction of heredity and experience, and are long-lasting. Skills are similar to abilities, but differ in that they combine abilities with capabilities that are developed as a result of training and experience. Skills are often categorized as psychomotor activities, whereas abilities tend to be more cognitive, and skills are typically measured in terms of the ease and precision evident in the performance of some task.

Finally, knowledge is defined as an understanding of factors or principles related to a particular subject. Researchers have developed taxonomies to describe the abilities needed to perform particular tasks. Taxonomies help HRD professionals to select and assign employees for training, choose appropriate learning strategies for individuals with different skill levels, and specify training needs and content when designing training programs. It should be clear from the preceding discussion that motivation, attitudes, and ability are critical to explaining employee behavior and to understanding and applying for HRD. It is the combination of these influences with the external influences that affect employee behavior.

### **Summary**

HRD professionals can help employees meet their personal goals by providing programs and interventions that promote individual development. Model of employee behavior includes two main categories: external forces and internal forces. External environment influences employee behavior. The immediate supervisor plays an important role in the employee's work life, delegating tasks and responsibilities, setting expectations, evaluating performance, and providing feedback, rewards, and discipline. Motivation is one of the most basic elements of human behavior. Internal factors, in addition to motivation, that influence employee behavior include attitudes and knowledge, skills, and abilities.

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## Lesson 1.4 - Learning and HRD

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### Learning Objectives

*After reading this lesson, you may be able to*

- Define Learning
- Understand the Basic Principles of Learning
- Understand the Training Design
- Enunciate Individual Differences in the Learning Process
- Identify Learning Strategies and Styles

### Learning and Instruction

Learning is defined as a relatively permanent change in behavior, cognition, or affect that occurs as a result of one's interaction with the environment. Several aspects of this definition are important. First, the focus of learning is change, either by acquiring something new (skill in conducting meetings) or modifying something that already exists. Second, the change must be comparatively long lasting before we can say learning has really occurred. Third, the focus of learning can include behavior, cognitions, affect, or any combination of the three. Learning outcomes can be skill based (climbing a utility pole), cognitive (procedures for applying for a research grant), or effective (becoming more safety conscious). Finally, learning results from an individual's interaction with the environment. Learning does not include behavior changes attributable to physical maturation or a temporary condition (such as fatigue or drugs).

### The Basic Learning Principles

The cornerstone of learning theory is the concept of association. Association is the process by which two cognitions become paired together, so that thinking about one evokes thoughts about the other. There are



three principles that influence the learning of associations. They are:

1. **Contiguity** Objects that are experienced together tend to become associated with each other. For example, learning vocabulary in a foreign language usually involves pairing a new word with an object or picture of an object.
2. **The Law of Effect** The law of effect states that a behavior followed by a pleasurable consequence is likely to be repeated. For example, when a superior compliments a police officer who values recognition for the way he or she has handled a difficult arrest, the officer associates the compliment with the arrest method and he/she is likely using that method to make difficult arrests in the future.
3. **Practice** Repeating the events in an association will increase the strength of the association. For example, the more times someone rappels down a cliff or a wall, the more adept he or she becomes at rappelling. But practice alone is not enough to guarantee a strong association. The effect of practice is strengthened with reinforcement, such as receiving a pleasurable consequence.

### Limits of Learning Principles in Improving Training Design

Unfortunately, when it comes to improving training design, these general principles are not as helpful as one might expect. Many of the researches that demonstrated these principles were conducted in tightly controlled laboratory settings using artificial tasks, which limit the applicability of the findings to many “real-world” training settings.

Robert Gagne convincingly demonstrated the limited benefit of learning principles to increase training effectiveness in landmark article “Military Training and Principles of Learning.” Gagne showed that practice and reinforcement failed to improve performance of three representative military tasks: **gunnery** (a motor skill), turning on a radar set (a procedural task), and diagnosing malfunctions in complex electronic equipment (troubleshooting). Instead of relying on the prevailing learning principles, Gagne argued that training could be improved by using three principles:

1. **Task Analysis** Any task can be analyzed into a set of distinct component tasks.

2. **Component Task Achievement** Each component task must be fully achieved before the entire task performed correctly.
3. **Task Sequencing** The learning situation should be arranged so that each of the component tasks is learned in the appropriate order before the total task is attempted.

### **Maximising Learning**

Definition of learning makes it clear that people acquire and develop skills, knowledge, and change behavior as a result of an interaction between forces within the learner and in the environment.

### **Trainee characteristics**

A learner or trainee's personal characteristics will influence how he or she learns new tasks and new information. There are three such characteristics and they are trainability, personality, and attitudes. We discuss these three primary areas as we emphasize ways to maximize learning, namely trainee characteristics, training design, and the transfer of training.

**Trainability** focuses on the trainee's readiness to learn and combines the trainee's level of ability and motivation with his or her perceptions of the work environment. A simple formula to convey this is:

Trainability= f (motivation x Ability x perceptions of the Work Environment)

This formula illustrates that a trainee must have both the motivation and the ability to learn; if either of this is lacking, learning will not occur. The equation also shows that a very high level of one cannot completely overcome a very low level of the other. In addition, if employees perceive little support in the work environment for learning new knowledge or skills, they will be less likely to learn and use them. Thus, it is important to note that trainability is not just a function of the individual trainee, but also of the work environment in which the learner will be asked to use what was presented in the HRD intervention.

Trainability is extremely important in HRD. Placing employees in the programs in which they are not motivated to attend or are not prepared to do well will waste the time and resources. Trainees with less ability take longer time to learn, which can increase the length of the training period and the expenses involved in conducting training programmes. In fact, it is possible that such trainees may never learn to the levels desired by the organization.

Over the past several years, researchers have studied the notion pertaining motivation. The findings of recent research show that:

- The way trainees perceive training affects the levels of learning, perceptions of efficacy, anxiety, and perceptions of fairness.
- The way in which individuals view their own ability (as a fixed entity or an acquirable skill) affects anxiety level, efficacy perceptions and the learning of declarative (factual) knowledge.
- Experiencing negative events on the job prior to training can increase trainees' motivation to learn and their performance in training.
- A number of other factors have been found to increase the individuals' motivation to participate in and learn from training. Factors identified include involvement in decisions about training, perceptions that participation in training will lead to benefits (e.g., increased job performance and career advancement opportunities), and perceptions of support, or lack of obstacles to use what has been learned in the work environment.
- Characteristics of the organization (e.g., policies and guidelines regarding training participation) have been linked to participation in developmental activities.

These findings are useful and suggest ways in which organizations can increase the motivation to participate in and learn from HRD interventions.

Trainability testing is one approach that can be used to ensure that trainees have both the motivation and relevant ability to learn. This approach focuses on measuring the motivation and relevant abilities of candidates for training and selecting the candidates for training only those who show a sufficient level of trainability.

Another approach for trainee testing is to allow candidates to complete part of the training program and use their performance on that section as a predictor of how well they will perform during the remainder of training.

***Personality and attitudes:*** Although not explicitly mentioned in the definition of trainability, a trainee's personality and attitudes can also have an effect on learning. Ray Not suggested that an employee's attitudes toward career exploration and job involvement impact learning and its applications to the job. Other researches have shown that job involvement, expectations for training, and trainee confidence are all related to success in training.

***Personality*** is the stable set of personal characteristics that account for consistent patterns of behavior. Personality traits that are related to employee learning include locus of control, the need for achievement, activity, independence, and sociability. Murray Barrick and Michael Mount reported the results of a meta-analysis showing that two personality dimensions-extraversion and openness to experience-are valid predictions of success in training. Joseph Martocchio and Jane Webster found that an individual's level of cognitive playfulness (which is in part the spontaneity, imagination, and exploratory approach a person brings to task performance and learning) affects learning, mood, and satisfaction with training. They also found that individuals with low levels of cognitive playfulness were affected more by positive feedback than individuals with higher levels of cognitive playfulness.

To summarize, assessing employee's relevant abilities, motivation, and personality prior to HRD programs can be important in maximizing the chances that learning will occur. This approach to maximizing learning fits with Glaser's notion that knowing the initial state of the learner is an important part of effective training.

## **Training Design**

Training design involves adapting the learning environment to maximize learning. Training design issues include (1) the conditions of practice that influence learning and (2) the factors that impact retention of what is learned.

Conditions of practice: At least six issues have been studied that relate to practice and learning. They include (a) active practice, (b) massed versus spaced practice sessions, (c) whole versus part learning, (d) over-learning, (e) knowledge of results, and (f) task sequencing.

**Active practice** suggests that learners should be given an opportunity to repeatedly perform the task or use the knowledge learned.

**Massed versus spaced practice sessions** concern whether to conduct the training in one session or to divide it into segments separated by some period of time. In general, information and skills can be learned either way, but spaced practice sessions with a reasonable rest period between them lead to better performance and longer retention of what is learned than a massed practice session. For difficult, complex tasks, an initial massed session followed by spaced practice sessions has led to improved performance.

**Whole versus part learning** concerns the size of the unit to be learned, that is, should trainees practice an entire task (or study certain material as a whole), or should the task or material be learned in separate parts or chunks? Gagne suggested that procedural material (material organized into series of steps) should be analyzed and divided into subunits, with the trainees mastering each subunit before performing the entire procedure.

The answer to which method is most effective appears to depend on the nature of the task to be learned. When the subtasks are relatively easy to perform and are well organized, the whole value method is superior. Otherwise, the part methods have seen to be more effective.

**Over-learning** is defined as practice beyond the point at which the material or task is mastered.

The rationale for over-learning is three fold. First, over-learning may improve performance in a variety of different situations. By developing stronger associations between the parts of a task or unit of knowledge, it is less likely that situational changes will interfere with learning. Second, over-learning provides additional practice in using the skill or knowledge when there is little opportunity for doing so in the job setting. Third, over-

learning should make what is learned more “automatic,” thereby improving performance in stressful or emergency situations.

Research indicates that over-learning, in fact, increases the retention of what is learned. Quite obviously, its major drawback is that over-learning can increase the time and expense of training.

**Knowledge of results, or feedback,** provides objective information regarding the adequacy of one’s performance, and it can come from observers, the performer, or the task itself. A sizable body of research suggests that feedback enhances learning and retention. Trainers and educators generally agree that feedback improves learning. Researchers suggest that feedback is both informational- when it helps the learners to determine that they have performed something correctly, and motivational- when it is valued by the learner or indicates valued outcomes. The effectiveness of feedback also seems to depend on how it is provided, especially in regard to timing and specificity. To ensure that the learner clearly understands the relationship between the feedback and the behavior, it should be provided as soon as possible after the behavior occurs. Further, the attributions the individuals make about feedback can affect efficacy beliefs, with feedback attributed to factors within the trainee’s control increasing perceptions of efficacy.

Finally, task sequencing suggests that tasks and knowledge can be learned more effectively if what is to be learned is divided into subtasks that are arranged and taught in an appropriate sequence. Gagne and colleagues provide guidelines for how task sequencing can help in learning intellectual skills, motor skills, and attitudes.

To summarize, research on the various conditions of practice offers some practical guidelines for designing more effective HRD interventions. In general, over-learning, feedback, and practice sessions spaced over all tend to increase learning.

## **Retention of learning**

The goal of training goes beyond ensuring that the trainee learns the task or material being presented. It is usually important that newly learned material is retained. Three additional issues that influence retention

are the meaningfulness of material, the degree of original learning, and interference.

The **meaningfulness of material** is the extent to which it is rich in associations for the individual learner. For example, a new way of soldering circuits might be quite significant to an electronics enthusiast, yet absolutely the meaningless to a professional athlete or a hair stylist.

To put it simply, the more the meaningful factual material is, the easier it is to learn and remember. Thus, training should be designed to be more meaningful to employees to encourage learning retention. Overviews of topics at the beginning of training sessions can help trainees understand the course content as a whole. Using examples and terminology familiar to trainees and mnemonic devices (such as creating a word out of the first letters of items in a list) also increase meaningfulness by providing more associations.

**The degree of original learning** also influences learning retention. The more effectively the information is initially learned, the more likely it will be retained. Though this is not surprising, it does reinforce the research on over-learning, massed versus spaced practice, and whole versus part learning as ways to ensure initial learning.

**Interference** can also affect the extent to which learning is retained. Interference can be of two types. First, material or skills learned before the training session can inhibit recall of the newly learned material. Second, information learned after a training session may also interfere with retention. For example, a fighter trained to operate the power ladder on the city's older fire trucks may have difficulty in retaining that knowledge if a different sequence of steps are to be learned for the same operation on a newer fire truck.

Both types of inferences are similar in that the learner is required to make different responses to the same situation. The more responses one learns, the greater is the chances for inference in learning to occur.

**Transfer of training** is a recurring theme in HRD literature. A main goal of HRD is to ensure that employees perform their jobs effectively. In addition to learning and retaining new material, employees must also use

it on the job to improve performance. The transfer of training to the job situation is critically important to the success of HRD efforts.

Transfer can take different forms. Positive transfer occurs when job performance is improved as a result of training. Zero transfer occurs when there is no change in job performance as a result of training. Negative transfer occurs when job performance is worse as a result of training. Negative transfer may be unlikely, but the detrimental effect inference can have on learning and performance. Tennis players, for example may find that their tennis shots become less accurate after learning how to play racquetball.

Another distinction that should be made is between “near transfer” and “far transfer.” Near transfer has to do with the ability to directly apply on the job what has been learned in training, with little adjustment or modification, whereas far transfer has to do with expanding upon or using what was learned in training in new or creative ways. It obviously depends upon the context whether an organization is more concerned with near transfer, far transfer, or both, though in most cases, far transfer is the best indicator that training has been successful.

### **Individual Differences in the Learning Process**

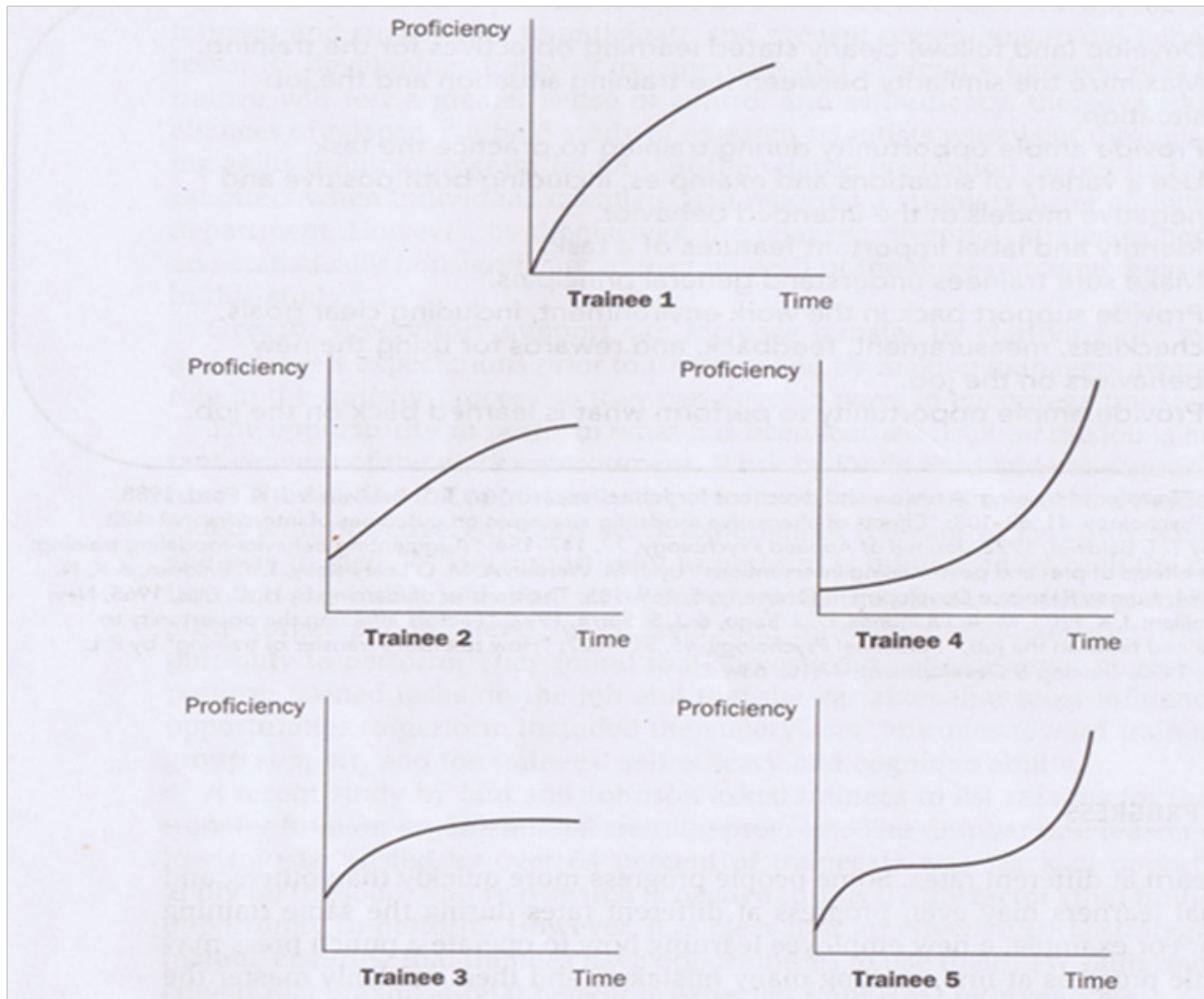
As discussed earlier, trainee characteristics play a role in the learning, retention, and transfer of skills and factual material. The three additional factors that account for differences in individual learning processes are different rates of trainee progress, interactions between attributes and treatment, and the training of adults and older workers.

#### **Rate Of Progress**

People learn at different rates. Some people progress more quickly than others, and individual learners may even progress at different rates during the same training program. For example, a new employee learning how to operate a punch press may show little progress at first, making many mistakes, and then suddenly master the procedure and quickly progress to competence.



A useful way to show rates of learning is by drawing learning curves. A learning curve is plotted on a graph with learning proficiency indicated vertically on the y-axis and elapsed time indicated horizontally on the x-axis. Five types of learning curves are shown in Figure.



**Types of learning curves**

*Adopted from Werner & DeSimone (2007). Human Resource Development, 4e. Thomson South-Western.*

The learning curve for Trainee 1 shows a fast rate of learning, taking little time to achieve high performance. The curve for Trainee 2 shows a slower rate of learning, with training ending at a lower level of final performance than for Trainee 1. Trainee 3 reaches a moderate level of performance quickly but then makes little further progress despite continued practice. This contrasts to the progress of Trainee 4, who learns slowly at first but steadily improves to a high level of performance. Finally, the S-shaped learning curve for Trainee 5 shows rapid progress at first,

followed by a period of little progress during the middle of training, and then rapid progress in the latter part of training.

Learning curves can provide useful feedback to both trainers and trainee. For instance, if a trainer notices a plateau (the flat part of a curve indicating no progress is being made), a different approach, encouragement, or some other intervention may be needed for the trainee to improve. When implementing a new HRD program, plotting learning curves can be used as a baseline for communicating expectations of progress to future trainees and trainers, and as aids in scheduling and planning future sessions.

### **Attribute-Treatment Interaction (ATI)**

Interest in the effect of trainee intelligence on learning has led some researchers to hypothesize that the effectiveness of training methods may be influenced by various trainee characteristics. Stated simply, some methods of training may be better suited to certain types of people. Thus, research on attribute-treatment interactions (ATI) has sought to develop training systems that can be adapted to differences between individual learners.

Two variables that have received considerable attention in ATI research are cognitive ability and motivation. The expectancy theory of motivation suggests that when motivation is low, both high-low-ability individuals will perform at low levels, but when motivation is high, differences in performance can be expected between high-and low-ability individuals. To date, researches have found little conclusive evidence of an interaction between motivation and ability. Jeff Terborg stated that the mixed evidence regarding the existence of a motivation-ability ATI may be due to differences in complexity of the tasks studied. Terborg suggested that tasks of moderate difficulty would be the place where ATIs would most likely occur.

An illustration of a well-developed ATI theory is the cognitive resource allocation theory proposed by Ruth Kanfer and Philip Ackerman. Their theory uses an information processing perspective to explain the existence of a cognitive ability-motivation ATI for both skill acquisition and task performance of moderately difficult tasks.

Cognitive resource allocation theory is based on several propositions, which are explained below:

1. The attentional demands made by a task will determine the contribution of both ability and motivation to task performance.
2. The attentional demands required to acquire a skill change during the skill acquisition process. Skill acquisition occurs in three phases: declarative knowledge (forming a mental representation of the task), knowledge compilation (integration of cognitive and motor processes needed to perform a task), and procedural knowledge (knowledge how to perform cognitive processes and being able to perform the task “automatically,” with little attention). Attentional demands are highest during the declarative knowledge phase, but are reduced significantly during knowledge compilation and proceduralization.
3. Cognitive ability is related to the amount of attentional resources an individual has: the higher the level of cognitive ability (e.g., general intelligence), the more attentional resources the individual has. For example, research shows that intelligence predicts performance is best during the declarative knowledge phase (when attentional demands are high) and predicts performance are less during the procedural knowledge phase (when attentional demands are low).
4. Motivational processes places a limit on the amount of cognitive resources available (e.g., attention) that an individual will apply to a task (e.g., the more the motivation, the more attention the individual will apply to the task). In addition, motivational processes that determine how the individual have allocated cognitive resources (e.g., self-regulation, goal setting) require cognitive resources themselves, thereby using resources that could be used to learn or perform the task. Therefore, to the extent that motivational processes use cognitive resources that can be taken from the resources needed to perform the task, Task performance will be hindered rather than facilitated by the motivational attempt.

Cognitive resource allocation theory predicts that:

1. Individuals with higher levels of cognitive ability will perform than those with lower levels of cognitive ability during the declarative

knowledge phase (because they have more attentional resources with them), but that the differential will decrease as the knowledge becomes procedural (because attentional demands are reduced during this phase).

2. Motivational efforts will reduce performance during the declarative knowledge phase (because they use part of the limited attentional resources available to learn the task), but enhance performance during the compilation and procedural phases (because attentional demands of these phases are less, freeing up resources for motivational process), especially for low-ability individuals.
3. The negative impact of using attentional resources for motivation during the declarative knowledge phase will have less of an impact on high-cognitive-ability individuals (because they have a greater amount of resources to draw upon).

The research conducted to date supports these predictions. It appears as though ability and self-efficacy are better predictors of performance in the early stages of skill acquisition, whereas motivation is a better predictor of performance during later stages. Perhaps the most direct implication of this research is that motivational efforts may be best saved until later phases of training for moderately complex tasks when they are likely to harm performance and more likely to lead to higher levels of performance.

## **Learning Strategies and Styles**

Another perspective on the learning process and how to maximize learning examines as to what people do when they learn. Learning styles and strategies can be important in determining learning outcomes.

### **Kolb's learning styles**

David Kolb, a leading theorist on experiential learning, stated that the learning process is not the same for all people. Because of the complex nature of the learning process, there are opportunities for individuals' differences and preferences to emerge. A learning style represents how an individual choice made during the learning process affects the information selected and how it is processed. Kolb illustrates the notion of learning styles by observing how people learn to *play pool game*:

Some people just step up and hit the ball without bothering to look carefully as where their shot went *unless it went in the pocket*. Others seem to go through a great deal of analysis and measurement but seem a bit hesitant on the execution. Thus, there seem to be distinctive styles or strategies for learning and playing the game.

Differences in learning styles can explain why some individuals are more comfortable and successful with some training approaches (e.g., role playing, lectures, and videotapes) than others. Similarly, learning style differences among trainers can also contribute to their preferences for certain training approaches over others. Kolb theorizes that an individual's learning style is based on that person's preferred modes of learning. A mode of learning is the individual's orientation toward gathering and processing information during learning. Kolb proposed four basic modes of experiential learning:

1. **Concrete Experience (CE)** An intuitive preference for learning through direct experience, emphasizing interpersonal relations and feeling as opposed to thinking. For example, someone using this mode to learn about job politics would personally use various political tactics in different group situations to get a sense of how each one feels, while also gauging others' responses during each interaction.
2. **Abstract Conceptualization (AC)** A preference for learning by thinking about an issue in theoretical terms. For example, a person using this mode to learn about job politics would analyze political tactics and their implications, perhaps consulting or constructing a model that includes abstract representations of the components of political activities.
3. **Reflective Observation (RO)** A preference to learn by watching and examining different points of view to achieve an understanding. For example, people using the RO mode to learn about job politics would most likely observe others involved in political activities and reflect on what they have seen from a variety of perspectives.
4. **Active Experimentation (AE)** A preference for learning something by actually doing it and judging its practical value. For example, someone using this mode to learn about job politics might

experiment with various political tactics, determining their effectiveness by the amount of influence they had on other people.

Kolb argues that an individual's learning style often combines two modes of learning, such as abstract conceptualization and active experimentation (thinking and doing). Each learning style emphasizes some learning abilities and de emphasizes others. Both on his own work and the work of earlier theorists (including Lewin, Dewey, and Piaget), Kolb identified **four learning styles**:

1. **Divergent A** combination of concrete experience and reflective observation (feeling and watching), emphasizing imagination, an awareness of values, and the ability to generate alternative courses of action.
2. **Assimilation A** combination of abstract conceptualization and reflective observation (thinking and watching) that stresses inductive reasoning, the integration of disparate observations into an explanation, and the creation of theoretical models.
3. **Convergent A** combination of abstract conceptualization and active experimentation (thinking and doing), with a focus on problem solving, decision making, and the practical application of ideas.
4. **Accommodative A** combination of concrete experience and active experimentation (feeling and doing), this style is usually demonstrated by accomplishment, expecting plans, and involvement in new experiences.

Kolb developed a questionnaire called the Learning Style Inventory (LSI). The LSI, currently marketed by the Hay Group (Hay Resources Direct), assesses an individual's orientation toward the four modes of the learning process (CE, RO, AC, and AE). Scores also reflect the individual's tendencies toward abstractness over concreteness and action over reflection.

Kolb's theory and LSI can help HRD professionals, supervisors, and employees identify and appreciate different approaches to learning. As a result, interventions can be tailored to individual learner preferences in both traditional HRD programs and in those using computerized instruction.

## Learning Strategies

Similar to Kolb's modes of learning, learning strategies represent the "behavior and thoughts a learner engages in during learning." Learning strategies are the techniques the learners use to rehearse, elaborate, organize, and/or comprehend new material as well as to influence self-motivation and feelings.

### Learning Strategies can be Grouped into Various Categories:

1. ***Rehearsal strategies*** (e.g., repeating items in a list; underlining text in an article; copying notes)
2. ***Elaboration strategies*** (e.g., forming a mental image; taking notes, paraphrasing, or summarizing new material)
3. ***Organizational strategies*** (e.g., grouping or ordering information to be learned; outlining an article; creating a hierarchy of material)
4. ***Comprehension monitoring strategies*** (e.g., self-questioning)
5. ***Affective strategies*** (increasing alertness; relaxation; finding ways to reduce test anxiety)

HRD efforts have applied learning strategies in learning-to-learn programs, which seek to provide learners with the skills necessary to learn effectively in any learning situation. Given the dynamic nature of organizations and the environment, there is now a greater pressure on individuals to learn throughout their lives. Learning-to-learn programs are aimed at enhancing the learning process and making individuals more independent. The programs emphasize selecting those learning strategies needed to cope effectively with the nature of the material and the demands of the learning situation. Clearly, if employees can acquire and become skilled in applying a variety of learning strategies, they are likely to benefit more from both formal learning opportunities (such as training programs) as well as informal ones (such as a problem-solving meeting).

## Perceptual Preferences

Just as individuals have preferences for the types of information they seek out in learning situations and how they process it, they also have preferences for the sensory channels they use to acquire information.



For example, someone who asks you for directions may request that you write the directions out, draw a map, explain them verbally, or use some combination of these three.

Wayne James and Michael Galbraith proposed seven primary perceptual preferences:

1. Print (reading and writing)
2. Visual (such as graphs and charts)
3. Aural (auditory, e.g., listening)
4. Interactive (discussing, asking questions)
5. Tactile/ manipulative (hands-on approaches, such as touching)
6. Kinesthetic/ psychomotor (role playing, physical activities)
7. Olfactory (association of ideas with smell or taste)

Perceptual preferences imply that trainers should, if possible, tailor their material and techniques to match trainee preferences. Training was provided either by a lecture or by a hands-on, simulation approach. Trainees with auditory preferences learn substantially more when taught via lecture, whereas those with kinesthetic preference learn substantially more when taught via the hands-on approach. The reverse was also true, when preferences and training method were mismatched, when training achievement and trainee attitudes were significantly lower. Another implication of the research on perceptual preference is that it would be desirable to train learners to increase their learning efficiencies by taking advantage of multiple perceptual channels.

Gagne and his colleagues state that successful performance on any given task requires learning in one or more of these categories. The summary of this work is given in box.

According to Gagne, these five categories are important, first as human performances, second, because the requirements for their learning are different despite the pervasiveness of such general conditions as contiguity and reinforcement, and third because the effects of learning, the continued learning, appear also to differ from each other. The events listed in the left-hand column of the Box are the nine steps, or instructional events, that should be used in instructional design. Corresponding entries



in the Box list the actions that should be taken to implement each of these steps for each of the five categories of learning outcomes. Gagne’s theory provides a rich source of ideas for HRD professionals looking for ways to enhance the effectiveness of their training programs. It has been cited as a “training classic” that helped “to turn the free-form art of instruction into something more reliable.”

Instructional Event	Verbal Information	Intellectual Skill
Gaining Attention	Introduce stimulus change; variations sensory mode (same for all)	
Informing learner of objective	Indicate the kind of verbal question to be answered	Provide description and example of the expected performance
Stimulating recall of prerequisites	Stimulate recall of context of organized information	Stimulate recall of relevant rules and concepts
Presenting the stimulus material	Present information in propositional form	Present examples of rules and concepts
Providing learning guidance	Provide verbal links to a larger meaningful context	Provide verbal cues for proper combining/sequencing of rules or concepts
Eliciting the performance	Ask for information in learner’s own words (paraphrase)	Ask learner to apply rules or concepts to new examples
Providing feedback	Confirm correctness of statement of information	Confirm correctness of rule or concept application
Assessing performance	Learner restates information in paraphrased form	Learner demonstrates application of rules or concepts
Enhancing retention and transfer of information	Provide verbal links to additional areas of information	Provide spaced reviews including a variety of examples

#### Type of capability

*Adopted from Werner & DeSimone (2007). Human Resource Development, 4e. Thomson South-Western.*

**Summary**

Learning is defined as a relatively permanent change in behavior, cognition, or affect that occurs as a result of one's interaction with the environment. Training design involves adapting the learning environment to maximize learning. Three additional factors that account for differences in individual learning processes: are, different rates of trainee progress, interactions between attributes and treatment, and the training of adults and older workers. Learning styles and strategies can be important in determining learning outcomes.

**Self Assessment Questions**

1. Define HRD
2. Discuss the outcomes of HRD
3. Describe the evolution of HRD
4. Distinguish HRM and HRD
5. Discuss the functions of HRD
6. Explain the roles and competencies of HRD professionals
7. Elucidate the challenges of HRD
8. Explain the model of employee behavior
9. Enumerate the factors influencing employee behavior
10. Discuss Motivation as an important factor causing employee behavior
11. What are the internal factors affecting employee behaviour
12. Explain the basic principles of learning
13. How can the training be designed for learning
14. Enunciate the individual differences in learning
15. Discuss the learning strategies and styles .

## CASE STUDY

An example of a company that appears to have successfully implemented a change is Ethicon Ltd, a medical device company that manufactures sutures for medical applications. They had been undergoing restructuring for some years; at the time, the most recent announcement was that the research and development function was to move to Germany and the new focus of the UK site was to be manufacturing.

In managing change, Ethicon set up new in-house systems to refocus people's ideas on three main goals:

- To improve process cycle times
- To decrease costs
- To improve quality.

Throughout the change process the company communicated well with employees and made them aware of the intentions and the benefits. A number of project managers were put in place to drive through change. Ethicon also introduced cross-functional teams that have broken down interdepartmental barriers and encouraged open forum discussions. They managed to involve the workers in the project and made them believe that there were gains to be made by changing the way they worked. This initiated change across the whole company. They also set in play a system of measurements against objectives in order to translate them into tangible business benefits. It is believed that one of the greatest achievements gained from this redesign project was the true sense of team working. The end result was a measured increase in productivity levels. The new ways of working were that they would produce positive results and cost savings to the company to ensure that Ethicon remained competitive.

### Questions

1. How did management at Ethicon 'get it right'?
2. What particular aspects have encouraged the successful change?

## CASE STUDY

Supreme Engineering Limited was engaged in light engineering manufacturing both customized products as well as standardized products. It had a workforce of 5000 personnel of different categories. Each major function was headed by chief manager concerned. The human resource functions were directly under the control of chief manager-Personnel. The company has undertaken human resource planning in an integrated way with a view to provide the right number of employees with the right talents and skills at the right time to perform activities for achieving organizational objectives. For this purpose the company used to prepare human resource plan at the corporate office level.

For manning various positions in engineering the company adopted the policy to recruit directly at two levels, engineering graduates as engineer trainees and engineering diploma holders as chief draftsman / junior engineers. The engineer trainees used to absorb as assistant engineers after one year of training .The Company also adopted the practice of filling half of the positions of assistant engineers from internal promotes generally form draftsmen / junior engineers while other half was used to be filled through engineer trainees. Generally a junior engineer used to promote as assistant engineer after 4-5 years of service. In order to asses its manpower needs the company used to consider the following factors:

- Corporate growth plan
- Actual positions sanctioned in a category
- Actual number of persons available
- Number of persons to be promoted to and from that category
- Employee turnover and retirement
- Surplus of employees if any
- Any other special consideration
- Details of previous recruitment and selection

The personnel department of the company used to compile the information from its four manufacturing units as well as five zonal marketing offices. The information about the corporate growth plan was

collected directly from the corporate office. The complied information was analyzed and actual number of vacancies to be filled up by direct recruitment was worked out.

### **Thereafter the Recruitment Process was Initiated**

An advertisement was inserted for 12 positions of engineer trainees and applications were called for. The company called the applicants for interview at its corporate office. One day prior to the interview one of the outside interviewers paid a courtesy call to the chief manager personnel .Before that he did not see the relevant papers for the number of recruits. He called on these papers .On perusal he found that the number vacancies were overestimated and the actual requirement was much lower. He felt that if all the 12 positions were filled up it would create discontentment among the existing staff as they would perceive reduced chances of their promotion...The assistant personnel manager offered an explanation that the number of vacancies has been worked out as follows:

➤ Sanctioned posts	40
➤ Actual employed	34
➤ To be promoted upward	6
➤ To be promoted form below	10
➤ Expected turnover	8
➤ Actual requirement	10
➤ 20 % additional	2
➤ To be recruited	12

The chief manager personnel did not feel convinced with the figures and pointed out that only eight engineers were recruited last year

### **Questions**

1. Elucidate the problem of this case
2. What were the reasons for such a situation in the company?
3. How effective was the human resource planning in the company?
4. What steps chief managers personnel should take in the matter?  
Should he cancel the entire recruitment process and go for a fresh

look at the human resource planning or let the process and go as it is and face the problem of overstaffing later?

5. Suggest measures for improving human resource planning in the company.

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## UNIT - II

### Unit Structure

Lesson 2.1 Frame Work of HRD

Lesson 2.2 Designing Effective HRD Programs

Lesson 2.3 HRD Interventions and Creating HRD Program

Lesson 2.4 Implementing HRD Programs

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### Lesson 2.1 - Frame Work of HRD

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### Learning Objectives

*After reading this lesson, you may be able to*

- Understand the Framework of HRD Process
- Assess HRD Needs
- Enunciate Methods of Strategic/Organizational Analysis

### Introduction

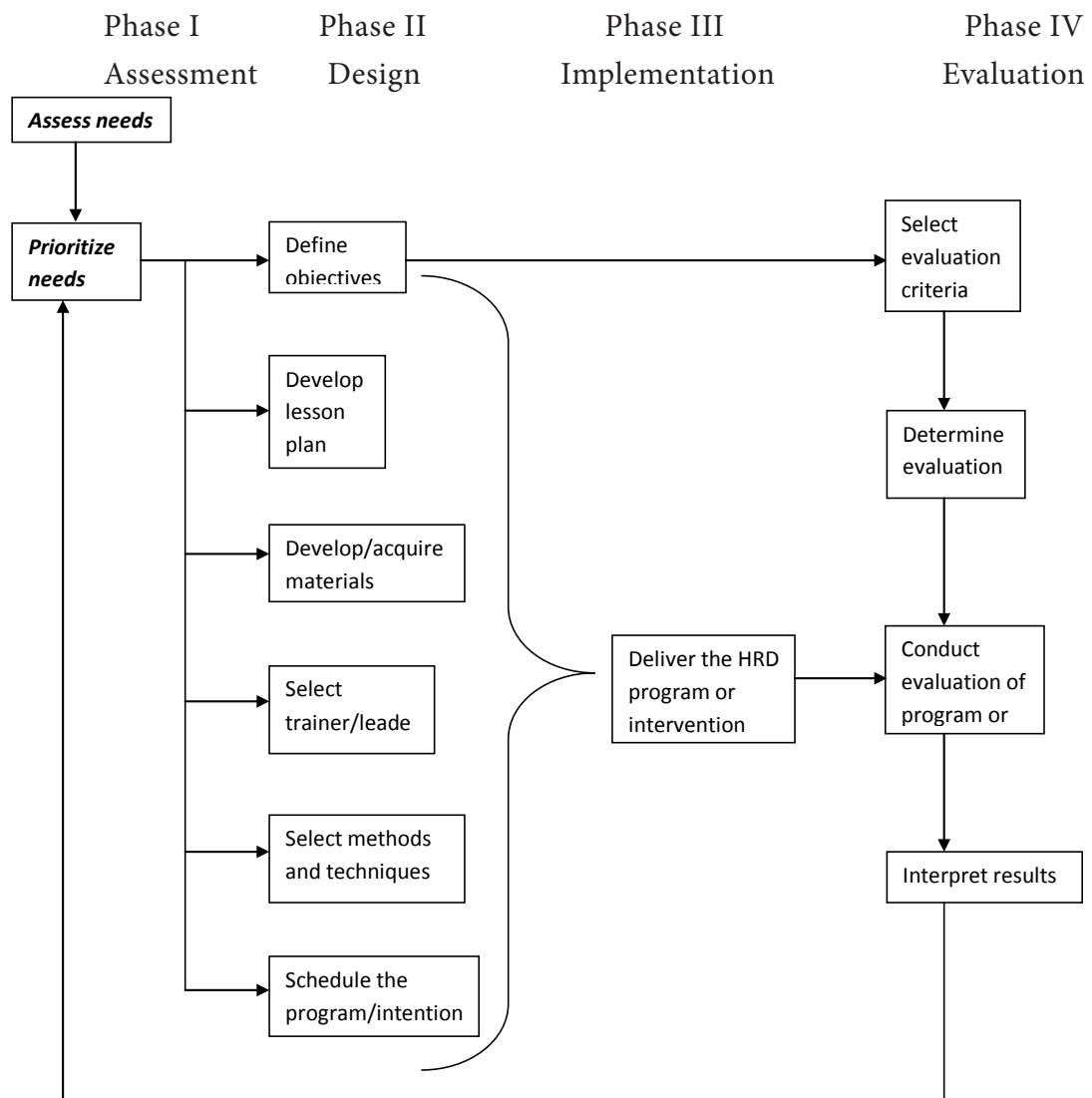
HRD programs and interventions can be used to address a wide range of issues and problems in an organization. They are used to orient and socialize new employees into the organization, provide skills and knowledge, and help individuals and groups to become more effective. To ensure that these goals are achieved, care must be taken when designing and delivering HRD programs.

## Framework for the HRD process

The goal of HRD is to improve an organization's effectiveness by:

1. Solving current problems (like an increase in customer complaints)
2. Preventing anticipated problems (such as a shortage of skilled technicians)
3. Including those individuals and units that can benefit most as participants

In short, HRD is effective if it successfully addresses some organizational needs through conducting needs assessments. Designing HRD interventions involves a process, which includes a four-step sequence: needs assessment, design, implementation, and evaluation. (Figure)



Training and HRD process model



## Needs Assessment Phase

HRD interventions are used to address some need or “gap” within the organization. A need can be either a current deficiency, such as poor employee performance, or a new challenge that demands a change in the way the organization operates (new legislation or increased competition). Identifying needs involves examining the organization, its environment, job tasks, and employee performance. This information can be used to:

- Establish priorities for expanding HRD efforts
- Define specific training and HRD objectives
- Establish evaluation criteria

## Design phase

The second phase of the training and HRD process involves designing the HRD program or intervention. If the intervention involves some type of training or development program, the following activities are typically carried out during this phase:

- Selecting the specific objectives of the program
- Developing the appropriate lesson plan for the program
- Developing or acquiring the appropriate materials for the trainees to use
- Determining who will deliver the program
- Selecting the most appropriate method or methods to conduct the program
- Scheduling the program

Once the assessment phase is completed, it is important to translate the issues identified in that phase into clear objectives for HRD programs. This should also facilitate the development of clear lesson plans concerning what should be done in the HRD program. Selecting the proper person to deliver the HRD program is also an important decision, and it can be difficult, depending on the resources available. If the organization employs a group of full-time HRD professionals, the choice will depend largely on the expertise and work schedules of those professionals. However, if the organization does not have the HRD staff, it will have to rely upon

other people, including managers, supervisors, coworkers, or outside consultants. Using such individuals raises a host of issues, including their willingness, ability, and availability to train, as well as cost issues.

The design phase also involves selecting and developing the content of the program. This means choosing the most appropriate setting for the program (e.g., on the job, in a classroom, online, or some combination), the techniques used to facilitate learning (such as lecture, discussion, role play, simulation), and the materials to be used in delivering the program (such as workbooks, job aids, web-based or web-enhanced materials, films, videos, Microsoft® PowerPoint® presentations, etc.). Inherent in these decisions is the issue of whether to develop the program in-house or purchase it (or parts of it) from an outside vendor.

Scheduling the program may not be as easy as it appears. Issues to be resolved include lead time to notify potential participants, program length and location, covering participants' regular job duties, and potential conflicts (such as vacations, busy periods, and facility availability).

The needs assessment may also reveal that training is not the ideal solution for the issues or problems facing the organization. It may be that some management practice needs to be changed, or that changes need to be made in another human resource practice (such as staffing or compensation). It may also be the case that a different type of HRD intervention is called for besides training, for example, a change in the organization of work, or a change in the focus on total quality or process reengineering. Such HRD interventions would not require a "lesson plan." However, other design issues occur with career management and organizational development interventions.

### **Implementation phase**

The goal of the assessment and design phases is to implement effective HRD programs or interventions. This means that the program or intervention must be delivered or implemented, using the most appropriate means or methods (as determined in the design phase). Delivering any HRD program generally presents numerous challenges, such as executing the program as planned; creating an environment that enhances learning, and resolving problems that may arise (missing equipment, conflicts between participants, etc.).

## Evaluation phase

Program evaluation is the final phase in the training and HRD process. This is where the effectiveness of the HRD intervention is measured. This is an important but often underemphasized activity. Careful evaluation provides information on participants' reaction to the program, how much they learned, whether they use what they have learned on the job, and whether the program improved the organization's effectiveness. HRD professionals are increasingly asked to provide evidence of the success of their efforts using a variety of "hard" and "soft" measures, that is, both bottom line impact, as well as employee reaction. This information allows managers to make better decisions about various aspects of the HRD effort, such as:

- Continuing to use a particular technique or vendor in future programs
- Offering a particular program in the future
- Budgeting and resource allocation
- Using some other HR or managerial approach (like employee selection or changing work rules) to solve the problem

It is important that HRD professionals provide evidence that HRD programs improve individual and organizational effectiveness. Armed with this information, HRD managers can better compete with managers from other areas of the organization when discussing the effectiveness of their actions and competing for organizational resources.

## Assessing HRD Needs

HRD interventions should be designed and conducted using a four-phase approach: needs assessment, design, implementation, and evaluation (Figure 5.1). The framework laid out in Figure 5.1 is often described as the instructional systems design (ISD) approach. To discuss the first phase of this approach, namely needs assessment, and how various assessment efforts are used to design, implement, and evaluate HRD programs and activities.

## Definition and Purposes of Needs Assessment

Needs assessment is a process by which an organization's HRD needs are identified and articulated. It is the starting point of the HRD and training process. A need assessment can identify:

- An organization's goals and its effectiveness in reaching these goals
- Discrepancies or gaps between employees' skills and the skills required for effective current job performance
- Discrepancies (gaps) between the current skills and the skills needed to perform the job successfully in the future
- The conditions under which the HRD activity will occur

With this information, HRD professionals learn where and what kind of programs or interventions is needed, who needs to be included in them, and whether there are currently any roadblocks to their effectiveness. Criteria can then be established to guide and evaluate the process. It is obvious, then, the analysis is critical for an effective HRD effort.

However, despite its importance, many organizations do not perform a needs analysis as frequently or as thoroughly as they must. If, the competitive pressures currently facing organizations made it more difficult than ever to carry out a needs assessment. Needs assessments are not conducted for a number of reasons, such as:

1. ***A needs assessment can be a difficult, time-consuming process.*** A complete needs analysis involves measuring a variety of factors at multiple levels of the organization.
2. ***Action is valued over research.*** Managers often decide to use their limited resources to develop, acquire, and deliver HRD programs rather than to do something they see as a preliminary activity.
3. ***Incorrect assumptions are made as that a needs assessment is unnecessary because available already information specifies what an organization's needs are.*** As indicated earlier, factors such as fads, demands from senior managers, and the temptation to copy the HRD programs of widely admired organizations or competitors often lead to such conclusions.

4. ***There is a lack of support for needs assessment.*** This can be caused by a lack of bottom-line justification, or by the HRD professional's inability to sell needs assessment to management. Documenting the assessment and its benefits, and using analogies from respected fields (e.g., medical diagnosis, engineering scoping) are two ways to build support for doing needs assessment.

These factors should be considered when promoting needs assessment. Although it is possible to improve the organization's effectiveness without accurate needs assessment information, the results are by no means guaranteed. Before discussing different approaches for needs analysis, it is useful to examine what is meant by the term "need."

### **Training or HRD Need**

In this context, the concept of need typically refers to a discrepancy or gap between what an organization expects to happen and what actually occurs. For example, a discrepancy exists if a shipping supervisor has been charged to maintain an average turnaround time of twenty-four hours for shipping customer orders, and it is actually taking his or her department an average of thirty-six hours. A similar inconsistency is demonstrated when a police officer is expected to use minimum force to apprehend suspects, but the department receives documented complaints that the officer has used excessive force with suspects. These discrepancies may become the foundation of a training or HRD need.

Identified needs in this sense focus on correcting substandard performance. In some cases, an HRD intervention such as coaching or skills training may be necessary to correct the discrepancy. However, sometimes another HRM strategy (such as improving compensation or changing staffing practices), or another management action (like replacing machinery or negotiating new work rules with the union) may be more appropriate solutions. It is important to stress that not every need identified can or should be addressed by training or even by other, broader HRD efforts such as team building or organizational development.

Robert Brinkerhoff has stated that focusing only on performance deficiency in needs analyses is too restrictive and proposed other ways of looking at training needs. These include diagnostic and analytic needs.

Diagnostic needs focus on the factors that lead to effective performance and prevent performance problems, rather than emphasizing existing problems. Diagnostic needs are identified by studying the different factors that may impact performance. The goal is to determine how the effective performance is obtained. Analytic needs identify new, better ways to perform tasks. These needs are generally discovered by intuition, insight, or expert consideration. Compliance needs are those needs that are mandated by law. This most often deals with mandated training programs, such as safety training or food handling. It is important to recognize that some HRD interventions are driven primarily by legal mandate, as this can affect how the intervention is perceived, as well as how it is conducted.

This discussion of needs is meant to reinforce the notion that HRD should be proactive and future oriented. Addressing needs from an analytic or diagnostic perspective is proactive in its emphasis on preventing problems and enhancing performance and productivity, a notion that is consistent with continuous improvement, such as the recent focus on total quality management and learning organizations. This focus contrasts with a reactive approach in which performance discrepancies only (or compliance needs alone) are the basis for training and HRD. Clearly, organizations are better served if HRD efforts consider different types of needs, focusing on ways to maintain effective performance and make it even better, as well as fixing what is done poorly. Roger Kaufman provides some timely advice concerning why HRD professionals should “bother with” needs assessment. He frames these in terms of potentially hazardous shortcuts and why they should be avoided (Table). A critical concern of Kaufman and others (such as Dana Gaines Robinson and James Robinson) is that HRD professionals must always maintain a focus on organizational performance. Loriann Roberson, Carol Kulik, and Molly Pepper provide an excellent recent example of how needs assessment can be used to enhance the effectiveness of diversity in training programs.

Potential Traps	Why this should be avoided
Focus only on individual performance deficiencies	This can lead to fixing problems that don't impact group or organizational performance
Start with a training needs assessment	There is no need for a needs assessment if you already know that training is the answer !

Just send out questionnaires asking people what they need	Trainee input can be good, yet such open-ended questioning can encourage suggestions that are not tied in organizational results.
Use soft data only	Opinions need to be linked to performance and consequences
Use hard data only	Performance data is often collected on what is easy to measure , missing other critical information in the process

#### Traps to avoid while doing needs assessment

### Levels of Needs Analysis

Needs can exist at any of at least three levels, considering the organization, the job/task, and the individual. To ensure an effective HRD effort, needs must be measured on each level. As a result, three types of assessments must be conducted: organizational analysis, task analysis, and person analysis. Each level of assessment measures different aspects of the organization (Table). Strategic/organizational analysis reveal where the organization training is needed and under what conditions it will occur. Task analysis explains what must be done to perform a job or complete a process successfully. Person analysis reveals who needs to be trained, and what kind of training he/she need.

Level	What is measured
Strategic/Organizational	Where the training is needed and in what conditions will the training be conducted ?
Task	What must be done to perform the job effectively ?
Person	Who should be trained? What kind of training do he/she need ?

#### Levels of needs assessment

### Strategic/Organizational Analysis

Needs assessment at the organization level is usually conducted by performing an organizational analysis. Organizational analysis is a process used to better understand the characteristics of the organization to determine where the training and HRD efforts are needed and the conditions within which they should be conducted. Kavita Gupta has

called to this type of analysis as a strategic analysis. For example, some years ago, Scott Paper purchased a food service operation that suffered from low employee morale. An extensive needs assessment process resulted in the food service division implementing a succession planning and management development program.

Within four years, the product defects dropped dramatically, on-time delivery rates increased to 98 percent, and plant capacity was increased by 35 percent. The point to stress here is that the organizational analysis they conducted (as part of the overall needs assessment) provided the impetus for a successful HRD effort, as well as the content of the actual development program.

### **Components of a Strategic/Organizational Needs Analysis**

This type of analysis requires a broad or “whole system” view of the organization and what it is trying to accomplish. The organizational characteristics studied may include goals and objectives, reward systems, planning systems, delegation and control systems, and communication systems. According to Irwin Goldstein, an organizational analysis should identify:

1. Organizational goals
2. Organizational resources
3. Organizational climate
4. Environment constraints

Each of these factors provides important information for planning and developing HRD programs and is described further in the following sections.

### **Organizational Goals**

Understanding the organization’s goals and strategy provide a starting point in identifying the effectiveness of the organization. Areas where the organization is meeting its goals probably do not require training efforts, but should be monitored to ensure that opportunities for improvement and potential problems are identified early. Effective areas can be used as models, and as a source of ideas for how things can be



done effectively in other areas. Areas where goals are not being met should be examined further and targeted for HRD or other appropriate HR or management efforts.

### **Organizational Resources**

An awareness of the organization's resources is particularly useful in establishing HRD needs. Obviously, the amount of money available is an important determinant of HRD efforts. In addition, knowledge of resources such as facilities, materials on hand, and the expertise within the organization also influence how HRD is conducted. Resource availability can dictate some of the options to be considered when designing and implementing HRD programs and can influence the priorities given to HRD needs.

For example, if there are no classroom or conference room facilities within the organization, the scheduling and location of an HRD program that require such facilities can become very difficult and expensive. In this case, it may be necessary to use an off-site location, such as a conference center or hotel, or to schedule the program in the company cafeteria after working hours.

### **Organizational Climate**

The climate within the organization is an important factor in HRD success. If the climate is not conducive to HRD, designing and implementing the program will be difficult. For example, if managers and employees do not trust one another, employees may not participate fully and freely in a training program.

Similarly, if problems exist between senior and middle management, as has happened in many organizations during restructuring, middle managers may resist or not fully cooperate in the training effort, seriously reducing training effectiveness. Researches show that an organization's transfer of training climate affects whether employees use the skills they acquire in HRD programs back on the job.

## **Environmental Constraints**

Environmental constraints include legal, social, political, and economic issues faced by the organization. Demand for certain types of HRD programs can be affected by these constraints. Knowledge of legal issues can ensure that the HRD effort is in compliance and will not itself be a source of problem.

For example, equal employment opportunity goals should be considered when determining how people will be assigned to a training program, especially if the program is a prerequisite for entry into a particular job. Similarly, economic issues, such as increased competition, can also have an impact on HRD programs. If an organization decides to reduce staff as a part of a cost-cutting program, training may be necessary to ensure that the employees who remain will be able to perform the tasks that were performed by the workers.

## **Advantages of Conducting a Strategic/Organizational Analysis**

As discussed earlier, organizational analyses reveal where HRD is needed and the organizational and environmental conditions that may affect the HRD effort. Knowledge of these issues ensures that all HRD programs are tied to the organization's strategy and mission, which is crucial to its success. Communicating the link between HRD activities and the organization's strategic plan to the operating managers and employees makes the importance of HRD programs clear. This may also generate support for HRD efforts and increase the motivation of those being trained.

One way to establish this connection is to link organizational analysis with the strategic planning process, especially because much of the same information is obtained in both procedures. The strategic plan can be a valuable source of information for organizational analysis, whereas HRD efforts can become a major component of carrying out the strategic plan.

For example, if an insurance company decides as part of its strategic plan to expand the services it offers to clients (e.g., pension management), it is likely that the current employees will require training in the new service area to ensure successful implementation of the plan.

## Methods of Strategic/Organizational Analysis

Strategic/organizational analysis methods depend on the particular organization. A list of data sources is available for determining training and HRD needs (Table). The list includes the following: human resource inventories (formerly known as manpower inventories), skills inventories, organizational climate measures, and efficiency indexes. Some of these sources, such as efficiency indexes, are continuously monitored by many organizations as part of the normal control procedures and the data are readily available.

Ferdinand Tesoro and Jack Tootson of Dell Computers provide some excellent guidance for using existing organizational measures as the basis for training and performance improvement efforts. Other sources, such as organizational climate, may require the administration of an employee survey. Such surveys can be designed by the organization or purchased commercially.

Data source Recommended		HRD/Training Need Implications
1	Organizational goals and objectives	Where HRD or training emphasis can and should be placed. These provide normative standards of both direction and expected impact which can highlight deviations from objectives and performance problems.
2	Human resource (manpower) inventory	Where HRD training is needed to fill gaps caused by retirement, turnover, age etc. This provides an important demographic database regarding possible scope for the training needs.
3	Skills inventory	Number of employees in each skill group, knowledge and skills levels, training time per job, etc. This provides an estimate of the magnitude of the specific needs for HRD/training useful in cost-benefit analysis of HRD projects

4	Organizational climate indexes	These "quality of working life" indicators at the organization level may help focus on problems that have HRD/training components.
	Labor-Management data-strikes, lockouts, etc.	All of these items related to either work participation or productivity are useful both in discrepancy analysis and in helping management set a value on the behaviors it wishes improved once HRD or training have been established as relevant solutions.
	Grievances	
	Turnover	
	Absenteeism	
	Suggestions	
	Productivity	
	Accidents	
	Short-term sickness	
	Observation of employee behavior	
	Attitude surveys	Good for locating discrepancies between organizational expectations and perceived results
	Customer complaints	Valuable feedback; look especially for patterns and repeat complaints
5	Analysis of efficiency indexes	Cost accounting concepts may represent ratio between actual performance and desired or standard performance
	Costs of labor	
	Costs of materials	
	Quality of product	
	Equipment utilization	
	Costs of distribution	
	Waste	
	Downtime	
	Late deliveries	
	Repairs	
6	Changes in system of sub-system	New or changed equipment may present HRD or training problems

7	Management requests or Management interrogation	One of the most common techniques of HRD/training needs
8	Exit interviews	Often information not otherwise available can be obtained in these. Problem areas and supervisory training needs especially.
9	MBO or Work planning and review systems	Provides Performance review, potential review and long term business objectives. provides actual performance data on a recurring basis so that baseline measurements may be known and subsequent improvement or deterioration of performance can be identified and analyzed

#### Sources of data for organization needs analysis

Each of these methods uses job experts (i.e., incumbents or supervisors) or trained observers to provide and evaluate job information. To obtain a more complete view of the job, it is desirable to use more than one method. This, of course, depends upon the nature of the job being studied and the time and resources available. Methods that involve a range of organization members (supervisors, managers, and employees), such as the CIT and task inventory, have the advantage of building commitment and accountability to the overall HRD effort. This can help facilitate the progress of the HRD intervention down the line. It is vital that all task statements are evaluated in terms of their importance for job performance, the frequency with which the tasks are performed, and how difficult it is to become proficient at the tasks.

Goldstein provides a list of questions to ask during an organizational analysis:

1. Are there any unspecified organizational goals that should be translated into training objectives or criteria?
2. Are the various levels in the organization committed to the training objectives?
3. Have the various levels or participating units in the organization been involved with developing the program, starting with the assessment of the desired end results of training?

4. Are the key individuals in the organization ready to accept the behavior of the trainees, and also to serve as models of the appropriate behavior?
5. Will the trainees be rewarded on the job for the appropriate learned behavior?
6. Is the training used to overcome organizational problems?
7. Is top management willing to commit the necessary resources to maintain the organization and work flow while individuals are being trained?

Organizational analysis can be a critical component of an effective HRD effort. Although it would be optional to conduct a complete organizational analysis on a regular basis, resource and time limitations often make this difficult. At the very least, HRD managers and professionals should continuously monitor the organization's environment, goals, and effectiveness by taking advantage of information already collected by the organization. This responsibility is increasingly expected of all managers and supervisors (and many employees), as the environment becomes increasingly more turbulent and the competition become more fierce.

### **Task Analysis**

Task analysis (sometimes called operation analysis) is a systematic collection of data about a specific job or group of jobs to determine what an employee should be taught to achieve optimal performance. Results of a task analysis typically include the appropriate standards of performance, how tasks should be performed to meet these standards, and the knowledge, skills, abilities, and other characteristics (KSAOs) that employees need to possess in order to meet the standards. Table lists a variety of data sources available for task analysis, including job descriptions, observing the job, asking questions about the job, and reviewing literature about the job.

Although there is general agreement about the purpose of task analysis, there are differing views about how it should be accomplished. We combine the approaches used by others into the following five-step process:

Technique for Obtaining Job Data		HRD/Training Need Implication
1	Job descriptions	Outlines the job in terms of typical duties and responsibilities but is not to be meant all-inclusive. helps define performance discrepancies
2	Job specifications or task analysis	List specified tasks required for each job. More specific than job descriptions. specifications may extend to judgements of knowledge, skills, and other attributes required of job incumbents.
3	Performance standards	Objectives of the tasks of job and standards by which they are judged. this may include baseline data as well
4	Perform the job	Most effective way of determining specific tasks but has serious limitations the higher the level of the job in that performance requirements typically have longer gaps between performance and resulting outcomes
5	Observe job-work sampling	
6	Review literature concerning the job	Possibly useful in comparison analyses of job structures but far removed from either unique aspects of the job structure within any specific organization or specific performance requirements
	Research in other industries	
	Professional journals	
	Documents	
	Government sources	
	Ph.D. and master's theses	
7	Ask questions about the job	
	of the job holder	
	of the supervisor	
	of higher management	

8	Training committees or conferences	Inputs from several viewpoints can often reveal training needs or HRD/training desires
9	Analysis of operating problems	Indications of task interference, environmental factors, etc.
	Downtime reports	
	Waste	
	Repairs	
	Late deliveries	
	Quality control	
10	Card sort	How to statements sorted by training importance.

#### Sources of data for task needs analysis

1. Develop an overall job description.
2. Identify the task.
3. Describe what should be done in the task.
4. Describe what is actually done in the task.
5. Describe KSAOs needed to perform the job.
6. Identify areas that can benefit from training.
7. Prioritize areas that can benefit from training.

### The Task Analysis Process

#### STEP1

##### ***OVERALL JOB DESCRIPTION***

The first step in the process is to develop an overall description of the job or jobs being analyzed. A job description is a narrative statement of the major activities involved in performing the job and the conditions under which these activities are performed. In some organizations, job descriptions are readily available and are updated regularly, so that they accurately reflect the job as it is performed. If this is the case, the HRD professional should obtain and review the description. Without up-to-date job descriptions, it may be necessary to conduct a job analysis.



A job analysis is a systematic study of a job to identify its major components. The job analysis process (described in detail by Gael and Gatewood and Field) generally involves observing the job being performed; asking job incumbents and supervisors the questions about the job, tasks, working conditions, and KSAOs; examining the outcomes of the job; and reviewing relevant literature about the job. Sometimes, the task portion of the job analysis is referred to as the job description, whereas the KSAO portion is called the job specification; however, both task and KSAO portions are generally included in written job descriptions.

Even if a current job description is already available, it is valuable to observe the job as it is performed- a sort of reality test that can give the HRD professional a clearer idea about the tasks and the conditions employees face.

## **STEP 2**

### ***TASK IDENTIFICATION***

Task identification focuses on the behaviors performed within the job. In task identification, the following information about the job is determined and clearly described:

1. The major tasks within the job
2. How each task should be performed(i.e., performance standards)
3. The variability of performance (how the tasks are actually performed in the day-to-day operations)

Both performance standards and performance variables are critical to an effective needs analysis. Although the standards describe what should be done, information about the variability of performance shows what is done. This allows the HRD professionals to identify discrepancies that should be remedied and what the trainees should do at the conclusion of training. Both these are important in developing training objectives.

Five methods for task identification include:

1. Stimulus-response-feedback
2. Time sampling
3. Critical incident technique
4. Job inventories
5. Job-duty-task method

**The stimulus-response-feedback method** breaks down each task into three components. The first component is the stimulus, or cue, that lets an employee to know that it is time to perform a particular behavior. The second component is the responsive or behavior that the employee is to perform. The third component is the feedback the employee receives about how well the behavior was performed. This task identification method results in a list of the cues, behaviors, and feedbacks that make up each task involved in the job. It is well suited for jobs with relatively simple tasks that can be directly observed, whether by a supervisor, the job incumbent, or a trained analyst.

**Time sampling**, the second task identification method involves having a trained observer watch and note the nature and frequency of an employee's activities. By observing at random intervals over a period of time, a clearer picture of the job is understood and recorded.

**The critical incident technique (CIT)** developed by John Flanagan can also be used for task identification. The CIT involves having individuals who are familiar with the job record incidents of particularly effective and ineffective behavior that they have seen on the job over a period of time (like one year). This can be done by individuals or in groups. For each incident, the observer is asked to describe the circumstances and the specific behaviors involved, and suggest reasons why the behavior was effective or ineffective. The CIT result is an understanding of what is considered both good and poor performance.

A job inventory questionnaire is a fourth approach to task identification.

A questionnaire is developed by asking people familiar with the job to identify all of its tasks. This list is then given to supervisors and job

incumbents to evaluate each task in terms of its importance and the time spent on performing it. This method allows for input from many people and gives numerical information about each task that can be used to compute indexes and be analyzed with statistics. Finally, the fifth approach is the job-duty-task method. In this method, the job is divided into its subparts, providing a comprehensive list that identifies the job title; each of its duties (and the tasks and subtasks that make up that duty); and, finally, the knowledge, skills, abilities, or other characteristics (KSAOs) required to perform each subtask. An example of the results of a job-duty task analysis is shown in Box

<b>Job title: HRD Professional</b>		<b>Specific duty: Task Analysis</b>
<b><i>Tasks</i></b>	<b><i>Subtasks</i></b>	<b><i>Knowledge and Skills Required</i></b>
1. List tasks	Observe behaviour	List four characteristics of behavior
	Select verb	Classify behavior Knowledge of action verbs
	Record behavior	Grammatical skills State so understood by others
2. List subtasks	Observe behavior	Record neatly List all remaining acts
	Select verb	Classify behavior State correctly
	Record behavior	Grammatical skills Neat and understood by others
3. List knowledge	1. State what must be known	Classify all information
	2. Determine complexity of skill	Determine if a skill represents a series of acts that must be learned in a sequence

#### **Applying the job-duty-task method of task analysis**

### **STEP 3**

#### **IDENTIFY WHAT IT TAKES TO DO THE JOB**

Successful task performance requires that employees possess the KSAOs to perform the task. The HRD professional must specify the KSAOs because it is these competencies (Table) that employees must develop or acquire during the training program.

As noted earlier, a thorough job analysis will contain this information in the job specification section. If this information is not available or is not current, the HRD professional can determine these factors by questioning supervisors, job incumbents, and other experts and by reviewing relevant literature. Clear KSAO statements should be written and then evaluated with regard to their importance to job performance, learning difficulty, and the opportunity to acquire them on the job.

Knowledge	An understanding of a body of information, usually of a factual or procedural nature, that makes for successful performance of a task
Skill	An individuals level of proficiency or competency in performing a specific task level of competency is usually expressed in numurical terms
Ability	A more general enduring trait or capability an individual possesses when he or she firstt begins to perform a task e.g. the power to perform a physical or mental function
Other charac-teristics	Includes personality , interests, and attitudes

#### **Definitions of knowledge, skill, ability, and other characteristics (KSAOS)**

Information about the KSAOs required to perform a job is valuable in determining the focus of an HRD program. Some KSAOs, such as oral and written communication skills or knowledge of safety procedures, are necessary for effective performance in many jobs. If this is the case, it may be possible to develop and conduct an HRD program that can be offered to employees in wide range of jobs.

#### **STEP 4**

#### ***IDENTIFY THE AREAS THAT CAN MOST BENEFIT FROM TRAINING OR HRD***

In this step, the focus is on determining which tasks and capabilities should be included in HRD programs. Both ratings of tasks as well as ratings of KSAOs should be examined. Task ratings should be studied concerning their importance, time spent, and the ease of acquisition. KSAO ratings should be studied for their importance, the difficulty of learning, and opportunity to acquire them on the job. The tasks and KSAOs receiving

the highest ratings should be considered as the primary condition for inclusion in HRD programs.

Care must be taken to balance the concerns raised by these ratings. For example, a high rating on time spent and ease of learning may indicate that a particular task should be included in training. However, if that same task is also rated low in importance to successful job performance, it may not be worth the time and effort involved in training (or perhaps less expensive training methods can be used). It is also important to remember that not all problems are appropriately dealt with through HRD programs. Other HR or management approaches may be better suited for particular issues and situations.

## **STEP 5**

### ***PRIORITIZE TRAINING NEEDS***

At the end of Step 4; it should be clear which tasks and KSAOs could benefit from training. These tasks and KSAOs should be prioritized to determine which ones should be addressed first. Again, inspection of the ratings provided in Steps 2 and 3 can facilitate the prioritization process (more will be said about prioritizing training needs at the end of this chapter).

### **An Example of a Task Analysis: TEXAS Instruments**

A task analysis performed to develop a train-the-trainer program at Texas Instruments Corporation (TI) provides a good illustration of the ideas included in our discussion of the task analysis process. The training staff at TI needed to determine training needs and deliver an inexpensive program to quickly train expert engineers to instruct new engineers. Consultants began the process by meeting with branch managers, department heads, and employees from five TI branches to determine the following information:

- The mission of the department
- Perceived training needs
- Current and previous efforts in staff development

- The roles, responsibility, and team arrangements within the different branches

This organizational analysis identify the significant issues involved, and the training team then used this information in persuading top managers to commit to a five-step approach to task analysis:

1. List typical tasks.
2. Survey staff.
3. Observe the classroom.
4. Conduct structured interviews.
5. Prepare and present a final report.

The list of tasks was developed by examined literature on training delivery, including company technical reports and the American Society for Training and Development's Models for Excellence study. TI managers reviewed the initial list of tasks, added several tasks, and reworded other task statements. The list was then organized into five areas of responsibility and given to employees to review and supplement. This step ensured that all the professionals had input into defining their jobs from their perspectives, and it resulted in a 117-item list of tasks that trainers would typically be expected to perform.

For the staff survey, all members of the department received a questionnaire listing the tasks and asking them to rate each task according to (1) its importance to their job and (2) their interest in receiving more training related to task. Each item was given a mean rating score on importance and interest. The results were examined to determine whether differences existed in the five branches. The result was that no such differences existed.

Classroom observations of experienced and new TI trainers were conducted to provide additional information on instructional delivery. Teams of observers viewed instructors for one hour and met with each instructor to provide feedback. Individuals for each branch participated in structured interviews to maintain consistency between the survey findings and the classroom observations. This allowed the training team to gather more information about each branch and to "validate" the data gathered

earlier. The interview results were consistent with data from the other sources.

The final step was the preparation of the final report. This consisted of examining the results and developing an executive summary outlining strengths and recommendations for training in each of the five areas of the task list, along with data for each data collection method.

The needs analysis was described as a success because it allowed input and participation at all levels, ensuring cooperation and comprehensiveness. As a result, the training team was able to identify and rank training needs based on sound information rather than relying on intuition alone.

This example reinforces several important points about task analysis:

1. Input from managers, supervisors, and employees can ensure support for needs analysis and pave the way for support for training.
2. Multiple methods not only provide unique information but also enable the analyst to confirm findings and identify and resolve discrepancies.
3. Ratings of tasks allow for quantitative analysis of which tasks may benefit from training and which should be addressed.
4. Viewing needs from a broad perspective, rather than focusing only on performance deficiencies, results in a better understanding of training needs and build support for training programs.

## **Person Analysis**

Person analysis is directed at determining the training needs of the individual employees. The focus is typically on how well each employee is performing key job tasks, but this process may identify wide range of both common and unique HRD needs. Someone who can observe the employee's performance on a regular basis is in the best position to conduct a person analysis.

Traditionally, person analysis has involved an employee and that employee's immediate supervisor. Depending on the nature of an

individual's work, that employee's peers, customers, and subordinates may also be in a position to provide information that can be used to identify person-level needs. In fact, an evaluation approach called 360-degree performance appraisal uses as many of these sources as possible to get a complete picture of an employee's performance.

Immediate supervisors play a particularly important role in person analysis. Not only are they in a position to observe employee performance, but it is also their responsibility to do so. The access to HRD programs in many organizations requires the supervisor's nomination and support. Many methods of person assessment require an effective supervisor to implement them properly. The sources for person analysis data include performance evaluation, direct observation, tests, questionnaires, and critical incidents as sources of information available for person assessment (Table). In addition, to the individuals recently hired into an organization, the information collected as part of the selection process can also be used to determine any developmental needs that the individual has.

### **Components of Person Analysis**

In whatever manner the data for person analysis is collected, an effective person analysis should consist of two components: summary person analysis and diagnostic person analysis. Summary person analysis involves determining the overall success of individual employee performance. Diagnostic person analysis tries to discover the reasons for an employee's performance. Effective performers may be the source for ideas on how to improve employee performance, whereas analysis of ineffective performers can identify what interventions (HRD or otherwise) are needed to improve performance.

### **Performance Appraisal in the Person Analysis Process**

Performance appraisal can be a valuable tool for collecting person analysis data. However, although it may be tempting to think that performance appraisal by itself can be the sole source of person analysis information, this view is shortsighted. In reality, using performance appraisal in needs analysis requires a manager to "have access to a variety of different pieces of information and make a number of complex decisions." Multiple source performance appraisals have potential both for needs



assessment and as a tool for enhancing individual performance. Clearly, organizations are using it. We believe that HRD practitioners should use multiple source performance appraisal information as one element of person analysis, but that they should do with caution. It is important to verify any information gathered and to monitor the research being done on the properties of multisource performance data to be sure the quality of the information gained is high enough to accurately identify HRD needs.

## **Summary**

HRD programs and interventions can be used to address a wide range of issues and problems in an organization. HRD interventions are used to address some need or “gaps” within the organization. A need can be either a current deficiency, such as poor employee performance, or a new challenge that demands a change in the way the organization operate. HRD interventions should be designed and conducted using a four-phase approach: needs assessment, design, implementation, and evaluation. Needs can exist at any of at least three levels, considering the organization, the job/task, and the individual. Strategic/organizational analysis methods depend on the particular organization.

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## Lesson 2.2 - Designing Effective HRD Programs

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### Learning Objectives

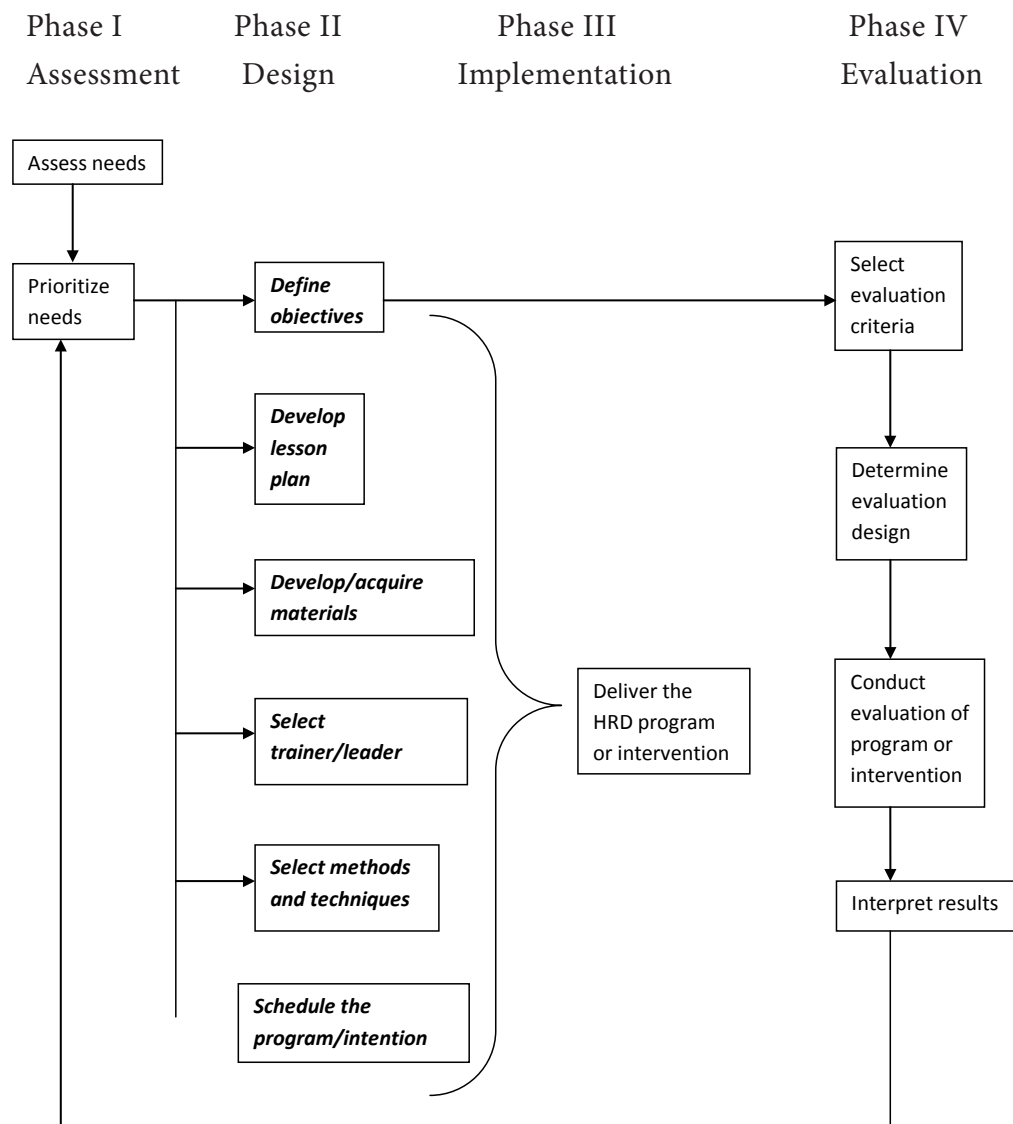
*After reading this lesson, you may be able to*

- Describe design of a HRD program
- Identify the objectives of HRD interventions
- Assess HRD programs
- Enunciate phases of HRD programs

### Introduction

An organization following effective HRD practices would have completed Phase I of the training and HRD process - needs assessment and obtained the information along with organisational constraints and learning theories which are the inputs for designing effective HRD programs.

We recognize that in some cases the availability of needs assessment data may be limited. Although HRD practitioners may feel that it will be difficult to design effective training programs, sometimes they must improvise and make the best of such suboptimal situations. At the same time, every effort should be made to persuade the management to identify the importance of conducting needs analysis and prioritizing HRD needs, as time and resources allow.



**Training and HRD process model**

*Adopted from Werner & DeSimone (2007). Human Resource Development, 4e. Thomson South-Western.*

## Designing HRD Program

Armed with needs assessment data, the focus now turns to designing an effective HRD program. The key activities involved in designing an HRD program are:

1. Setting objectives
2. Selecting the trainer or vendor
3. Developing a lesson plan

4. Selecting program methods and techniques
5. Preparing materials
6. Scheduling the program

Figure shows where these activities fit within the training and HRD process model. It is important to stress at the outset that program design can be a lengthy process. HRD professionals must simultaneously accomplish several other critical tasks throughout the design process. Assuming that an important need for training has been identified, the manager' or HRD professional must then translate that need into a set of objectives. Objectives define what the participants are expected to learn or do as a result of participating in the HRD program or intervention. However, some managers and HRD professionals may be tempted to make a decision as to whether to design the program internally or purchase the program or its key parts, or to establish a contract to consultant to serve as a trainer, buy program materials, and so on, before establishing objectives. In outside purchases, the organization typically uses the objectives developed by the vendor rather than defining its own. However, the chances of success are far greater if the organization identifies the HRD objectives first, before deciding whether to design or purchase the program.

Statements of HRD needs are often not detailed enough to be used as specific program outcomes. Rather, they state the problem at hand, and ideally, include a diagnosis of the problem's causes. Objectives, in contrast, should state the outcome the program is intended to produce, including the specific performance expected, the conditions under which it will be performed, and the criteria to be used to judge as to whether the objective has been achieved or not.

### **Responsibilities of HRD Professionals**

Management professor Ronald Sims stated that training and development initiatives must emphasize "pivotal" employee competencies. To do this, HRD professionals must engage in a number of significant actions, including the following:

1. Identify the kinds and levels of KSAOs that employees need to attain high levels of performance and to achieve organizational results.

2. Develop and maintain organizational - structures, conditions, and climates that are conducive to learning.
3. Generate and provide the necessary resources to conduct a program design.
4. Identify and provide access to off-the job as well as on-the-job learning resources.
5. Provide individual assistance and feedback on various dimensions of individual performance
6. Serve as role models and mentors to trainees and the organization in the pursuit of mastery of “pivotal” KSAOs.
7. Develop efficient learning processes that take into account individual learning styles, abilities, and work and life circumstances.

These types of responsibilities (especially points 2 and 3) cannot be completed without active support and involvement from top management. However, with the increasing focus on high performance from all organizations and employees, HRD professionals must ensure that every HRD initiative serves to meet the organization's strategic goals and objectives. The previous activities must be carried out at the same time that other design issues are being addressed

### **Defining the Objectives of the HRD Intervention**

Defining the objectives for the training or HRD program is one of the first things an HRD professional should do - after completing the needs assessment. Robert Mager defines an objective as a “description of a performance the HRD managers want learners to be able to exhibit before they consider them competent. As such, HRD or training program objectives describe the intent and the desired result of the HRD program. The results can be achieved in many ways (such as lectures, role play, and coaching) but this is not specified in the objective. Rather, objectives are used as the basis for determining which methods should be used to achieve the specified outcome.

As stated, objectives are essential to a successful training or HRD program. In addition to forming the basis for selecting the program content and methods, objectives are used by the organization to evaluate

the program's success, and they also help participants to focus their own attention and efforts during the program.' In short, objectives tell us where the program is going and how it is programmed to achieve the desired results.

Needs assessment data are useful for defining program objectives because they identify the deficiencies or challenges to be addressed. A training program could be designed that would increase the brokers' sensitivity to and support their clients. The objectives of this program will be determined by the specific deficiencies, client preferences, concerns, and other factors identified in the needs assessment.

Mager states that useful objectives include three critical aspects or qualities, that is, they should describe (1) the performance the learners (trainees) should be able to do, (2) the conditions under which they must do it, and (3) the criteria (how well they must do it) used in judging its success.

#### **The qualities of useful objectives:**

**Performance** An objective always says what a learner is expected to be able to do and/or produce to be considered competent; the objective sometimes describes the product or result of the doing.

**Conditions** An objective describes the important conditions (if any) under which the performance is to occur. Example, "Given all available engineering data regarding a proposed product, trainee will write a product profile."

**Criteria** Wherever possible, an objective identifies the criteria of acceptable performance by describing how well the learner must perform in order to be considered acceptable. Example: "The product profile must describe all the commercial characteristics of the product that are appropriate for its introduction to the market, including descriptions of at least three major product uses."

Some examples of program objectives include the following:

- Given a packing list, the trainee will correctly identify (by circling) all items on the list that have not been included in the shipment.
- Given standard hospital equipment, the trainee will draw 10 cc of blood from a patient's arm in not more than two tries (using any member of the class).
- Using the information found on a completed loan application, identify (in writing) whether a client meets the bank's criteria for an acceptable auto loan candidate.
- After completion of training, the trainee will accurately identify and de
- scribe all major points in the organization's antidiscrimination policy.

Program objectives that lack clear statements concerning performance, conditions, and criteria are often ambiguous and can cause those who interpret the objectives differently to feel frustrated and come into conflict with one another. Two ways to ensure that objectives are clear are to choose words carefully and have the objectives reviewed by others (such as managers and potential participants). If a reviewer is confused, the objectives should be revised.

Writing objectives for behaviors that can be directly observed by others can be easier than writing objectives for behaviors that are unobservable (like judging whether a painting is of high quality or determining whether the use of deadly force is warranted). When dealing with broad or "unobservable" objectives, it is necessary to specify observable behaviors that indicate whether an unobservable outcome has been achieved! Thus, an objective for judging whether a painting is of high quality can be written as "to be able to judge whether a painting is of high quality by orally listing the characteristics the painting possesses that indicate its quality."

In many cases, simply presenting trainees with objectives for learning or performance may be enough to elicit the desired behavior. That is, sometimes people do not meet performance expectations because they were never clearly told what the expectations were or how they were

supposed to meet them. Clear objectives provide this information and represent the organization's expectations, which can play a key role in shaping employee performance.

Writing objectives is a challenging but essential aspect of effective HRD. Some questions to ask when writing objectives include:

- Is your main intent stated (concerning what you want the trainee to do)?
- Have you described all the conditions that will influence trainee performance?
- Have you described how well the trainee must perform for his or her performance to be considered acceptable?
- It is remarkably easy to write objectives for training or educational courses that contain phrases with little or no meaning (Mager calls these "gibberish" objectives).

#### **Guidelines for developing useful objectives**

- An objective is a collection of words, symbols, pictures and/or diagrams describing what you intend for the trainees to achieve.
- An objective will communicate your intent to the degree that you describe: what the learner will be doing when he/she will be demonstrating achievement or mastery of the objective, the important conditions of the doing, and the criteria by which achievement will be judged.
- To prepare a useful objective, continue to modify a draft until these questions are answered:

What do I want trainees to be able to do?

What are the important conditions or constraints under which I want them to perform?

How trainees must perform for me to be satisfied?

- Write a separate statement for each important outcome or intent; write as many as you need to communicate your intents.



## The “Make Versus Buy” Decision: Creating or Purchasing HRD Programs

After a manager or HRD professional has identified the program objectives, a series of decisions must be made towards the development and delivery of the program. One of those decisions is whether to design the program internally or purchase it (or portions of it) from an outside vendor, or use some combination of the two. Many services are available through outside vendors or consultants, including:

- Assisting with and conducting needs assessment
- Guiding internal staff to design or implement a program
- Designing a program specifically for the organization
- Providing supplemental training materials (exercises, workbooks, computer software, videos) presenting a previously designed program
- Conducting a train-the-trainer program to improve the instructional skills of internal content experts

There are many sources of HRD programs, materials, and advices. Many consulting firms, educational institutions, professional societies, trade unions, publishing houses, governmental agencies, and nonprofit community-based organizations offer training programs and information to interested organizations. The American Society for Training and Development, as well as T&D magazines, are useful places to begin a search for external training providers.

Table lists a number of factors that should be considered while making a purchase decision. For example, a small manufacturer desires to computerize its billing operation. Given the nature of the training needed, it is likely that the firm’s management would contract with an outside vendor because (1) the firm would probably not have the expertise to design the program in-house, (2) management may not have the time to design the program, and (3) it is not likely that the firm has an HRD department or full-time HRD professional. In general, when the number of people needing the HRD intervention is small, it is more likely that the project will be outsourced. That is, those needing the intervention may send its employees outside the organization for the program. This

could come in the form of the organization providing the resources for professional development or tuition reimbursement.

Other factors that may influence an organization's decisions include personal contacts or past experience with an outside vendor, geographical proximity to the vendor, local economic conditions, and the presence of government incentives to conduct training. ‘

<b>Expertise</b>	When an organization lacks specialized KSAOs needed to design and implement an HRD program.
<b>Timeliness</b>	When it is appropriate to hire an outside agency to facilitate the process.
<b>Number of Trainees</b>	Generally, the larger the number of trainees the greater will be the likelihood for the organization to design the program itself. Thus, for just a few trainees the HRD department would send them to an outside training agency.
<b>Subject Matter</b>	If the subject matter is sensitive or proprietary the HRD department would conduct the program in-house using employees as trainers.
<b>Cost</b>	The HRD department always considers cost, but only in concert with other factors.
<b>Size of HRD</b>	The size of the HRD department is important for assessing the capacity to design, conduct, and/or implement skills training as opposed to using an outside agency.
<b>“X” Factor</b>	Some other extraneous conditions that would make it preferable that an outside agency be used to conduct the skills training.

#### **Factors to consider before purchasing an HRD program**

Once an organization decides to purchase a program or part of a program from an outside source, a vendor must be chosen. One rational way to do this is to determine the match between the vendor's product or capability with the organization's needs and objectives. The criteria for these decisions vary among organizations, but in general they include the following:

1. **Cost:** price relative to program content and quality
2. **Credentials:** including certificates, degrees, and other documentation of the vendor's expertise
3. **Background:** number of years in business and experience in the particular content area
4. **Experience:** vendor's prior clients, success with those clients, references
5. **Philosophy:** comparison of the vendor's philosophy to that of the organization
6. **Delivery method:** training methods and techniques used
7. **Content:** topics included in program or materials
8. **Actual product:** including appearance, samples, or whether a pilot program is available
9. **Results:** expected outcomes
10. **Support:** especially in terms of implementation and follow-up
11. **Request for proposal (RFP):** the match between a vendor's offer and the requirement spelled out in the organization's request for a proposal.

Some of these factors will carry greater weight with particular managers. For example, some managers want to work only with the "best" providers, so they may weigh the vendor's experience and client list more heavily.

A recent study of outsourcing in the training area provides some interesting data. Training managers were polled concerning their use of outside vendors for training and development. They reported spending about 25 percent of their budgets on outsourced training. The most frequent topics conducted by vendors were management development (27 percent), technical training (23 percent), and computer training (14 percent). Although overall satisfaction with the outsourced training was fairly high, only 29 percent reported that they had saved money as a result of outsourcing. Developing trust and maintaining strong communications with vendors were cited as major factors leading to the successful outsourcing of training. Gainey and Klaas state that it is better to outsource rather than to "acquire expertise and enhance the overall

design and delivery of training,” rather than primarily as a means to cut costs.

Outside training vendors offer organizations a wide choice of options in designing and developing training and HRD programs. These programs represent viable options when organizations have a small HRD function and a small number of trainees and when program content has no proprietary value. Even large organizations that have well-respected training functions make regular use of outside vendors for a variety of HRD programs. When organizations, large or small, elect to go outside to purchase training services and programs, they should, of course, first conduct a needs assessment so that they can make an informed decision.

### **Selecting the Trainer**

Once the organization has made a decision to design its own training program, or has purchased a program that it will run, a trainer must be selected. Selecting a trainer can be fairly easy when an organization has a large, multifaceted training staff with the competencies and subject matter expertise to train in high demand areas. Training competency involves the knowledge and varied skills needed to design and implement a training program. Effective trainers must be able to communicate their knowledge clearly, use various instructional techniques, have good interpersonal skills, and have the ability to motivate others to learn.

### **Train-the-trainer programs**

The purpose of train-the-trainer programs is to provide subject matter experts (SMEs) with the necessary instructional knowledge and skills to design and implement a training program. Train-the-trainer programs are available through local professional associations, colleges, and consultants. These programs range from instruction in a single training technique (e.g., behavior modeling) to a comprehensive program on how to design a training program. The latter would present several training methods and techniques with an emphasis on how each can be used to maximize learning in different situations. Some training providers, such as Development Dimensions International (DDI), conduct train-the-trainer programs in which their client’s employees become certified by the consulting firm to present their programs to the organization.

Some organizations design their own train-the-trainer programs, which can be desirable when there is a constant demand for skilled or technical trainers, or when employers want to emphasize a particular training technique. These programs should focus on many of the issues including:

1. Developing trainee objectives and lesson plans
2. Selecting and preparing training materials
3. Selecting and using training aids (e.g., Microsoft® PowerPoint® slides, videos, overhead projectors)
4. Selecting and using different training methods and techniques

When it is not possible to design a train-the-trainer program, some organizations have developed training manuals that include these various components of the design and implementation process. Manuals can be valuable when there are insufficient numbers of SMEs to warrant a train-the-training program or when the potential trainers are in different geographical areas. Overall, the selection of the trainer is an important decision for any HRD effort. Obviously, even a competently designed program that has the potential to address a significant organizational need can be a failure if an incompetent, unmotivated, or disinterested trainer delivers it. An ideal trainer would be someone with the requisite competencies as a trainer, as well as peer recognition for his or her subject matter expertise. If the trainer does not have the necessary subject matter expertise, then it is imperative that this individual should work together with a subject matter expert in the design phase, so that an effective matching of training content with training design and delivery can take place.

### **Preparing a lesson plan**

Program objectives are necessary for pinpointing desired outcomes of a training or HRD program, but these statements alone are insufficient for determining the content of the training program, as well as the training methods, techniques, and materials. To translate program objectives into an executable training session, the development of a lesson plan is recommended.

A lesson plan is a trainer's guide for the actual delivery of the training content. Creating a lesson plan requires the trainer to determine in advance what is to be covered and how much time to devote to each part of the session. Gilley and Eggland suggest that a lesson plan should specify:

- Content to be covered
- Sequencing of activities
- Selection or design of training media
- Selection or development of experiential exercises, or both
- Timing and planning of each activity
- Selection of the method of instruction to be used
- Number and type of evaluation items to be used

Some organizations have program designers whose responsibilities may include defining training objectives and developing lesson plans. Individuals with educational backgrounds in instructional design (especially from colleges of education) are often hired for such positions. The kind of assistance that program designers can provide is particularly important for subject matter experts who have limited training skills. Some organizations include a section on lesson planning in their train-the-trainer programs.

Selecting the trainer and then preparing the lesson plan is a logical sequence, particularly when the trainer is also the one preparing the lesson plan. But sometimes the HRD intervention (including the general lesson plans) is designed before the trainers are selected. This would be most likely to occur in large organizations. Even here, though, the trainer should modify or adapt the general lesson plan to fit each situation in which he or she is asked to present the HRD program.

### **Summary**

Designing an effective HRD program involves, setting objectives, selecting the trainer or vendor, developing a lesson plan, selecting program methods and techniques, preparing materials and scheduling the program. Defining the objectives for the training or HRD program is one of the first things a HRD professional should do - after completing the needs

assessment. Training competency involves the knowledge and varied skills needed to design and implement a training program. To translate program objectives into an executable training session, the development of a lesson plan is recommended.

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## Lesson 2.3 - HRD Interventions and Creating HRD Program

### Learning Objectives

*After reading this lesson, you may be able to*

- Identify the Training Methods and Media
- Evaluate Training Materials
- Understand HRD Programs Schedules

### Introduction

The designer of the training program needs to understand each of the methods and the delivery system to determine the best method for meeting training objectives, given the organizational constraints. Instructional methods differ in their ability to influence knowledge, skills and attitudes, so the training designer must be able to evaluate a method's strengths and weaknesses to make good decisions about its use. Although the method's effectiveness in meeting the learning objective should be the major criterion for selection, other considerations are costs, time needed to develop material, and the time allotted for training session.

### Selecting Training Methods and Media

A 2003 survey conducted by Training magazine revealed that, contrary to popular belief, classroom programs were still the most popular instructional method (see Table).

Methods	Percent
Instructor-led Classroom Programs	91
Self-Study, Web-based	44
Job-based Performance Support	44
Public Seminars	42
Case Studies	40



Role Plays	35
Games or Simulations, Non-computer-based	25
Self-Study, Non-computer-based	23
Virtual Classroom, with Instructor	21
Games or Simulations, Computer-based	10
Experiential Programs	6
Virtual Reality Programs	3
<b>Media</b>	
Workbooks/Manuals	79
Internet/Intranet/Extranet	63
CD-ROM/DVD/Diskettes	55
Videotapes	52
Teleconferencing	24
Video conferencing	23
Satellite/Broadcast TV	12
Audiocassettes	4

**Organizations making frequent use of various training methods and media and its percentage share**

*Adopted from Werner & DeSimone (2007). Human Resource Development, 4e. Thomson South-Western.*

The survey indicated that 91 percent of organizations use the classroom format “always” or “often” to deliver at least some of their training. There has been considerable recent growth in web-based self-study programs and work-based performance support programs. More general public seminars continue to remain popular as well. Data concerning training media usage are reported in Table. Workbooks and manuals continue to be widely used, though there has been a substantial recent increase in the use of the Internet/company intranets and CD-ROM/DVDs for provide training. The types of training most frequently offered can be seen in Table

Type	Percent
Computer Systems/Applications	96
New Hire Orientation	96
Management Development, Nonexecutive	91
Technical Training	90
Communication Skills	89
Sexual Harassment	88
Supervisory Skills	88
Leadership	85
New Equipment Operation	85
Performance Management/Appraisal	85
Team Building	82
Customer Service	81
Product Knowledge	79
Executive Development	78
Safety	77
Computer Programming	76
Personal Growth	76
Managing Change	75
Problem Solving/Decision Making	75
Time Management	74
Train-the-Trainer	74
Diversity/Cultural Awareness	72
Hiring/Interviewing	71
Strategic Planning	69
Customer Education	68
Quality/Process Improvement	65
Public Speaking/Presentation Skills	61
Basic Life/Work Skills	61
Ethics	55
Sales	54

**Frequent Types of Training offered and its percentage share**

*Adopted from Werner & DeSimone (2007). Human Resource Development, 4e. Thomson South-Western.*

Computer applications, orientation, management development, technical training, communication skills, and sexual harassment were the topics most frequently offered.

An ASTD survey revealed that, in 2002, organizations surveyed reported using instructor-led classroom training for 72 percent of their training, with 19 percent of training being delivered via learning technologies such as computer-based training, multimedia, CD-ROMs, and company intranets. For organizations identified as training investment leaders, the figures for delivery via classroom versus learning technologies were 62 percent and 29 percent, respectively.

One way of classifying the training is by the degree of activity expected or required from the trainees. On one end, the lecture method and videotapes are generally the least active (or most passive) form of training. At the other extreme, highly experiential methods such as outdoor training, role-playing exercises, games, and simulations demand the greatest amount of activity or action from trainees. Other approaches such as computer-based instruction or videoconferencing fall somewhere in between.

Training approaches can also be grouped into two broad categories: on-the-job methods, which typically occur in the employee's normal work setting, and class-room methods, which typically take place away from the job (such as in a conference room or lecture hall). This categorization is not definitive, as some training methods have multiple applications. Computer-based training (CBT), for example, can be implemented using a computer at an employee's desk or workstation, in a company classroom, or even at an employee's home.

With such an array of training methods and media available (as seen in Table), how does a HRD professional choose as to which approach is most appropriate for maximum learning? Several factors should be considered:

1. **The objectives of the program** This factor is paramount. As will be clear, some approaches are more appropriate for achieving particular objectives than others. For example, if the objective is to improve interpersonal skills, then more active approaches such

as videotaping, role playing, or behavior modeling would be better choices than the lecture or computer-based training methods.

2. **Time and money available** In an ideal world, we would have all the time and money needed to accomplish our goals. Unfortunately, in many organizations, managers often ask the HRD department to design and implement programs quickly, while spending as little money as possible. Competing needs may also force HRD professionals to select certain approaches because of its low cost. For example, when designing a program to train mechanics to repair a complicated mechanical system, an interactive, computer-based program may be appropriate, but because of its cost, the HRD professional may have to accept for a combination of traditional classes (using lecture, discussion, and reference books) and on-the-job training.
3. **Availability of other resources** Some methods require highly trained trainers and specialized equipment and facilities to be delivered effectively. Again, trade-offs are likely to be made by choosing alternative approaches with less cost resources.
4. **Trainee characteristics and preferences** The issues here are on both the trainee's readiness and the diversity of the target population. Methods such as computer-based training require a fairly high level of literacy. If literacy or fluency is a problem, either a less reading- and writing-intensive method (such as videotape) may be used, or literacy training must be done first. Similarly, because individuals have different learning styles, some training methods may be more appropriate than others. For example, Ronald Sims states that, in designing any program, trainers must pay particular attention to the principles of learning laid out in Chapter 3, and in particular to the learning styles described by David Kolb.

In the end, the selection of training methods and media requires that program designers have the knowledge of different HRD techniques, and then use sound judgment in their decision making. HRD professionals should investigate all available methods, and when in doubt, consult experienced colleagues, instructional designers, and consultants.

## **Preparing Training Materials**

After the training methods have been selected, the next logical step is to prepare or purchase the training materials, depending upon whether the program is purchased or designed by the organization. If a training program is purchased from an outside vendor, training materials such as books, handouts, and videos will usually be part of the package. Programs designed in-house will require the preparation of materials. If the program is similar to past training programs, those materials may simply need to be modified to fit the current program.

Many kinds of training materials are used, but our discussion here is on program announcements, syllabi or program outlines, training manuals, and textbooks.

### **Program Announcements**

Program announcements inform the target audience about the training program. The announcement should indicate the purpose of the program, when and where it will be held, and how the employee can qualify to participate in the program. Sufficient lead time should be given to employees so that they can adjust their schedules and process the necessary request forms. Typically, announcements are sent through supervisory channels, union stewards, company newsletters, an organization's intranet, or mailed individually to employees. Some organizations designate a bulletin board for announcing training opportunities or make use of electronic mail systems. Some organizations publish periodic bulletins to provide this information.

### **Program Outlines**

Program outlines (or course syllabi) are documents that communicate the content, goals, and expectations for the program. Typically provided at the beginning of the program, these include such things as course objectives, topical areas to be covered, materials or tools needed requirements of each trainee, and a tentative schedule of events. The program outline can be used to establish behavioral expectations including punctuality, attendance, work habits, class participation, and courtesy toward other trainees. Such expectations should be clearly

explained. For example, it is important for the trainees to be present at all sessions if training content is sequenced. The attendance policy should reflect this requirement and explain that any trainee who is absent may be required to begin a new program from the start.

### **Training Manuals or Textbooks**

Most trainers rely on a training manual or textbook for the basic instructional material, readings, exercises, and self-tests. Some documents are organized into modules that make it easy to organize the training program into sessions. Textbooks provide a broad treatment of the subject, whereas training manuals are better known for their brevity and hands-on approach. Trainers who decide to use a textbook would normally contact the publisher and determine whether individual modules can be purchased separately, how useful other trainers find the item, and how easily the item can be customized to the needs of the organization. In addition to these factors, the purchase price should be compared with the cost of producing a comparable training manual. For example, Thomson/South-Western has an active custom publishing operation (called Text Choice) that allows educators and trainers to select portions of their content as well as add original materials to create a customized textbook.

Training manuals can be readily produced by an organization, particularly given the availability of desktop publishing software. The production cost would include staff time for curriculum design and writing, cost of equipment, and printing. The availability of desktop publishing software and laser printers makes it much easier to produce a high quality training manual in-house, but still there is a large demand for the manual, as it is usually less expensive in the long run to purchase a commercially produced manual.

### **Scheduling the HRD Program**

The task of scheduling training or a HRD program may seem relatively straightforward when compared to other decisions made by the trainer, but this is definitely not the case. Organizations can be busy, hectic, and unpredictable environments, may make the scheduling HRD and other activities very difficult. The goal in scheduling a HRD program is to ensure that the participants (both trainer and learners) are available and

have their attention focused on the learning task at hand. In this section, we will discuss some of the issues HRD professionals should consider when scheduling programs. The discussion applies to scheduling programs that require participants to be in attendance at the time the program is delivered. In contrast, one of the main advantages of individually oriented delivery methods, such as CD-ROM or self-paced instruction, is that such approaches can be done whenever the participants have the time to do them.

### **Scheduling During Work Hours**

One popular option for program scheduling is to run the program during normal working hours. This timing both avoids outside conflicts (such as commuting, family, and personal obligations) and sends a message to employees that learning is an important part of their job. While scheduling a program during normal work hours, the HRD professional should consider factors such as the day of the week, time of day, peak work hours, staff meeting times, and travel requirements. The day of the week becomes an issue because employees often favor some days for time off, such as Monday, Friday, and the days surrounding a holiday. Employees may wish to extend their weekends and holidays, so these days are often avoided (if possible) when scheduling training.

Time of day is another factor. Programs scheduled for the start of the workday may face a significant proportion of tardy or tired participants. Scheduling a program for the lunch hour may require building in time for employees to eat during the program, providing lunch, or requiring employees to eat before or after training. Mid afternoon programs coincide with the time that many people's circadian rhythms are at a low point, resulting in sluggishness and shorter attention spans. To combat this, the program should include active participation, break periods, or the availability of light snacks and beverages. In addition, employees attending programs scheduled close to quitting time may be distracted or have to leave early to attend to personal or family demands. Obviously, a program has to be scheduled sometime, but the wise trainer will note these issues and take steps to deal with them as best as possible.

In addition to day of the week and time of day, other working-hour constraints may be unique to particular organizational units or

occupational groups. These include peak work hours, staff meeting times, and travel requirements. Peak work hours are the times of the day, week, month, or year that departments are the busiest and when scheduling training program would cause a potential conflict. For example, scheduling a professional development program for accountants and auditors during tax season would prevent most potential participants from attending. Managers and supervisors should also be contacted before scheduling programs to determine if participants have any staff meetings, travel requirements, or any other special scheduling needs. This information will help the trainer to select the best times and develop contingency plans for any potential conflicts.

### **Scheduling After Work Hours**

Sometimes, HRD programs are scheduled after work or during the weekend to avoid some of the organizational constraints previously discussed. This approach can create other problems. Extending the workday and workweek can cause a hardship for some employees, particularly those who have family obligations or other personal commitments. Even when employees know about a scheduled training program in advance, family problems could arise, causing some trainees to miss important training sessions. Another problem is fatigue. Employees may be physically tired from a day's work and may not be mentally alert. Even when after-work and weekend programs do not cause hardships, many employees are reluctant to give up their leisure time. In these situations, some organizations provide inducements, including overtime pay, compensatory time (equal time off), and training as a qualification for promotion and leisure activities to coincide with the training session.

### **Summary**

The designer of the training program needs to understand each of the methods and delivery systems to determine the best method for meeting training objectives, given the organizational constraints. Workbooks and manuals continue to be most widely used, though there has been a substantial recent increase in the use of the Internet/company intranets and CD-ROM/DVDs for provide training. Program announcements, syllabi or program outlines, training manuals, and textbooks are kinds of training materials.



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## Lesson 2.4 - Implementing HRD Programs

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### Learning Objectives

*After reading this lesson, you may be able to*

- Describe the Training Methods
- Enunciate on the Job Training Methods
- Assess Off the Job Training Methods

### Introduction

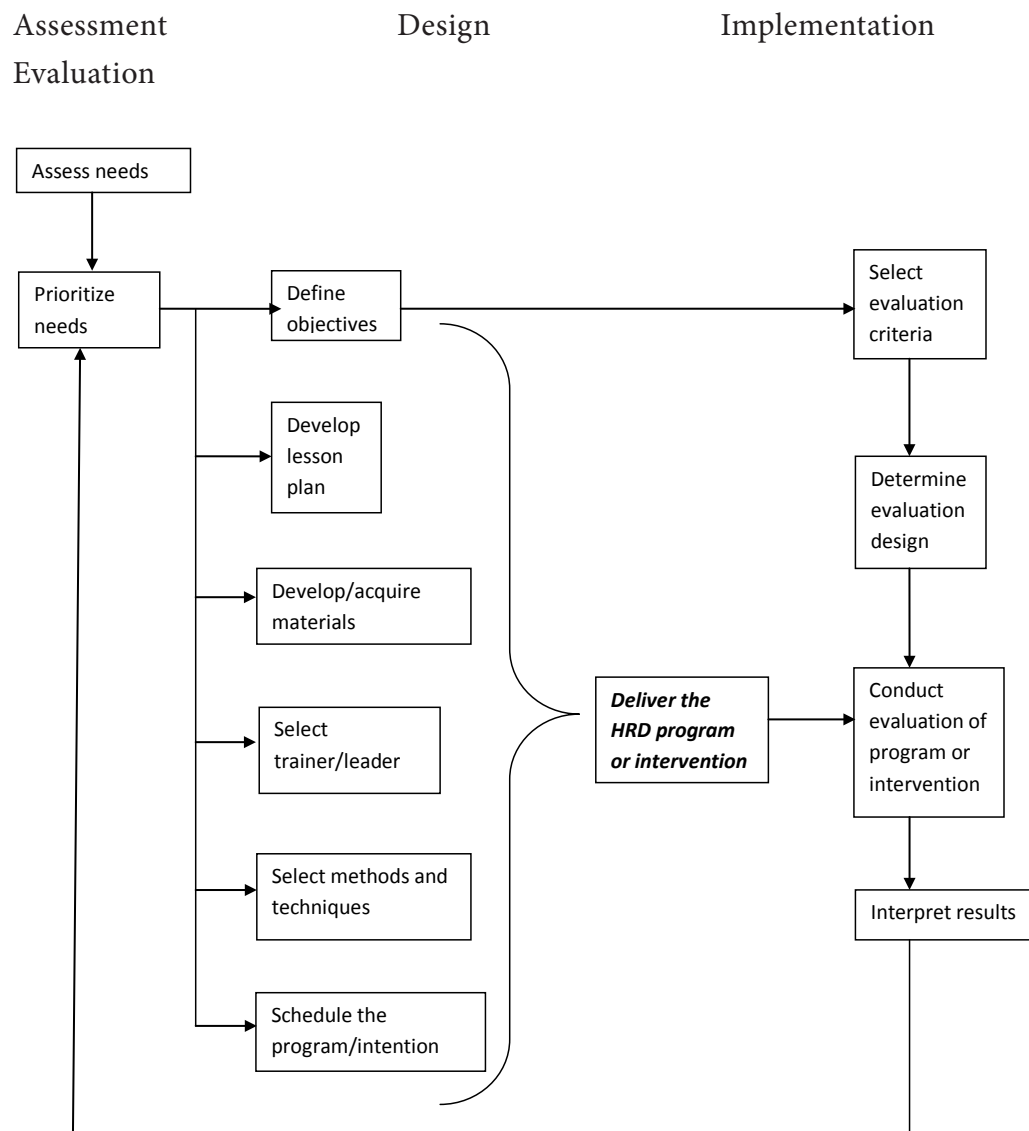
The competitive pressures facing organizations today require employees whose knowledge and ideas are current, and whose skills and abilities can deliver results. As organizations compete and change, training becomes even more critical than before. Employees who must adapt to the myriad of changes facing organizations must be trained continually to maintain and update their capabilities. Also, managers must have adequate training and familiar with the development program to enhance their leadership skills and abilities.

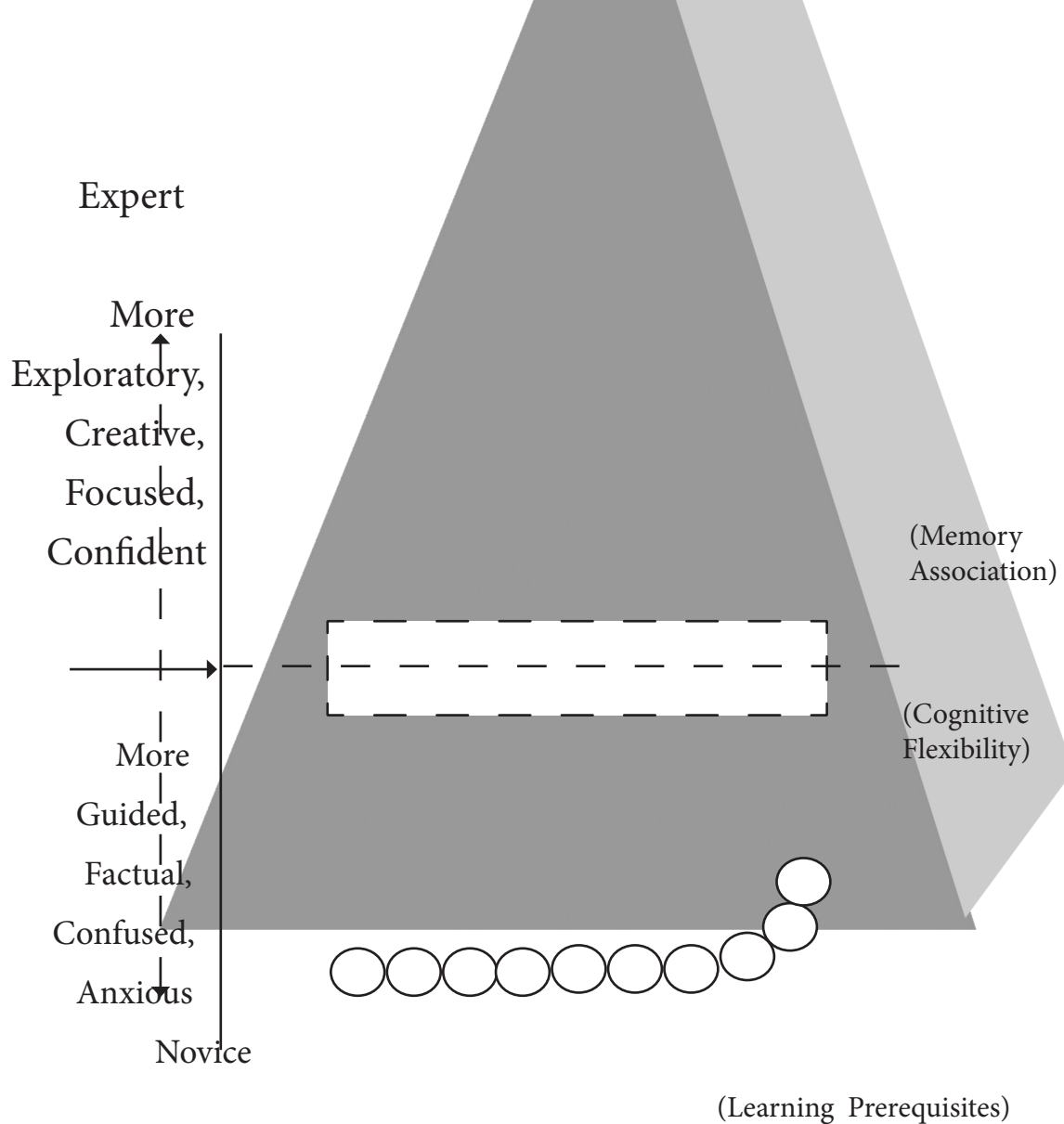
### Training Delivery Methods

The third phase of the training process is implementing training and HRD programs. (Figure shows where these activities fit within the training and HRD process model.)

Learning covered differences between expert and novice levels of employee performance. Clearly, training is intended to increase the expertise of trainees in a particular area. While thinking about the training method (or methods) to be used, it is useful to consider the current level of expertise that trainees possess. Figure depicts a learning pyramid. At the bottom are learning prerequisites, that is, the basic skills or knowledge the learner needs to get started. As the figure suggests, the novice learner may easily get confused or anxious, and therefore novice trainees generally

require more guided or instruction-centered training methods. In contrast, as the trainees' existing level of expertise increases, they become more creative and confident. Thus, the desired or ideal training methods are also likely to shift more toward exploratory or experiential methods.





**A learning pyramid to guide in the selection of appropriate training methods**

*Adopted from Werner & DeSimone (2007). Human Resource Development, 4e. Thomson South-Western.*

As the experiential methods generally require more time to complete than instruction-centered approaches, they are not as commonly used to reach large number of individuals (hence, the pyramid shapes of Figure). This figure is also consistent with the distinction made between declarative and procedural knowledge, that is, in most cases, an individual must first learn what to do (declarative knowledge) before he or she can learn how to do it (procedural knowledge). An effective training or HRD program should first identify where trainees are in terms of this pyramid, and then provide assistance for all trainees to “move up” toward an expert

level of performance. In many situations, both guided and experiential approaches will be used, for example, when organizations combine the use of lecture, discussion, case studies, behavior modeling, role playing, and games or simulations. This combined approach is especially valuable when trainees have different learning styles and preferences. The choice of training method should be guided by both the program objectives, as well as an explicit consideration of the current level of trainee expertise. Middle arrow in Figure depicts the point at which individual trainees are ready to shift from more guided to more exploratory learning approaches.

Training methods can be classified on the basis of whether they take place on the job versus away from the employee's normal work setting. Table lists the on-the-job, classroom, and self-paced training methods of this chapter. Other training methods used for particular audiences (such as mentoring for management development) is also discussed.

### **On-the-Job Training (OJT) Methods**

On-the-job (OJT) training involves conducting training at a trainee's regular work place (desk, machine, etc.). This is the most common form of training; most employees receive at least some training and coaching on the job. Virtually any type of one-to-one instruction between coworkers or between the employee and the supervisor can be called as OJT. On-the-job training has been promoted as a means for organizations to deal with the shortage of applicants who possess the skills needed to perform many current jobs, and as a means for organizations to deal with accelerating market cycles. Unfortunately, much on-the-job training is conducted informally, without formal structure, planning, or careful thought.

Structured OJT programs are generally conducted by an assigned trainer who is recognized, rewarded, and trained to provide appropriate instructional techniques. A survey of OJT practices found that (1) supervisors, coworkers, and to a lesser degree, HRD staff members conducted most of the structured OJT programs; (2) a majority of organizations provided train-the-trainer programs for these assigned OJT trainers; and (3) top management generally expressed support for structured OJT programs. Formal OJT has two distinct advantages over classroom training.

First, OJT facilitates the transfer of learning to the job because the trainee has an immediate opportunity to practice the work tasks on the job. Transfer the learning is enhanced because the learning environment is the same as the performance environment. Second, OJT reduces training costs because no training facilities are needed.

There are, however, several limitations to OJT. First, the job site may have physical constraints, noise, and other distractions that could inhibit learning. Many of these cannot be changed because of the nature of the job. Second, using expensive equipment for training could result in costly damage or disruption to the production schedule. Third, using OJT while customers are present may inconvenience them and temporarily reduce the quality of service. Fourth, OJT involving heavy equipment or chemicals may threaten the safety of others who are working in close proximity. Precautions should be taken by the trainer to minimize the potential problems from these four areas.

Methods	Techniques
On-the-job training	Job instruction training
	Job rotation
	Coaching
	Mentoring
Classroom	Lecture
	Conference/Discussion
	Audiovisual
	Static media (e.g., handouts, books)
	dynamic media (e.g., DVD, video, film)
	telecommunication (e.g., satellite transmission, Internet)
	Experiential techniques
	Case study
	Business games
	Role play
	Behavioural modeling
	Computer-based training (classroom based)
	Networked computer labs/classrooms
Self-paced	Paper-based training
	Workbooks (e.g., programmed instruction)
	Computer-based training (non-classroom based)
	Computer-aided instruction (e.g., multimedia CD-ROM)
	Internet/intranet
	Intelligent computer -aided instruction

Training methods and techniques

In many cases, OJT is used in conjunction with off-the-job training. For example, KLM Royal Dutch Airlines uses classroom-based training to provide initial customer service training for new flight attendants. However, follow-up training is conducted on evaluation flights. Trainees are asked to demonstrate their service delivery skills on the evaluation flights in front of experienced flight attendants. There are at least four identifiable OJT techniques, including job instruction training (JIT), job rotation, coaching, and mentoring. Now we will see these in detail.

### **Job Instruction Training (JIT)**

JIT is defined as a sequence of instructional procedures used by the trainer to train employees while they work in their assigned job. It is a form of OJT. The content of a JIT program is distinguished by its simplicity. Table details a simple four-step process that helps the trainer and they are to prepare the worker, present the task, and allow practice time and follow-up. Preparing the workers is important because they need to know what to expect. Preparation may include providing employees with a training manual, handouts, or other job aids that can be used as references. Presenting the task should be carried out in such a way that the trainee understands and replicate the task. Some trainers demonstrate the task before asking the trainee to repeat the process. Practice time is important for the trainee to master a particular set of skills. Finally, the trainer needs to conduct a follow-up as a way of ensuring that the trainee is making progress. During this follow-up session, the trainer should apply coaching techniques when appropriate.

The success of JIT depends on the ability of the trainer to adapt his or her own style to the training process. The trainer, particularly if this person is the trainee's coworker or supervisor, should have an opportunity to assess the trainee's needs before beginning the training. If the training material is too difficult or too easy, the OJT trainer should adjust the material or techniques to fit the needs of the trainee. Once the trainees have demonstrated that they can do the work, they should be allowed to work on their own. However, it is important for the trainer or supervisor to check back periodically to answer questions and make sure everything is going well.

<b>Step 1: Prepare the worker</b>
a. Put trainee at ease
b. Find out what trainee knows
c. Motivate
d. Set up the task
<b>Step 2: Present the task</b>
a. Tell
b. Show
c. Explain
d. Demonstrate
<b>Step 3: Practice</b>
a. Have trainee perform the task(s)
b. Have trainee explain the steps
c. Give feedback on performance
d. Reinforce correct behavior
<b>Step 4: Follow-up</b>
a. Allow the trainee to perform on his or her own
b. Encourage questioning
c. Check performance periodically
d. Gradually taper off training

### Job Instruction Training

#### Job Rotation

Job rotation is the approach where the trainee is generally expected to learn more by observing and doing than by receiving instruction. Rotation, as the term implies, involves a series of assignments to different positions or departments for a specified period. During this assignment, the trainee is supervised by a department employee, usually a supervisor, who is responsible for orienting, training, and evaluating the trainee. Throughout the training cycle, the trainee is expected to learn how each department functions, including some key roles, policies, and procedures. At the end of the cycle, the accumulated evaluations will be used to determine the preparedness of the trainee where the person will be permanently assigned.

Job rotation is frequently used for first-level management training, particularly for new employees. When this technique is used, it is generally assumed that new managers need to develop a working knowledge of the organization before they can be successful managers. Two other forms of on-the-job training, coaching and mentoring, also involve one-to-one

instruction. Coaching typically occurs between an employee and that person's supervisor and focuses on examining employee performance and taking actions to maintain effective performance and correct performance problems. In mentoring, a senior manager is paired with a more junior employee for the purpose of giving support, helping the employee learn the job, and preparing responsibility.

### **Classroom Training Approaches (Off the Job Methods)**

*Classroom training* approaches are conducted outside of the normal work setting. In this, a classroom can be a training space away from the work site, such as the company cafeteria or a meeting room. Although many organizations capitalize on whatever usable space they have made available to conduct training sessions, some larger organizations maintain facilities that serve as freestanding training centers. Conducting training away from the work setting has several advantages over on-the-job training. First, classroom settings permit the use of a variety of training techniques, such as video/DVD, lecture, discussion, role playing, and simulation. Second, the environment can be designed or controlled to minimize distractions and create a climate conducive to learning. Third, classroom settings can accommodate larger numbers of trainees than the typical on-the-job setting, allowing for more efficient delivery of training. On the other hand, two potential disadvantages of classroom training methods are: increased costs and dissimilarity to the job setting, making transfer of training more difficult.

Five primary categories of classroom training methods are:

1. Lecture
2. Discussion
3. Audiovisual media
4. Experiential methods
5. Computer-based training (classroom-based)

### **The Lecture Approach**

The lecture method involves the oral presentation of information by a subject matter expert to a group of listeners. As we have noted, the



lecture continues to be a popular training technique. One of the reasons the lecture method is so popular is that it is an efficient way of transmitting factual information to a large audience in a relatively short amount of time. When used in conjunction with visual aids, such as slides, charts, maps, and handouts, the lecture can be an effective way to facilitate the transfer of theories, concepts, procedures, and other factual material.

And the lecture method has been widely criticized, particularly because it emphasizes one-way communication. It has been suggested that the lecture method perpetuates the traditional authority structure of organizations, thus promoting negative behavior (such as passivity and boredom), and it is poorly suited for facilitating transfer of training and individualizing training. Similarly, although a skilled lecturer may effectively communicate conceptual knowledge to trainees who are prepared to receive it, the lecture has little value in facilitating attitudinal and behavioral changes. Trainees must be motivated to learn otherwise, when it is used alone, the lecture method does not elicit audience responses. A related disadvantage of the lecture method is the lack of sharing of ideas among the trainees. Without dialogue, the trainees may not be able to put things into a common perspective that makes sense to them. Also, many people claim to dislike the lecture method.

### **The Discussion Method**

The discussion method involves the trainer in two-way communication with trainees, and the trainees in communication with each other. As active participation is encouraged, the discussion method offers trainees an opportunity for feedback, clarification, and sharing points of view. Given this dynamic, the discussion technique can overcome some of the limitations of the straight lecture method. A common maxim for discussion facilitators is, "Never does for the group what it is doing for itself." However, the success of this method is dependent upon the ability of the trainer to initiate and manage class discussion by asking one or more of the following types of questions:

- Direct questions can be used to illustrate or produce a very narrow response
- Reflective questions can be used to monitor what someone else has said to make sure the message was received as intended

- Open-ended questions can be used to challenge the trainees to increase their understanding of a specific topic.

Managing discussion goes beyond questioning participants. The trainer must ensure that the trainees are reinforced for their responses. The trainer must also act as a gatekeeper, giving everyone an opportunity to express their point of view and not letting the discussion be dominated by a few vocal participants. Managing discussion in large training classes can be difficult. Not only the opportunities for an individual to participate are reduced in large group, some participants may feel intimidated and be reluctant to get involved. Dividing a large class into smaller discussion groups, which can then share their ideas with other groups, can increase the opportunity for discussion.

There are several limitations of the discussion method. **First**, a skilled facilitator is needed to manage the discussion process. Skill in facilitating a discussion is not something that one acquires quickly; skilled facilitators have generally practiced extensively and prepared thoroughly before leading a discussion. **Second**, sufficient time must be available for meaningful discussion to take place. **Third**, trainees need to have a common reference point for meaningful discussion to occur. Assigning and reading material before the discussion session can help overcome this obstacle. On balance, most trainers and trainees find a well-done discussion to be more interesting and energizing than a traditional lecture. Of course, adequate time, motivation, and resources must be made available for this method to work effectively, (but then, this is true of any method of delivering training).

### **Audiovisual Media**

Both the lecture and discussion methods are limited in their ability to adequately portray dynamic and complex events. Audiovisual methods take advantage of various media to illustrate or demonstrate the training material. Audiovisual media can bring complex events to life by showing and describing details that are often difficult to communicate in other ways. For the purposes of this chapter, we categorize audiovisual methods into three groups: static media, dynamic, and telecommunications.

Static media typically involve fixed illustrations that use both words and images. This can include printed materials, slides, and overhead transparencies. Printed materials, such as handouts, charts, guides, reference books, and textbooks, allow trainees to keep the material, referring it before, during, and after the training session. Slides are often used in ways similar to printed materials, but by projecting a computer- or camera-generated image onto a screen, they can serve as a common focus for discussion. Slides can also be synchronized with audiotapes to form a standardized presentation. Such a setup can be delivered without using a skilled trainer; at a minimum, someone is needed to operate and monitor the equipment (slide projector and tape player). Overhead transparencies also allow the trainer to project printed materials or other images on a screen. Transparencies can be more flexible than slides because the trainer can also write on the transparency sheets, turning the screen into a sort of chalkboard.

The use of computer-generated slides (such as Microsoft PowerPoint presentations) has increased dramatically in recent years. Some go so far as to argue that “the ability to prepare a slide presentation has become an indispensable corporate survival skill.”

**Dynamic media** Technique that present dynamic sequences of events are considered dynamic media and include compact discs (CDs), DVDs, diskettes, videotape, films, and audiocassettes. There are literally thousands of commercially produced films, videos, and DVDs are available to HRD professionals through film libraries, professional societies, and retail outlets. Many training vendors emphasize the sale or rental of training DVDs and videos. In addition, many organizations are able to produce their own videos at a relatively low cost. For example, Southwest Airlines produced a nine-minute rap music video that introduces employees to work procedures and company operations, while at the same time conveying the team spirit and fun-oriented culture that typifies the company.

An effective DVD or video takes advantage of the capabilities of the medium rather than simply reproducing a printed or static presentation. Unfortunately, many videos are indeed little more than reproductions of traditional lectures. Some HRD professionals argue that the baby boomers and later generations, who grew up watching films and television, may

actually prefer this form of presentation. Yet, one potential limitation of this technique is that trainers may rely too much on the film or video, and focus too little on the training content. Such reliance can lead to complacency among trainees who view the films and videos as entertainment, rather than as opportunities to learn.

Video tape is also used as a visual aid for behavior modeling training by recording role plays and then asking group members to critique their experience while they watch the video. For example, a sales training program may include a videotaping segment, so that trainees can observe themselves performing an in-class exercise on how to close a sale. This approach also provides an opportunity for the trainer to reinforce desired behaviors. One potential limitation of this technique is that trainees may feel intimidated by the camera and may even resent the process. To offset this limitation, the trainer must be supportive and create a “safe” environment during the program.

**Telecommunication** The transmission of training programs to different locations via telecommunications has become increasingly feasible via satellite, cable, and fiber optic networks. Linking several locations for instructional and conference purposes are known as instructional television (ITV), or interactive television, which allows entire course to be televised. Telecommunication technology also allows organizations to conduct conferences between remote locations. This technique is known as teleconferencing, or videoconferencing, is being used by organizations such as JCPenney, IBM, AT&T, Domino’s Pizza, and Texas instruments. JCPenney also sells this service to other organizations. Colleges and universities are also taking advantage of teleconferencing facility to benefit both their students and corporate clients. Teleconferencing helps organizations to reduce trainer, travel, and facility costs, and it increases the availability of training to remote locations.

Studies have consistently shown that audiovisual training methods like film, television, and videoconferencing are as effective, as other methods are (Primary lecture). Given the choices available, HRD professionals must select the most appropriate audiovisual method for each particular HRD program. Kearsley made five recommendations concerning media selection:

1. Identify the media attributes required for the conditions, performance, or standards of each instructional objective.
2. Identify student characteristics that suggests or preclude particular media.
3. Identify characteristics of the learning environment that favor or preclude particular media
4. Identify practical considerations that may determine which media are feasible.
5. Identify economic or organizational factors that may determine which media are feasible.

This list includes both learning-related and practical considerations. Rothwell and Kazanas pose several further questions that can guide the proper selection of audiovisual methods:

1. How much time is available to plan and test instruction?
2. What equipment is available to use in designing or delivering instruction, or in doing both?
3. For what media instructional designers prepare instruction? Do staff skills lend themselves to some media better than others?
4. How much is an organization willing to spend on the design and development of instruction?

Readers who want to know more about these various audiovisual methods and how to select among them would do well to consult other sources.

### **Experiential Methods**

So far, we have discussed training methods that focus primarily on presentation of training content. In many of these methods, such as video and lecture, the learner is generally assumed to be a passive (or somewhat passive) recipient of information. Experiential learning advocates, such as David Kolb, state that effective learning requires active engagement on the part of the learner. Keys and Wolfe summarize this point of view as follows:

Experientialists believe that effective learning is an active experience that challenges the skills, knowledge, and beliefs of participants. This is accomplished by creating a contrived, environment that is both challenging and psychologically safe for the participant to investigate and to employ new concepts, skills, and behaviors. Experiential instructors recognized that learners bring to the learning environment a set of accumulated knowledge and learning methods that are simultaneously functional and/or dysfunctional depending on the learning situation.

Experiential training methods that are commonly used in organizations include case studies, games and simulations, role playing, and behavior modeling. These methods fall more toward the exploratory side of the learning continuum presented in Figure. Each of these methods is described in the following sections.

**The case study method** helps trainees learn analytical and problem-solving skills by presenting a story (called a case) about people in an organization who are facing a problem. Cases may be based on actual events involving people in an organization, or they can be financial. Case studies are typically included in college textbooks and courses in management, public administration, law, sociology, and similar subjects. They are increasingly available in video, DVD, and other media formats and not just on paper.

Although cases vary in complexity and detail, trainees should be given enough information to analyze the situation and recommend their own solutions. In solving the problem, trainees are generally required to use a rational problem-solving process that includes:

1. Restating important facts
2. Drawing inferences from the facts
3. Stating the problem or problems
4. Developing alternative solutions and then stating the consequences of each
5. Determining and supporting a course of action

Cases can be studied by individuals or small groups, and the completed analysis and solutions are typically presented by the trainees to

the rest of the class. Proponents of the case study method argue that this form of problem solving within a management setting offers illustrations of the concepts students are expected to learn and use, improves communication skills, and facilitates the linkage between theory and practice. Proponents also claim that cases allow students to discuss, share, and debate the merits of different inferences, problems, and alternative course of action. Such insight can help students to develop better analytical skills and improve their ability to integrate new information.

The case study method has vigorous critics who argue that it can cause groupthink, focuses too much on the past, limits the teaching role of the trainer, reduces the learner's ability to draw generalizations, reinforces passivity on the part of the learner, and promotes the quantity of interaction among students at the expense of the quality of interaction. Andrews and Noel claim that cases often lack realistic complexity and a sense of immediacy, and inhibit development of the ability to collect and distill information. In addition, trainees may get caught up in the details of the situation, at the expense of focusing on the larger issues and concepts they are trying to learn.

To overcome these limitations, the trainer should make expectations clear and provide guidance when needed. In addition, the trainer must effectively guide the discussion portion of the case study to ensure trainees have an opportunity to explore differing assumptions and positions they have taken and the rationale for what constitutes effective responses to the case. The point in discussing cases is not necessarily to find the 'right' solution, but to be able to provide a reasoned and logical rationale for developing a course of action.

**Business games and simulations** like the case method, business games are intended to develop or refine problem-solving and decision-making skills. However, this technique tends to focus primarily on business management decisions (such as maximizing profits). It is estimated that 25 percent of organizations use non-computer-based games or simulations, with 10 percent using computer-based games or simulations.

Business games, particularly computer simulations of organizations and industries, are widely used in business schools. A review of sixty-one studies supported for the effectiveness of business games in strategic

management courses. Whether these results can be generalized to organizational settings can be a moot question.

Another type of simulation used in management development programs and assessment centers is the *in-basket exercise*. The goal of this technique is to assess the trainee's ability to establish priorities, plan, gather relevant information, and make decisions. The sequence of events involved in an in-basket exercise typically includes the following:

1. The trainees are told that they have been promoted to a management position that was suddenly vacated. They are given background information about the organization including personnel, relationships, policies, and union contracts.
2. The trainees then receive the contents of the manager's in-basket. This material includes documents such as telephone messages, notes, memos, letters, and reports.
3. The trainees are then asked to read, organize, prioritize, and make decisions regarding the issues presented by the in-basket material.
4. At the end of the decision period, the trainees' decisions are then evaluated by trained scorers.

The object of this technique is to force trainees to make decisions in the allotted time period. Because there is usually insufficient time to read each document and respond, the trainees must make quick and accurate decisions. The trainees are evaluated not only on the quality of their decisions but also on their ability to prioritize and to deal effectively with all the critical documents. Research on the in-basket technique has shown that it is successful in improving trainee effectiveness, as well as in predicting future managerial effectiveness, either alone or in combination with other devices.

One limitation of business games and simulations is that although they can be quite complex, these techniques often lack the realistic complexity and information present in real organizations. Factors such as organizational history and politics, social pressures, the risks and consequences of alternatives, and the organization's culture are difficult to replicate in a simulation. This may undermine the extent to which what is learned in the game or simulation will transfer back to the job.



In addition, many games and simulations emphasize the use of quantitative analysis in making business decisions and underplay the importance of interpersonal issues in managerial effectiveness.

**Role playing** A popular training technique, namely role playing is reportedly used by 35 percent of organizations. In the role-playing technique, trainees are presented with an organizational situation, assigned a role or character in the situation, and asked to act out the role with one or more of the other trainees. The role play should offer trainees an opportunity for self-discovery and learning. For example, a management development program could include a role play situation emphasizing interpersonal conflict between a manager and a subordinate. Management trainees would have an opportunity to play the role of both the manager and the subordinate, in order to understand some of the dynamics of this situation, as well as practice interpersonal skills. The value of this technique is enhanced by conducting a feedback session following the role-play, in which trainees and the trainer criticize the role player's performance. In many organizations, the role episode is videotaped, as discussed earlier, which allows for better feedback and self-observation.

Although self-discovery and opportunity to practice interpersonal skills are out-comes of role playing this method do have some limitations. First, as discussed earlier, some trainees may feel intimidated by having to act out a character (and possibly be videotape doing so). Trainer should take sufficient time in introducing the exercise, explaining the process in detail, and most of all, emphasizing how participation will help each trainee to better understand and apply different interpersonal skills.

A second limitation of the technique is the extent to which trainees are able to transfer this learning to their jobs. Some trainees may perceive role playing as artificial or as a fun and game, but not as a legitimate learning tool. Trainees who do not take this technique seriously may interfere with other trainees' learning. The trainer must manage the process effectively and keep reinforcing the importance of participation.

**Behavior modeling** Social learning theory suggests that many of our behavioral patterns are learned from observing others. This theory forms the basis for behavior modeling. In organizations, employees learn all kinds of behaviors, from observing supervisors, managers, union leaders,

and coworkers who serve as role models. Under normal conditions, role models can have a tremendous influence on individual behavior.

In this technique, trainees observe a model performing a target behavior correctly (usually on a video or DVD). This is followed by a discussion of the key components of the behavior, practicing the target behavior through role playing and receiving feedback and reinforcement for the behavior they demonstrate. Behavior modeling is widely used for interpersonal skill training and is a common component of many management training programs.

Researches have shown behavior modeling to be an effective training technique. It is described in greater detail in our discussion of management development.

**Outdoor education** Outdoor-based education, such as rope courses, has generated considerable interest from employers and employees alike. This can include work teams being involved with outdoor games, orienting, or rafting. Frequently, such programs include either low ropes or high ropes elements. A low ropes course typically has limited physical risks; whereas high ropes courses typically have higher perceived risks. Low ropes courses can also be conducted indoor. Both types of courses usually have a strong focus on group problem solving and team building. Though there is evidence that such courses can impact work team functioning and performance, overall, the empirical results to date have been mixed. Those considering use of such programs should make sure that the programs match the objectives set out for training, and that follow-up evaluation is conducted. A recent article by Scott Williams and colleagues provide helpful guidance concerning how multiple outcomes can be measured to evaluate the success of outdoor training.

### **Self-Paced/Computer-Based Training Media and Methods**

As mentioned, computer-based training (CBT) can be conducted in either a classroom or an individual, self-paced format. Indeed, with the increased availability of networked computer labs, there can be an almost limitless interplay between instructor-led and individual-based computer training. As such, we discuss computer-based training both as one of the five approaches to classroom training, as well as a major example of current

self-paced training approaches. Before 1980s, most self-paced training was paper based. For example, Fred Fiedler and colleagues developed culture assimilator training for Americans travelling to particular countries (such as India or Greece). Trainees read various vignettes about another culture, and then made choices concerning why they thought a particular action had been taken. Each response directed the trainee to a particular page in the workbook.

Computers have had an enormous impact on the delivery of training in organizations. Today, it is estimated that 55 percent of organizations use computer-based training (CBT) via CD-ROM in their training programs, with other multimedia-based efforts certainly pushing the number of computer-based training approaches much higher than this. One of the biggest influences on the growth of CBT was the advent of microcomputers and the rapid increase in their capabilities. In the early days of CBT, one had to have access to terminals connected to mainframe computer software that was time-sharing with other business computing needs. PCs are now present in virtually all organizations, and important advances in hardware and software are occurring at a dizzying pace.

The primary advantage CBT has over other methods of training is its interactivity. The interaction between the learner and the computer in many CBT programs mirrors the one-to-one relationship between student and tutor: questions and responses can go back and forth, resulting in immediate feedback. Advanced forms of CBT, like intelligent computer-aided instruction, can even analyze the pattern of a student's responses and errors, draw conclusions, and tailor the lesson the learner receives accordingly. An additional advantage of technology-based training is that it is well suited to "on-demand learners," that is, trainees who need (and increasingly demand) greater control over when and how training is delivered. Three approaches to CBT include computer-aided instruction (CAI), intranet training, and intelligent computer-assisted instruction (ICAI).

**Computer-aided instruction (CAI)** programs can range from electronic workbooks, using the drill-and-practice approach, to compact disc read-only memory (CD-ROM) presentations of a traditional training program. CAI software packages are available at relatively low cost for a wide range of material, from teaching basic skills such as reading and typing, to

highly technical scientific, engineering, and machine maintenance topics. CAI programs are available not only as part of business software programs (like the tutorial programs that come with such word-processing packages as Microsoft Word), but also through retail outlets, and some have software bestsellers. Some organizations custom design software from scratch or modify existing programs to meet their unique needs.

Multimedia programs offer an improvement over the more traditional CAI programs because they provide more appealing visual and audio content. The multimedia platform can bring the course to life and make the learning experience more enjoyable. Because audio and video files are very large, most multimedia courses are stored and distributed on a CD-ROM disk. Many companies have replaced instructor-led courses with CD-ROMs. For example, AT&T replaced its three-day new-employee orientation program with a CD-ROM package that explains how the company is organized, the role and mission of each department, and how departments relate to each other.

There are several advantages to CAI as compared to other training methods and techniques, especially considering the interactive nature of CAI. Based on the trainee's responses, the computer will present various levels of material until the trainee reaches mastery. A second advantage of CAI's is its self-pacing feature that allows trainees to control the speed of instruction and makes them self-sufficient learners. A third advantage is the logistics of CAI that make it more accessible through an internal distribution system or downloaded from a central computer or over the Internet to remote sites to eliminate travel and per diem costs. Finally, CAI offers an instructional management and reporting system that automatically tracks student progress and the allocation and use of instructional resources, including terminals, instructors, and classrooms. The effectiveness of CAI, like other training methods and techniques, can be measured by changes in productivity and profits.

***Internet and Intranet-based training*** The Internet remains one of the fastest growing technological phenomena the world has ever seen. Today, tens of millions of computers are connected to one another via modems, telephone and cable lines, superconducting (ISDN) transmission lines, and the Internet. Intranets are computer networks that use Internet and World Wide Web technology, software tools, and protocols for finding,

managing, creating, and distributing information within one organization. Personal computers with a TCP/IP networking protocol make it possible for individuals with different operating systems (such as Windows, Mac, and the various UNIX-based OSs), to communicate with each other, access information, transmit data, and download data. Current technology also creates a number of safeguards that can limit access to information and ensure privacy. Safeguards include firewalls, encryption, and passwords. Firewalls are “hardware or software that sits between the Internet and your company’s private network to form a barrier between your organization and the outside world....and which keeps track of everyone who tries to access your site.” Encryption capability allows individuals to transmit messages through a deciphering mechanism that encodes data when transmitted and then decodes at the destination.

Intranet-based training (IBT) uses internal computer networks for training purposes. Through their organization’s intranet, HRD professional can communicate with learners; conduct needs assessment and other administrative tasks; transmit course materials, training documents, and multimedia programs; and administer tests at any time and throughout the organization. IBT is a powerful delivery system for international organizations that are spread out across the globe. IBT has most of the features of a multimedia CD-ROM program, plus the capability for users to communicate quickly. With current advances real-time multimedia technology (e.g., Java, Shock ware, and Virtual Reality Modeling language), IBT is now fully interactive with sound, video, and 3-D imaging, and will compete with disk-based media like CD-ROMs as a primary means of providing training via technology.

There are a number of limitations to IBT. Given the multimedia format, which uses large video and audio files, the primary limitation to date has been the network bandwidth- the size of a network’s transmittal capacity. However, with the rapid advances in technology (greater bandwidth, and improved abilities to compress data), this limitation is increasingly overcome. Another limitation has been the use of multiple, potentially incompatible browser software configurations that determine which media types and Hyper Text Markup Language (HTML) format options were available.

***Intelligent computer-assisted instruction (ICAI)*** goes beyond CAI in terms of flexibility and the ability to qualitatively evaluate learner performance. Whereas a typical CAI program may allow the learner to select from several levels of presentation (novice, intermediate, etc.), an ICAI program is able to discern the learner's capability from the learner's response patterns and by analyzing the learner's errors. The goal of ICAI systems is to provide learners with an electronic teacher's assistant that can patiently offer advice to individual learners, encourage learner practice and stimulate learners' curiosity through experimentation. This would potentially make the teacher more available for more creative endeavors, or for helping learners to overcome subtle or difficult problems beyond the capability of CAI. Although the availability of ICAI programs is limited compared to that of CAI, the potential for ICAI is enormous.

ICAI programs are based on advances in artificial intelligence, which involves "engineering some aspects of the human thought process" into a computer. Artificial intelligence research is uncovering ways to improve ICAI programs' capability to use natural language to interact with the learner and to understand the learner (by tracking learner responses and learning from them). Given the rate of progress in computer hardware, software, artificial intelligence, and knowledge engineering (designing and organizing information and finding effective ways to present it), it would not be surprising to see ICAI programs become common in training educational programs in the not-too-distant future.

## **Summary**

Any type of one-to-one instruction between coworkers or between the employee and supervisors can be classified as On the Job Training. There are at least four identifiable OJT techniques, including job instruction training (JIT), job rotation, coaching, and mentoring. Classroom training approaches are conducted outside the normal work setting. Five primary categories of classroom training include Lecture, Discussion, Audiovisual media, Experiential methods, Computer-based training, etc.

## Self Assessment Questions

1. Describe the HRD framework
2. “Assessing the need is important for effective HRD programme”  
Discuss
3. Explain different levels of need analysis
4. Discuss the methods of organisational analysis
5. Explain the process designing HRD program
6. Discuss factors to be considered for making a purchase decision of HRD program
7. ‘A lesson plan is a trainer’s guide for the actual delivery of the training content’ “Comment”.
8. Explain the selection of training methods.
9. Discuss the factors to be considered during the selection of training methods.
10. How will you schedule the HRD program?
11. What are the guidelines for selecting the training methods
12. Explain methods of On the Job Training
13. Discuss the Off the Job Training methods
14. “Training becomes even more critical than before as organizations compete and change” examine the statement.

## CASE STUDY

Cathay Pacific Airways is an International airline based in Hong Kong that serves over eighty five destinations on five continents. An early survey revealed that the travelers felt that the Cathy Pacific service was good, but not as warm and friendly as customer desired. Some even described the service as “robotic”. This led to reexamination of how the company recruited, trained and managed its employees.

To increase customer retention, especially business travelers, Cathy Pacific decided that something more was needed. Assume you are HRD professional responsible for organizational changes.



1. How do you go about designing a need assessment for the Airline?
2. What methods would you use to design training that emphasizes customer service?
3. What type(s) of training would you recommend for 'Flight attendants'?

### **CASE STUDY**

The personnel office of prashant chemicals Limited informed the middle managers through a circular that a group of consultants would be calling on them later in the week to provide training on team building. The consultants would be emphasizing on how to develop team work and to build inter group relationships throughout the company. The information also contained the approach to be adopted by the consultants and explained the five steps process of team buildings: problem sensing, examining differences, giving and receiving feedback, developing interactive skills, and follow up actions. The circular also included a note on the utility of team building in organizational effectiveness.

On receiving the circular, middle managers felt tense as they thought teambuilding as an exercise involving a lot of hocus-pocus as they thought team sensitivity training exercises in which participants used to attack each other and let out their aggression by heaping abuse on those disliked. Therefore, the managers felt that the consultants were not needed for team building. One of the managers commented," now that we understand what is involved in team building, we can go ahead and conduct session ourselves .All we have to do is to choose a manage who is liked by everyone and put him in the role of change agent/consultant. After all, you really do not need high-priced consultants to do this team building stuff. You just have to have a good feel for human factor".

The other managers generally agreed. However, the corporate personnel director turned down their suggestions and proceeded with his original programmed of hiring consultants.



**Questions**

1. Why did middle managers show resistance to team building approach of organization development?
2. Do you think the managers had accurate view of team building concept and role of external consultant in that?
3. Did corporate personnel office sell the concept of team building and its usefulness properly to middle managers? What actions that the department has taken?

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## UNIT - III

### Unit Structure

Lesson 3.1 Evaluating the HRD Programme

Lesson 3.2 Assessing the Impact of HRD Programs

Lesson 3.3 Career Management and Development

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### Lesson 3.1 - Evaluating the HRD Programme

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### Learning Objectives

*After reading this lesson, you may be able to*

- Identify the Mechanism for Evaluating the HRD Programme
- Understand the Phases of HRD Evaluation
- Elaborate on the Models and Framework for Evaluation
- Compare Evaluation Frameworks

### Introduction

The term effectiveness is a relative term. Typically, effectiveness is determined with respect to the achievement of a goal or a set of goals. HRD effectiveness must be determined with respect to the goals of the program or programs being examined. Therefore, it makes sense to ask the question of effectiveness more specifically. A HRD or training program can be effective in meeting some goals (like staying within the budget or increasing a participant's skills) and be ineffective in meeting some others (like improving customer satisfaction).

### Purpose of HRD Evaluation

The evaluation of HRD is defined as “the systematic collection of descriptive and judgmental information necessary to make effective

training decisions related to the selection, adoption, value and modification of various instructional activities.” This definition makes several important points. First, when conducting an evaluation both descriptive and judgmental information may be collected. Descriptive information provides a picture of what is happening or has happened, whereas judgmental information communicates some opinion or belief about what has happened. For example, the statement “25 percent of first-line supervisors attended a budgeting workshop in the last year” contains only descriptive information; it simply states the facts. Similarly, a statement that “20 percent fewer supervisors attended this workshop than in the previous 12 months” also contains descriptive information. However the statement, “the turnout for the budgeting workshop over the last six months is disappointingly low compared to last year’s turnout” provides judgmental information about someone’s opinion based on the facts. Both descriptive and judgmental information are needed in HRD evaluation. Some judgments are made by those involved in the program, while individuals not involved in the program make others.

Second, evaluation involves the systematic collection of information according to a predetermined plan to ensure that the information is appropriate and useful. Finally, evaluation is conducted to help managers, employees, and HRD professionals make informed decisions about particular programs and methods. For example, if part of a program is ineffective, it may need to be changed or discarded; if a certain program proves valuable, it may be replicated in other parts of the organization.

Evaluation can serve a number of purposes within the organization. According to Phillips, evaluation can help to

- Determine whether a program is accomplishing its objectives
- Identify the strengths and weaknesses of HRD programs which can lead to changes, as needed
- Determine the cost-benefit ratio of a HRD program
- Decide who should participate in future HRD programs
- Identify which participant benefited the most or least from the program
- Gather data to assist in marketing future programs
- Establish a database to assist management in making decisions

Better and more informed decision making then, is an important benefit of conducting an HRD evaluation. But there are other benefits as well. Zenger and Hargis identified three additional reasons for conducting HRD evaluations:

1. If HRD staff cannot substantiate its contribution to the organization, it's funding and programs may be cut during the budgeting process, especially when the organization faces tough times.
2. Evaluation can build credibility with top managers and others in the organization.
3. Senior management often wants to know the benefits of HRD programs (see the Opening Case on Lens Crafters).

Building credibility is a key aspect of conducting an evaluation. After all, other functions performed within the organization are evaluated to determine their effectiveness. If the HRD department cannot demonstrate effectiveness, it may not be taken seriously within the organization. Thus, evaluation is a critical step in the HRD process. It is the only way one can know whether an HRD program has fulfilled its objectives or not.

### **How often are the HRD programs evaluated?**

Given their importance, one might expect that HRD programs are regularly and carefully evaluated. Unfortunately, this is not the case. A survey of management training and education practices of U.S. companies found that while 92 percent of companies surveyed conduct some form of evaluation for company-sponsored training, 42 percent do not conduct the evaluation at all for the executive MBA programs they used. In addition, the survey showed that the most commonly used form of evaluation was participant's reaction, which as we will discuss, is useful for only a few of the decisions that must be made about HRD programs.

Such findings are not atypical. Many HRD researchers have lamented the lack of evaluation of HRD programs. Many articles have been written about the importance of conducting evaluations, but more organizations pay lip service to evaluations than actually conducting them.

Why aren't evaluations done more frequently? There are several possibilities. First, conducting an evaluation is not an easy process. It requires time, resources, and expertise that the HRD staff may not have or may not be willing to expend. Second, many factors beyond the program itself (including the economy, equipment, policies and procedures, other HR efforts, and resource availability) can affect whether employee performance improves, thus making it difficult to evaluate the impact of training. Third, those associated with HRD programs may be afraid of criticism and program cuts if the evaluation shows that the program was not effective. Yet the fact is that HRD evaluations can and should be done in organizations to ensure effectiveness and accountability. It is our belief that it is the ethical responsibility of HRD professionals to prove to the organization that their programs are indeed beneficial.

Many HRD and training programs are purchased by organizations from third parties, such as consultants or vendors. Some practitioners believe that they fulfill their evaluation responsibility in their pre purchase decision. Their logic follows that they wouldn't buy a program they didn't think was going to work, so if they have made a wise purchasing decision (or evaluated the program before buying it), then it isn't necessary to conduct any post program evaluation.

Indeed, supervisors and HRD professionals should be wise consumers of programs and equipment used in their HRD efforts. However, it is equally important to judge the effectiveness of the program or device after it has been put into place. We have all made personal purchases that have not lived up to expectations, even after careful shopping, and it is unreasonable to assume that HRD and training purchases will be any different.

### **Changing Evaluation Phases**

Goldstein suggests that efforts at training evaluation have moved through the following four stages since the 1960s:

1. Stage One focuses on anecdotal reactions from trainers and program participants. Judging from the survey results cited earlier, it appears many organizations still operate at this level.
2. Stage two involves borrowing experimental methodology from

academic laboratories to use for program evaluation. Organizational constraints (including time, resources, and the inability to randomly select participants or use control groups that receive no training) make application of these designs difficult, thus discouraging evaluation efforts.

3. Stage Three creatively matches the appropriate research methodology to existing organizational constraints, thus making program evaluation more practical and feasible.
4. Stage Four recognizes that the entire training and HRD process affects the organization, and shifts the focus of evaluation from post program results to the entire HRD process.

It should be emphasized that it is possible to creatively apply sound research methods to HRD evaluation designs and have useful data for making decisions. Finding ways to perform effective evaluation serves all parties: the organization, the trainer or HRD professional, and the trainees. Before we discuss about the data collection and research design, we will examine several models and frameworks of evaluation.

### Models and Frameworks of Evaluation

Model		Training Evaluation Criteria
1	Kirkpatrick (1967, 1987, 1994)	Four levels: Reaction, Learning, Job Behavior, and Results.
2	CIPP (Galvin, 1983)	Four levels: Context, Input, Process, and Product.
3	Brinkerhoff (1987)	Six stages: Goal Setting, Program Design, Program Implementation, Immediate Outcomes, Intermediate or Usage Outcomes, and Impacts and Worth
4	Kraiger, Ford, & Salas (1993)	A classification scheme that specifies three categories of learning outcomes (cognitive, skill based, affective) suggested by the literature and proposes evaluation measures appropriate for each category of outcomes
5	Holton (1996)	Identifies five categories of variables and the relationships among them: Secondary Influences, Motivation Elements, Environmental Elements, Outcomes, Ability/Enabling Elements.
6	Phillips (1996)	Five levels: Reaction and Planned Action, Learning, Applied Learning on the Job, Business Results, Return on Investment

#### HRD evaluation models/frameworks

A model of evaluation outlines the criteria for and focuses of the evaluation. Because an HRD program can be examined from a number of

perspectives, it is important to specify which perspectives will be considered. Many different frameworks of HRD evaluation have been suggested. The most widely used evaluation approach has been the framework laid out by Donald Kirkpatrick. We will discuss this first. While the different models and frameworks share some features, they also differ in important ways. The frameworks that we will discuss are presented in Table.

### **KIRKPATRICK'S Evaluation Framework**

The most popular and influential framework for training evaluation was articulated by Kirkpatrick. Kirkpatrick argues that training efforts can be evaluated according to four criteria: reaction, learning, job behavior, and results.

1. **Reaction (Level 1)** Here the analysis is made to find out whether the trainees like the program and feel it was valuable? At this level, the focus is on the trainees' perceptions about the program and its effectiveness. This is useful information. Positive reactions to a training program may make it easier to encourage employees to attend future programs. But if trainees did not like the program or think they didn't learn anything (even if they did), they may discourage others from attending the programme and may be reluctant to use the skills or knowledge obtained in the program. The limitation of evaluating HRD programs at the reaction level is that this information cannot indicate whether the program met its objectives by ensuring participant satisfaction.
2. **Learning (Level 2)** Here the attempt is to find out as to whether the trainees learn what the HRD objectives meant to learn? This is an important criterion that an effective HRD program should satisfy. Measuring whether someone has learned something in training may involve a quiz or test clearly a different method from assessing the participants' reaction to the program.
3. **Job Behavior (Level 3)** Here the attempt is to see whether the trainee use what was learned in training back on the job? This is also a critical measure of training success. If learning does not transfer to the job, the training effort cannot have an impact on employee or organizational effectiveness. Measuring whether training has transferred to the job requires observation of the trainee's on-the-job behavior or viewing organizational records (e.g., reduced customer complaints, a reduction in scrap rate).



4. **Results (Level 4)** This level attempt to whether the training or HRD effort improved the organization's effectiveness? Is the organization more efficient, more profitable, or better able to serve its clients or customers as a result of the training program? Meeting this criterion is considered the "bottom line" as far as most managers are concerned. It is also the most challenging level to assess, given that many things beyond employee performance can affect organizational performance. Typically at this level, economic and operating data are collected and analyzed.

Kirkpatrick's framework provides a useful way of looking at the possible consequences of training and reminds us that HRD efforts often have multiple objectives. Recently, Arthur and colleagues conducted a meta-analysis of 162 training evaluation studies. They found that the average or mean effect sizes (dt) for training interventions (across all topics and methods used) were fairly large. That is, effect sizes were as follows: 0.60 for reaction, 0.63 for learning, 0.62 for behavior, and 0.62 for results. Practically, we can assure that effect sizes of this magnitude should lead to meaningful positive changes in most organizational settings, so this is a most encouraging finding. One interesting side note is that some of the strongest effects they found (dt = 1.93) were for those few studies where it was mentioned that needs assessment at the organizational and person level had been completed before training.

Unfortunately, one of the more enduring (and in our view, depressing) findings about HRD evaluation is the extent to which most organizations do not collect information on all four types of outcomes. For instance, in the 2003 ASTD State of the Industry Report, a survey of 276 organizations reported the following: 75 percent collected reaction measures, 41 percent collected learning measures, 21 percent collected behavior measures, and 11 percent collected results measures. The subgroup of organizations that ASTD highlighted as "training investment leaders" reported higher usage on the latter three measures (72 percent, 59 percent, 33 percent, and 14 percent, respectively), but these numbers are still not terribly high. This raises the question as to why usage rates are so low, particularly for behavior and results measures, as these provide organizations with vital, even invaluable information.

## Other Frameworks or Models of Evaluation

Many discussions about HRD evaluation are organized around Kirkpatrick's four levels of criteria. However, Kirkpatrick's approach has also been the target of considerable criticism and modification. Some authors point out that the framework evaluates only what happens after training, as opposed to the entire training process. A second criticism is that Kirkpatrick's framework would be better described as taxonomy of outcomes, rather than a true model of training outcomes. Kraiger, Ford, and Salas argue that Kirkpatrick's approach fails to specify as to what sort of changes can be expected as a result of learning and what assessment techniques should be used to measure learning at each level. Alliger and Janak question the validity of the assumptions that are implied by the framework. They suggest that it "may never have been meant to be more than a first, global heuristic for training evaluation." Kirkpatrick responded to this criticism by stating that "I personally have never called my framework 'a model,' and "I don't care whether my work is called a model or a taxonomy as long as it helps to clarify the meaning of evaluation in simple terms and offers guidelines and suggestions on how to accomplish an evaluation."

Training researchers have expanded Kirkpatrick's ideas to encourage practitioners to do a more thorough job of evaluation. Several authors have suggested modifications to Kirkpatrick's four-level approach that keep the framework essentially intact. These include:

- Expanding the reaction level to include assessing the participants' reaction to the training methods and efficiency
- Distinguishing cognitive and affective reactions to training
- Splitting the reaction level to include assessing participants' perceptions of enjoyment, usefulness (utility), and the difficulty of the program
- Adding a fifth level (beyond results) to specifically address the organization's return on investment (ROI)
- Adding a fifth level to address the societal contributions and outcomes created by an HRD program

Galvin, building on studies in the education field, suggested the CIPP (Context, Input, Process, and Product) model. In this model, evaluation focuses on measuring the context for training (needs analysis), inputs to training (examining the resources available for training, such as budgets and schedules), the process of conducting the training program (for feedback to the implementers), and the product or outcome of training (success in meeting program objectives). Galvin also reported survey results indicating that ASTD members preferred the CIPP model of evaluation to Kirkpatrick's framework. Warr et al. proposed a similar model.

Brinkerhoff extends the training evaluation model to six stages. He suggests a cycle of overlapping steps, with problems identified in one step possibly caused by things occurring in previous steps. His stages are:

1. Goal Setting: What is the need?
2. Program Design: What will work to meet the need?
3. Program Implementation: Is it working, with the focus on the implementation of the program?
4. Immediate Outcomes: Did participants learn?
5. Intermediate or Usage Outcomes: Are the participants using what they learned?
6. Impacts and Worth: Did it make a worthwhile difference to the organization?

At least two attempts have been made to develop models that incorporate research and theory on learning outcomes and the variables that influence them. Kraiger, Ford, and Salas offered one such model. Noting that learning outcomes can be of three types (i.e., cognitive, skill-based, and affective), they propose a classification scheme for evaluating learning outcomes in each of these three areas. This scheme (shown in belowTable) is quite specific, identifying the types of measures that can be used for learning outcomes in each category.

Category	Learning Construct(s)	Focus of Measurement	Measurement Potential Training Evaluation Methods
<b>Cognitive</b>		<b>Cognitive outcomes</b>	
Verb Knowledge	Declarative Knowledge	Amount of Knowledge Accuracy of recall speed Accessibility of Knowledge	Recognition and recall tests Power tests Speed tests
Knowledge organization	Mental models	Similarity of ideal Interrelationships of elements Hierarchical ordering	Free sorts Structural assessment (e.g.,Pathfinder)
Cognitive strategies	Self insight Metacognitive skills	Self awareness Self regulation	Probed protocol analysis self report readiness for testing
<b>Skill based</b>		<b>skill based outcomes</b>	
Compilation	composition proceduralization	speed of performance Fluidity of performance Error rates Chunking Generalization Discrimination Strengthening	targeted behavioural observation hands on testing structured situational interviews
Automaticity	automatic processing tuning	attentional requirements Available cognitive resources	secondary task performance interference problems Embedded measurement
<b>Affective</b>		<b>Affective outcomes</b>	
Attitudinal	Targeted object (e.g.,safety awareness ) attitude strength	Attitude direction Attitude strength Accessibility centrality conviction	self report measures
Motivation	Motivational disposition	Mastery versus performance orientatio appropriateness of orientations	self report measures
	self efficacy	perceived performance capability	self report measures
	goal setting	level of goals complexity of goal structures goal commitment	self report measures free recall measures free sorts

### Classification of scheme for learning outcomes for training evaluation

Holton suggests a complex model that has outcomes similar to Kirkpatrick's (i.e., learning, individual performance, and organizational results). The model includes individual variables (e.g., motivation to learn, motivation to transfer, ability, job attitudes) and environmental variables (e.g., transfer climate, external events) that influence these outcomes.

### Comparing Evaluation Frameworks

All of the evaluation frameworks incorporate Kirkpatrick's levels of evaluation in one way or the other, either as explicit steps in the model or as information collected within the steps. None is incompatible with the framework Kirkpatrick proposed. The most dramatic extension beyond Kirkpatrick's ideas is the notion that HRD professionals should be concerned about the impact their programs have on constituencies outside the organization.

Whether that sort of assessment should be included in HRD evaluation would probably depend on how the individual and the management of the organization view their organization's social responsibility. Further, it is likely that those who feel strongly about social responsibility would consider and assess the societal impact of all of their activities, regardless of whether an evaluation model specifies that they should or not. For those who do not, include of such a level is unlikely to lead them to change their point of view.

Some models differ from Kirkpatrick's in that they bring the earlier phases of the training process, needs assessment, design, and implementation, into the evaluation phase. For example, the first three stages of *Brinkerhoff's model* (goal setting, program design, and program implementation) explicitly include these activities. Merging the rest of the training process into evaluation may improve Kirkpatrick's approach, as there is some merit in helping managers, supervisors, and HRD professionals realize that evaluation is an ongoing activity, not only that should begin after the training program has been implemented. Effective HRD involves many decisions, and having accurate, meaningful information available throughout the process can improve the decision making process and enhance the overall effectiveness of HRD efforts.

Overall, we believe that the most serious shortcomings of Kirkpatrick's framework are 1) the lack of explicit causal relationships among the different levels 2) the lack of specificity in dealing with different types of learning outcomes, and 3) the lack of direction concerning the measures that are appropriate to assess which outcome measures. Much has been discovered about the learning process and learning outcomes.

For example, in a research project on enhancing the effectiveness of behavior modeling training, a reaction measure was collected immediately after training. Trainees who were told that they needed to use a checklist to track their progress for four weeks after training liked the training significantly less than did trainees told to do their best to use the principles taught in training. When the same reaction measure was given four week later, however, the trainees who had used the checklists were more favorable towards the training as a whole whereas those in the "do your best" condition were less favorable toward the training. This means that this measure was now indistinguishable. Furthermore, the trainees

who used the checklists demonstrated significantly more retention of the training material four weeks after training, and could demonstrate more of the key behaviors in a spontaneous role-play exercise than could the trainees who had not made use of the checklists. Our point is simply that trainers should not assume positive (or negative) scores on one type of measure that will necessarily translate into similar scores on measures of a different training outcome.

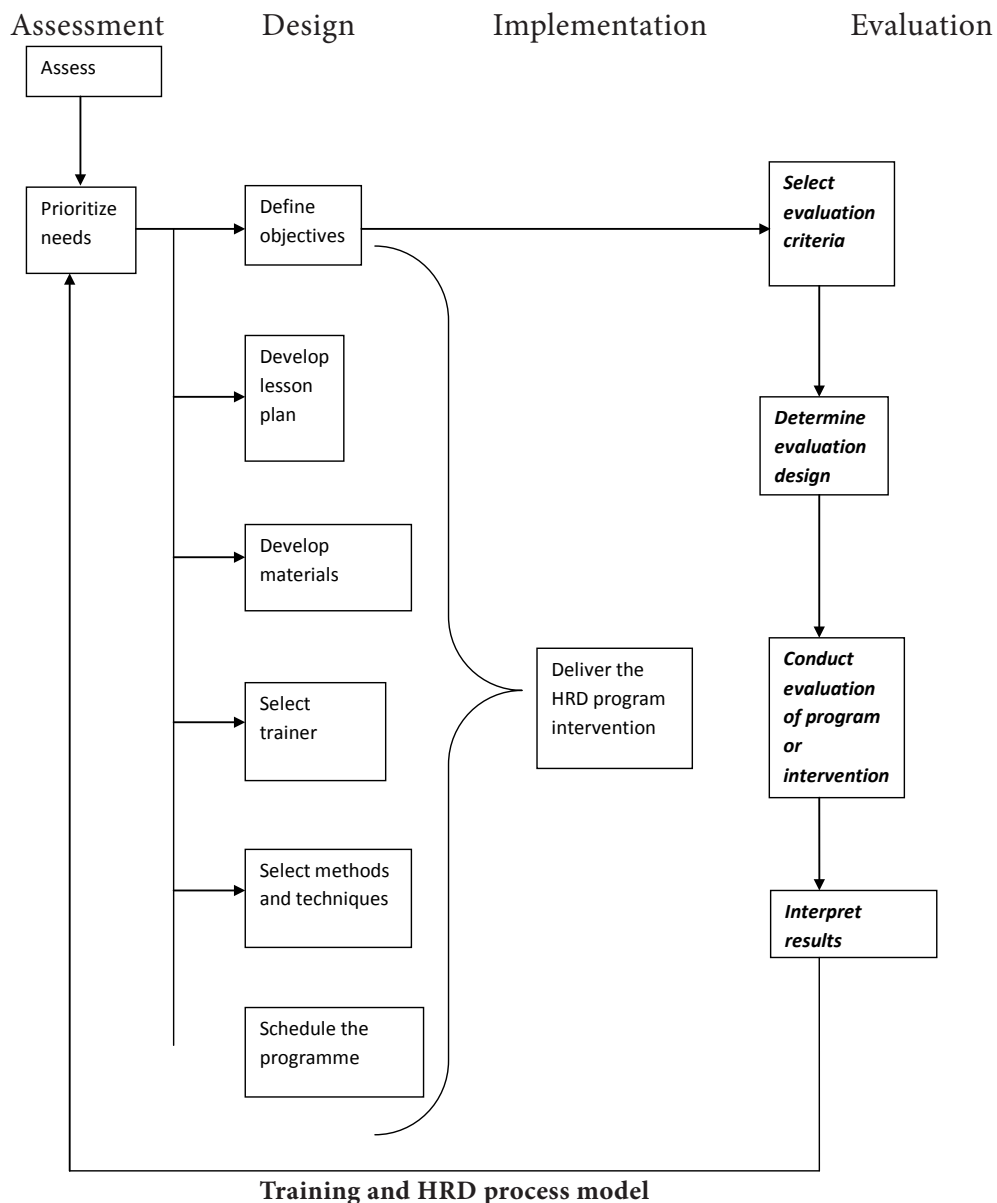
The efforts to incorporate research and theory on learning and learning outcomes are the most useful additions to the training evaluation literature. Holton's model may prove to be useful, although it requires further development" refinement and empirical testing. It seems that Kraiger, Ford, and Salas's classification scheme represents the most promising new direction for training evaluation. It both addresses a specific need (offering conceptually based measurement suggestions to fit various types of learning) and can be used as a foundation on which to build a theory-based model of HRD evaluation. Finally, recent work on return on investment (ROI), pioneered by Jack Phillips, also represents a significant development in HRD evaluation.

Despite all the criticism, *Kirkpatrick's approach remains a useful way to categorize* the criteria that an effective HRD program must satisfy. If possible, information assessing all four levels of criteria should be collected (depending on the questions being asked that prompt the evaluation study). It is also important to make informed decisions about all aspects of the HRD program.

In its simplest form, evaluation should address the question of whether the training program achieved its objectives. Based on training objectives on needs assessment information, and then evaluating those objectives, is the most parsimonious way of summarizing what training evaluation is all about. The process framework provides a strong platform for systematically approaching HRD efforts (Figure).

If this framework is in place, and is used, then we think that evaluation efforts can focus on some combination of the following points (depending upon the situation). While this is only a modest expansion of Kirkpatrick, it highlights some aspects not fully captured by the "four levels."

1. Reaction:
  - b. Affective — how well did trainees like the training?
  - c. Perceived usefulness/utility — what was the perceived usefulness of this training?
4. Learning — how much did trainees learn from the training?
5. Behavior — what behavioral change occurred as a result of training?
6. Results
  - What tangible outcomes or results occurred as a result of training?
  - What was the return on investment (ROI) for this training? (See ROI and utility sections below.)
  - What was the contribution of this training program to the community/larger society?



## Data Collection Methods

Data sources and collection methods can be used to provide information for needs assessment. The same data collection methods and sources are available when conducting training evaluation. Table lists some common methods for collecting evaluation data, including interviews, questionnaires, direct observation tests and simulations, and archival performance data.

Method		Description
1	Interview	Conversation with one or more individuals to assess their opinions, observations, and beliefs
2	Questionnaire	A standardized set of questions intended to assess opinions, observations, and beliefs
3	Direct Observation	Observing a task or set of tasks as they are performed and recording what is seen
4	Tests and Simulations	Structured situation to assess an individual's knowledge or proficiency to perform some task or behavior
5	Archival Performance Data	Use of existing information, such as files or reports

### Data collection methods for HRD evaluation

Any or all of these methods are appropriate for collecting evaluation data, depending on their relevance to the questions being asked. For example, if a HRD professional is interested in assessing trainee reactions to a seminar on pension benefits, interviews or questionnaires might be good choices. Alternatively, if management wanted to know whether the seminar affected interest in the company's pension plan, the number of inquiries employees make to the HR department about the pension plan could be tracked through direct observation or archival data. Some advantages and disadvantages of using various data collection methods are listed in Table

### Table Advantages and limitations of various data collection methods

Cheri Ostroff developed an interesting way to measure as to whether the trainees use what they have learned in the training on the job. One problem with supervisors' observations has been the difficulties supervisors often have in recalling specific behaviors that an employee has engaged in. Ostroff presented supervisors or other observers with a



scripted situation and asked them to check as to which of several behaviors the employee has engaged in or would be most likely to perform.

Method	Advantages	Limitations
Interview	Flexible	High reactive effects
	Opportunity for clarification	High cost
	Depth possible	Face-to-face threat potential
	Personal contact	Labor intensive
		Trained observers needed
Questionnaire	Low cost	Possible inaccurate data
	Honesty increase if anonymous	on-job responding conditions not controlled
	Anonymity possible	Respondents set varying paces
	Respondent sets pace	Return rate beyond control
	Variety of options	
Variety of options	Non threatening	Possibly disruptive
	Excellent way to measure behavior	Change Reactive effect possible
		May be unreliable
		Trained observers needed
Written test	Low purchase cost	May be threatening
	Readily scored	Possible low relation to job performance
	Quickly processed	Reliance on norms may distort individual performance
	Easily administered	possible cultural bias
	Wide sampling possible	
Simulation/ performance test	Reliable	Time consuming
	Objective	Simulation often difficult
	Close relation to job performance	High development cost
Archival performance data	Reliable	Lack of knowledge of criteria for keeping or discarding records
	Objective	Information system discrepancies
	Job-based	Indirect
	Easy to review	Need for conversion to usable form
	Minimal reactive effects	Record prepared for other purposes
		May be expensive to collect

### Advantages and limitations of various data collection methods

Another issue to consider in selecting a data collection method is validity. Validity is concerned with whether the data collection method actually measures what we want it to measure, that is, are we hitting the right target? For example, suppose a trainer decides to use a written test to

measure whether trainees have learned the procedure for completing travel expense forms. The test is valid to the extent that the scores on the test indicate whether the employee actually knows how to complete the forms. If the focus of training was on knowing which information was to report on the expense form, yet the items on the test focus more on performing calculations, the test scores may be measuring the wrong thing. Reliability and validity are complex issues, and assessing them often requires knowledge of statistics and measurement concepts. HRD professionals who are unfamiliar with these concepts should read more about the topic or consult other members of the organization, knowledgeable professors, or consultants who are familiar with these issues.

In addition to being reliable and valid, data collection methods must also be practical, given the constraints of the organization. Practicality concerns how much time, money, and resources are available for the evaluation method. For example, conducting interviews with all supervisors to assess employee job behavior may take more *time than the staff has available*. In this case, interviewing a sample of supervisors using a questionnaire may be a practical alternative. As mentioned earlier, realistic and creative trade-offs can ensure that the evaluation effort is carried out and yields useful information.

### Types of Data

Three types of data are available for evaluating HRD effectiveness: individual performance, system wide performance, and economic. Individual performance data, which emphasize the individual trainee's knowledge and behaviors (Kirkpatrick's Levels 2 and 3). Examples of these kinds of data include an employee's test scores, number of units produced, and timeliness of performance, quality of performance, attendance, and attitudes. System wide performance data concern the team, division, or business unit in which the HRD program was conducted, and could include data concerning the entire organization. Examples of system wide data include productivity, rework, scrap, customer and client satisfaction, and timeliness. Economic data report the financial and economic performance of the organization or unit, that is, the bottom line, and include profits, product liability, avoidance of penalties and market share. Economic data is what ROI and utility calculations are generally seeking to provide.

A complete evaluation effort is likely to include all three types of data. Different questions demand different kinds of information. For example, Robinson and Robinson list possible data choices to determine whether a sales training program has impacted an organization's operations, including ratio of new accounts to old accounts, call-to-close ratio, average sale size, items per order, and add-on sales. These and other data could be tracked for individuals, organizational units, or for an entire organization. Another useful source for system wide measures is a recent book by Tesoro and Tootson. Again, the key is to carefully examine the questions being asked or the decisions being made when selecting which data is to use.

### The Use of Self-report Data

**Self-report data**, or data provided directly by individuals involved in the training program, is the most commonly used type of data in HR evaluation. Recall that trainee reactions (Kirkpatrick's Level 1) remain the most widely used evaluation measure. Self-reports can offer personality data, attitudes, and perceptions and can provide information to measure the effectiveness of HRD or other programs. For example, the trainer may measure learning by asking trainees to judge *how much they knew before training and how much they feel they know after training*. Information collected this way, whether through interviews or questionnaires, can be useful and meaningful. However, Podsakoff and Organ identify two serious problems that can occur when relying on self-report data:

1. **Mono-method bias.** If both reports in a before-and-after evaluation come from the same person at the same time (say, after training), *conclusions may be questionable*. The respondents may be more concerned about being consistent in their answers than about providing accurate responses.
2. **Socially desirable responses.** Respondents may report what they think the researcher (or boss) wants to hear rather than the truth. For example, employees may be fearful or embarrassed to admit that they learned nothing in a training program.

In addition, there can be what is referred to as a *response shift bias*, in which respondents' perspectives of their skills before training change during the training program and affect their after-training assessment.

For example, trainees may discover during training that their pre training judgment of skill was unrealistically high and adjust their post training evaluations accordingly. As a result, the data may show no improvement of skill after training, even though such an improvement may have occurred. Self-report data can be useful in HRD evaluation, but relying on self-report data alone can be a problem. Depending on the question being asked, direct observation by trained observers (like supervisors), tests, or simulations can often yield better, more conclusive information than self-reports.

### **Research Design**

A research design is a plan for conducting an evaluation study. Research design is a complex topic. To inform yourself of all the issues surrounding research design, one could read whole books on the topic. Barring that, we hope that one would read and understand a summary of the key points on this topic. However we also recognize that not every student (or instructor) sees the value of studying this information. So, for the most comprehensive treatment of this topic, the lesson suggests the reader to consult the resources listed in the following endnote. For those seeking thorough, though condensed coverage of research design issues, we provide an appendix to this chapter that goes into more detailed than we do here. We have often found that students are more interested in this material when they are faced with a project on the job, and they are looking for reference material to help them make choices for a project they are designing and the appendix provides you with some key information that can inform your decisions concerning the most appropriate research design to use for particular situations. At the minimum, however, there are some critical issues that every HRD student should understand. While this is far from a complete treatment of the topic, we hope to convey the importance of research design issues to effective HRD evaluation.

Research design is critical to HRD evaluation. It specifies the expected results of the evaluation study, the methods of data collection, and how the data will be analyzed. Awareness of research design issues and possible design alternatives can help managers and HRD professionals to do a better job of conducting evaluations and criticizing the results of evaluation studies.

When evaluating any HRD effort, the researcher or HRD professional would like to have a high level of confidence that any changes observed after the program or intervention were due to that intervention, and not to some other factor. This is the basic notion of validity, that is, we are confident of the accuracy of the conclusions?

Unfortunately, it still remains quite typical that, if outcomes are measured at all, they are only collected after the training program has been completed. The basic picture is as follows:

- Training Provided
- Evaluation measures collected

The trainer would obviously like to see high values on each measure collected. But what might be the problems of collecting measures after the training has been completed? For one thing, such a one shot approach may not be measuring the most important thing. Recall our earlier discussions of how evaluation should be tied directly to the objectives determined via the needs assessment process. An evaluation measure that is too broad or generic may not capture real changes that have occurred as a result of training. A second drawback of this after-only approach is that one can't be certain that the outcomes attained were due to the training. Simply put, this approach to evaluation doesn't give any indication of trainees' initial skill or knowledge level, that is, where they started. To have greater confidence that the outcomes observed were brought about by the training (and not some other extraneous factor), the following practices should be included in the research design:

1. ***Pretest and post test*** — including both a pretest and a post test allows the trainer to see what has changed after the training. If the majority of trainees already knew the material covered in training before they started it, then high scores on the post test measure of learning become much less impressive.
2. ***Control group*** — A control group is a group of employees similar to those who receive training, yet who don't receive training. However, this group receives the same evaluation measures as the group that is trained, and this allows for a comparison of their scores. The ideal scenario is where the training group and the control group

have similar scores before training, and then the scores for the training group increase after training, while those of the control group remain constant. This provides fairly strong evidence that the training (and not some other factor) was responsible for the changes on the outcome measures.

Combining these two points creates what can be called the “pretest-posttest with control group” research design. We view this as the minimum acceptable research design for most training and HRD evaluation efforts. There may be times when trainers have to get with less, but the degree of confidence in one’s findings will always be lower if one or both of these factors is missing.

Two other factors should be included in a strong research design. First, if a control group is used, the trainer should ensure that the training and control groups are as similar as possible. For example, it would be unacceptable if the group receiving training had greater existing knowledge, skills, or abilities than the control group, as this would bias the results that were obtained after training. Further, if it is possible and advantageous if the individuals can be randomly assigned to the training and control groups. Such random assignment further increases the confidence one can have that training brought about the observed changes. It must be pointed out that in many real-life training settings, random assignment is impractical, and is thus not widely used. However, random assignment increases the likelihood of obtaining valid results from one’s evaluation efforts.

A second factor to consider is the collection of data over time. Such an approach, called a time series design, allows the trainer to observe patterns in individual performance. For example, if performance is relatively steady over time, and then shows a clear spike after training, and then remains at this higher level over time, this would again suggest that the result was due to the training, and not some other factor.

A final point to make here is to do with sample size. Researchers and practitioners often get frustrated with one another over this issue, as the number of people providing data for a training evaluation is often lower than what would be recommended for the purpose of statistical analysis, then, there are practical limitations in many training situations

that limit the number of people receiving training (or in the control group) to a relatively small number. One study of research on training evaluation found that the median sample size across these studies was forty-three people. Yet, having low numbers of trainees is often disastrous for statistical analyses, because small sample sizes make it difficult to attain statistically significant results, even when the training has in fact had an impact. It is generally recommended that, as a bare minimum, the training and control groups each need at least thirty individuals to have even a moderate chance of obtaining statistically significant results. However, many researchers would prefer to see a number much higher than this, for example, at least 100 people in each condition. This is difficult to attain in many situations. One approach is to pool data within an organization (such as collecting data from the same training program offered over time). Also, recent efforts to combine data from different research studies via meta-analysis have also helped to determine the impact of various training interventions. For example, in a widely cited meta-analysis, Burke and Day combined the results from many different studies to find the “average” effectiveness of numerous managerial training methods. The main point, however, is that HRD professionals need to give careful thought to sample size issues before they undertake training and evaluation. When sample sizes are small, it is much harder to show that the training intervention had a positive impact on desired individual and organizational outcomes.

## Summary

HRD evaluation is defined as the systematic collection of descriptive and judgmental information necessary to make effective training decisions related to the selection, adoption, value and modification of various instructional activities. A model of evaluation outlines the criteria for and focuses of the evaluation. Since the HRD program can be examined from a number of perspectives, it is important to specify which perspectives will be considered. Evaluation effort requires the collection of data to provide decision makers with facts and judgments upon which they can base their decisions.

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## Lesson 3.2 - Assessing the Impact of HRD Programs

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### Learning Objectives

*After reading this lesson, you may be able to*

- Evaluate of Training Program
- Understand the HRD Applications
- Understand the Realistic Job Review and its Uses

### Introduction

One of the important issues in the HRD activities is to examine the effect of an HRD program on the organization's effectiveness. This assessment can be done using a variety of performance indices, such as productivity, timeliness, and cost savings. It is important to demonstrate the effectiveness on the reaction, learning, and job behavior levels, but HR managers and HRD professionals may be at a disadvantage when their results are compared to those of other divisions that are able to express their results in monetary terms. One of the goals of translating the effects of HRD programs into money terms is to make clear the programs investments and that will lead to payoffs for the organization in the future. Although many managers and supervisors pay lip service to this idea, they often see HRD and other HR interventions primarily as costs-exemplified by the fact that HR programs are often the first programs that undergo cost cuts when financial and economic pressures force the organization to reduce its expenses.

### Evaluation of Training Costs

It has long been argued that HR programs are difficult to assess in financial terms, but the evaluation of training costs (including ROI) and utility analysis are two practical ways to determine the financial impact of various HRD programs. Evaluation of training costs involves comparison of the costs incurred in conducting an HRD program to the benefits received by the organization, and can involve two categories of activities:



cost-benefit evaluation and cost-effectiveness evaluation. Cost-benefit analysis involves comparing the monetary costs of training to the benefits received in nonmonetary terms, such as improvements in attitudes, safety, and health. Cost-effectiveness analysis focuses on the financial benefits accrued from training, such as increases in quality and profits, and reduction in waste and processing time.

A framework offered by Cullen et al. distinguishes between structured and unstructured training, and it lists possible training costs (training development, materials, time, and production losses) and benefits (improvements in time to reach job competency, job performance, and work attitudes). Robinson and Robinson developed a model that divides training costs into five categories: direct costs, indirect costs, development costs, overhead costs, and compensation for participants (see Table). These costs are then compared to the benefits as measured by improvements in operational indicators, such as job performance, quality, and work attitudes.

The general strategy for evaluating training costs is to measure cost and benefit indicators in money terms (or translate them to money terms) and then compare them. For example, a program's return on investment (ROI) can be calculated by dividing total results by total benefits:

**Return on investment = Results/ Training Costs**

The greater the ratio of results to costs, the greater the benefit that the organization receives by conducting the training program. For example, Bank of America recently conducted a training program designed for its in-house trainers. Positive reaction, learning and behavior measures were obtained. Additionally, a 1.15 (or 115 percent) ROI was determined for this program. For this, the company received an Excellence in Practice citation from ASTD in 2003.

If the ROI ratio is less than 1, then the training program costs more than it yields to the organization. Such a program needs to be either modified or dropped (there may of course, be times when some noneconomic or legally mandated reason exists to continue a certain training program; even here, however, if the ROI for the program is negative, some rethinking or reworking of the program is likely occur).

## Training program costs

<b>Training Program Costs</b>
To calculate the cost of a training program, an HRD professional should consider five categories of expenses.
<b>Direct Costs</b>
<p>These are costs directly associated with the delivery of the learning activities. They include course materials (produced or reproduced instructional aids, equipment rental travel food and other refreshments and the instructor salary and benefits.</p> <p>Such costs so directly tied to the delivery of a particular program that if you cancel. The program the day before you planned to conduct it. You would not incur them. (While program materials may have been reproduced or purchased, they would not be consumed, and so they would be available for a future programe.)</p>
<b>Indirect Costs</b>
<p>These costs are incurred in support of learning activities but cannot be identified with any particular program. Even if the program were cancelled at the last minute, such costs could not be recovered.</p> <p>Examples would be costs for instruction preparation, clerical and administrative support, course materials already sent to participants and time spent by the training staff in planning the program simple mentation. Expenses for marketing the program (for example direct - mail costs) would also be considered in direct. Marketing may have cost ` 2000 if there is insufficient registration and if the program is cancelled, the ` 2000 cannot be recovered.</p>
<b>Development Costs</b>
All costs incurred during the development of the program go in this category. Typically they included the development of video tapes and computer based instructional programming design of program materials, piloting of the program and any necessary redesign.

This category also includes the cost of the front-end assessment, or that portion of the assessment directly attributed to the program. In addition the costs of evaluation and tracking are included. If a program is to be conducted for a few years, the cost is often amortized over that period.

For example one-third of the development may be charged off in the first year of implementation one-third in the second year and one-third in the last year. Otherwise, there is a real “bulge” in the budget because of development costs during the first year.

### **Overhead Costs**

These costs are not directly related to a training program but are essential to the smooth operation of the training department.

If you have audio visual equipment that has been purchased specifically for your department there is a cost to maintain that equipment. Some portion of that annual cost should be charged to the various training programs. If you have classroom space available to you there is an overhead cost for supplying heat and lighting. The cost of supporting that space for days when the classroom is used for particular courses should be charged to those programs.

### **Compensation for Participants**

These costs comprise the salaries and benefits paid to participants for the time they are in a program. If the program is for two days long, salaries and benefits for your participants for these two days are cost of the program.

Typically HRD professionals do not know what the individual people may earn but can obtain that information by asking the compensation department to provide a figure for an average salary paid to the various levels of people who will be attending. The average salary is then multiplied by the number of people attending the program, to derive a compensation estimate.

## Issues in Computing and Using Roi Estimates

Using ROI estimates to express the contribution of an HRD program has received increased attention. For example, Jack Phillips published three articles that advocated using ROI ratios and offered advice on how HRD practitioners could do this. (Recall that Phillips proposed a modification of Kirkpatrick's four-level evaluation model to include ROI as Level 5) Patti and Jack Phillips have written a recent article addressing ROI issues in the public sector. Jack Phillips also published a very useful book on HRD evaluation.

For example, he offered the following process for collecting the information needed to calculate ROI

1. Collection Level-4 evaluation data: Ask, Did on-the-job application produce measurable results?
2. Isolated the effects of training from other factors that may have contributed to the results.
3. Convert the results to monetary benefits.
4. Total up the costs of training.
5. Compare the monetary benefits with the costs.

Step 1 and 2 focuses on research design issues. With regard to step 3, Phillips advocates collecting both hard and soft data (e.g., units produced and accident cost, employee attitudes, and frequency of use of new skills) that demonstrate a program's effectiveness. This step would obviously be part of the evaluation study. Once this collection is done, Phillips provides suggestions concerning how to convert the data to monetary terms (e.g., using historic costs and estimates from various sources). In a similar vein, Parry provides a worksheet that HRD professionals can use and summarize the costs and benefits associated with an HRD program. More recently, Parry provided several helpful worksheets to assist in the calculation of both ROI and cost-benefit estimates.

Phillips made several suggestions regarding how to increase the credibility of ROI estimates and the cost estimates that they have built on. These include using conservative estimates of costs, finding reliable sources for estimates, explaining the assumptions and techniques used to

compute costs, and relying on hard data whenever possible. Beyond this, Parry suggests having managers and supervisors calculate training costs. He sees their involvement as a way to remove the potential suspicion that an HRD professional may try to place the data in the most favorable light to his or her own area.

The second line of thinking regarding ROI estimates focuses on whether and when ROI estimates should be used. Recognizing the time and cost involved in creating ROI estimates, Phillips observed that some organizations set targets for how many HRD programs should be evaluated at this level. He cites evaluating 5 percent of an organization's HRD programs at the ROI level as an example of a target that could be used. Willyerd sounds a cautionary note on the use of ROI estimates. She points out that some writers (e.g., Kaplan and Norton) question the overreliance on accounting and financial measures in business in general, and instead call for using an approach to performance measurement that balances a number of parameters (e.g., financial, customer, internal process, and innovation and learning).

Willyerd suggests that HRD professionals would be wise to follow Kaplan and Norton's notion of a balanced scorecard when presenting the effectiveness of HRD programs, and that they collect and communicate data from each of the four perspectives. Doing this, she states that this method, avoids the shortcomings of relying strictly on financial measures, while still communicating the impact of the HRD program on all of the organization's strategic dimensions. A recent book by Lynn Schmidt emphasizes a training scorecard for training evaluation that goes beyond financial measures alone. Others have made similar arguments as well.

The author hopes that this surge of interest in ROI will encourage HRD practitioners to attempt to use ROI estimates as one of the ways to communicate the value of HRD programs. In January 2004, ASTD held an ROI Network Conference in Scottsdale, Arizona. At this conference, Merrill Anderson was honored as ROI practitioner of the year, and Accenture received the ROI impact study award. However, it is emphasized that such estimates shall be used carefully, and that it is important to build the credibility of such estimates in the eyes of management. After all, HRD evaluation is about supporting decisions. Different decisions call for different supporting data, and building credibility can ensure that decision makers will actually heed and use the data provided.

## Utility Analysis

The results of an evaluation study often express the effect of an HRD program in terms of a change in some aspect of the trainee's performance or behavior. For example, if untrained employees produce an average 22.5 units (per day or per hour) and trained employees produces on an average 26 units, the gain due to training is 3.5 units per employee. Utility analysis provides a way to translate these results into money terms. One popular approach to utility analysis is the Brogden-Cronbach-Gleser model. This model computes the gain to the organization in money terms  $\Delta U$ , or "change in utility") using the following variables:

$N$  = Number of trainees

$T$  = Length of time the benefits are expected to be available

$dt$  = An effect size, which expresses the true difference of job performance between the trained and untrained groups (expressed in standard deviation units)

$SDy$  = money value of job performance of untrained employees (expressed in standard deviation units)

$C$  = Costs of conducting the training

Wayne Cascio combined these elements into a formula to compute the money value of improved performance due to training. The left side of the equation estimates the benefits of training, while the right side presents the cost. The formula is:

$$\Delta U = (N) (T) (dt) (SDy) - C$$

Some terms in the equation can be directly measured, such as  $N$ ,  $C$ , and  $dt$ , but others, such as  $T$  and  $SDy$ , must be estimated. More complicated versions of this formula have been developed to account for other factors that may affect the real monetary value of the benefits, such as attrition and decay in the strength of training effects over time.

**Cascio** suggests a method for incorporating the results of utility analysis into cost-benefit analysis for training and HRD programs. Drawing upon techniques of capital budgeting, the three phases of Cascio's approach are as follows:

1. Compute the minimum annual benefits required to break even on the program (e.g., how much of a payback must the program generate in order to cover its costs?).
2. Use break-even analysis to determine the minimum effect size (**dt**) that will yield the minimum required annual benefit (how much of an improvement in job performance that the trained employees show for the program to generate the payback needed to break even?).
3. Use the results from **meta-analytic** studies to determine the expected effect size and expected payoff from the program (what is the likely degree of improvement in job performance that the HRD program being proposed has been shown in the previously conducted research in this program or method?).

The goal of such cost-benefit analyses is to put HRD professionals on a more equal footing with other managers, so that they can demonstrate the expected gains of their programs and compare these gains to either the gains from the other programs or other potential investments (like the purchase of a new piece of equipment).

Although the computational formulas for this approach are somewhat complex, Cascio points out that they can be computerized, thereby requiring only the HRD manager or professional determine and input the values that correspond to each of the key parameters (like cost, benefits, and effect size). The author recommends to complete the utility calculation exercise at the end of the chapter.

While utility analysis can help to translate the benefits of training programs into money terms, many training professionals have concerns about the practicality of such efforts. Further, some researchers have questioned its value because of the nature of the estimates used to determine some of the factors in the formula. Latham reports that economists have not accepted this form of analysis. It is also unclear as to what extent HRD professionals use utility analysis to communicate the effectiveness of HRD programs. If the utility analysis is intended to help the managers to see the HRD programs as an investment and to make more informed decisions about HRD programs, it is reasonable to ask whether their decisions are influenced by utility estimates.

Research on this question has produced mixed results. On the one hand, Latham and Whyte found that managers are not influenced in the way HR practitioners would hope. They found that including utility analysis information actually reduced manager's support for a valid employee selection program. Similarly, Hazer and Highhouse observed that "the degree to which managers accept the notion that the effectiveness of HR programs can be measured in terms of money remains an open question". On the other hand, Morrow, Jarret, and Rupinski report that having a senior management team that is interested in a demonstration that HRD programs are a worthwhile investment and pre approves the utility model and procedures to be used will lead to acceptance of utility information as legitimate.

Utility analysis (in addition to ROI and cost estimates) presents an opportunity for HRD professionals to provide information to decision makers in money terms. However, simply providing managers with the money estimates generated by utility analysis will not by itself be sufficient to gain acceptance or use. As with ROI estimates, gaining management acceptance appears to be a key consideration, Michael Sturman recently proposed a number of modifications to the equations that are used to calculate utility estimates.

He concludes his article by stating that "for a complex decision making tool to be useful, the targeted users of the decision aid must need the information it provides and be trained in its use". Commenting on the Whyte and Latham results mentioned earlier, Sturman continues, "We should not be surprised that an individual untrained with a use of a decision aid fails to adhere to the results of the aid". Toward that end, we provide a list of recommendations offered by various authors that should increase the chances that management will accept and use utility information:

- Involve senior management in determining the utility model and procedures to be used.
- Train HR professionals and managers in the details of utility analysis.
- Offer an explanation to the components of the utility model.
- Involve management in arriving at estimates.
- Use credible and conservative estimates.



- Admit that the results of utility analysis are often based on fallible but reasonable estimates.
- Use utility analysis to compare alternatives, rather than to justify individual programs.

Finally, it is important to remember that not all decision makers, and not all HRD programs, require justification in money terms. We agree with Latham's suggestion that HRD professionals find out from senior managers as to what they consider while determining the value of HRD programs and provide management with the information in those terms. For some organizations, this may include the money value, while in others demonstrating positive improvements in nonmonetary terms may be preferred.

A lively debate concerning the inclusion of "values" (other than financial return) in HRD evaluation was presented in Human Resource Development Quarterly. Interested readers are encouraged to look further into these issues, as they again remind us of the ethical issues involved in all evaluation efforts. Finally, we present with an interesting situation where the researchers moved away from utility analysis and ROI calculations, and still managed to provide meaningful organizational-level data on the impact of training.

## **HRD Applications**

### **Fundamental Concepts of Socialisation**

**Organizational Roles** A role is a set of behaviors expected of from the individuals who hold a given position in a group. Roles define how a person fits into the organization and what he or she must do to perform effectively. For example, when we encounter a receptionist, we expect that person to perform certain functions of that role, such as greeting us, providing us with information, and directing us to those in the organization we wish to see. When newcomers enter into a new group, they must as to learn what roles they are expected to fulfill in order to fit in and perform effectively.

Edgar Schein described three dimensions of organizational roles as below

1. Inclusionary - a social dimension (e.g., outsider, probationary status, permanent status)
2. Functional - a task dimension (e.g., sales, engineering, plant operations)
3. Hierarchical - a rank dimension (e.g., line employee, supervisor, middle manager, officer)

A new role requires learning to perform in ways that fulfill the social, functional, and hierarchical dimensions of that role. For example, a patrol officer who is promoted to shift sergeant will not be completely effective until he or she knows the tasks a sergeant must do is able to do those tasks, and is accepted by others in the sergeant's role.

The socialization process becomes much more intense and presents greater challenges just before and after the employee moves across a boundary. Crossing each boundary requires learning new attitudes and behaviors and carries with it the risk of failed socialization and negative outcomes, such as dissatisfaction and turnover.

Role communication and role orientation are two important issues for organizational socialization. Ideally, an individual's role would be communicated clearly and agreed upon by all concerned parties (including management, peers, and the individual). Unfortunately, roles are often not communicated clearly. Perception plays an important part in how roles are defined and communicated, to the individual, his or her coworkers, the immediate supervisor, and upper management are all likely to perceive a given role differently. Although many organizations consider a job description to be the official statement of an individual's role, job descriptions are often vague and open to interpretation.

The perceptual nature of **organizational roles** can lead to the following three situations:

1. Role overload - when the employee perceives the role as being more than he or she can bear with
2. Role conflict - when the employee receives mixed messages about

what is expected of from him or from her by others, such as a boss and coworkers

3. Role ambiguity - when the employee feels that his/her role is unclear; this is often the result of from assuming a new position

The individual's role orientation is also important for socialization. Individuals do not conform completely to the role prescribed for them. Role orientation is the extent to which individuals are innovative in interpreting their organizational roles. Role orientation exists on a continuum, with a **custodial orientation** (conforming closely to established ways of doing things) at one extreme and an innovative orientation (taking considerable initiative in redefining the role) at the other. For example, a market research analyst who has an innovative orientation may include educating managers in the ethics of marketing as part of his or her role, even though other analysts in the organization do not perform this function. It is often beneficial for employees to creatively redefine their roles (i.e., have an innovative orientation) in ways that improve their own and the organization's effectiveness. However, this creativity and innovation will often challenge some of the organization's accepted beliefs and established ways of doing things.

**Group Norms:** Norms are the rules of conduct (typically unwritten) that are established by group members to influence or control behavior within the group. Group norms are an important part of the socialization process because they indicate the behaviors that insiders agree are appropriate. Newcomers generally must learn to behave in ways that are consistent with group norms if they are to be accepted as an insider.

Groups do not develop or enforce norms for all possible behaviors and situations, but only for significant behaviors. Organizations distinguish employee behaviors in terms of three levels of importance: pivotal (behaviors essential to organizational membership), relevant (behaviors that there are desirable but not essential), and peripheral (unimportant behaviors). Organizations are more likely to focus on pivotal and relevant behaviors during socialization and less likely to teach peripheral behaviors to the employee, or pay attention to them. Similarly, Daniel Feldman observed that groups will enforce norms that facilitate group survival, express central values, make expected behaviors simpler or more predictable, or help members avoid interpersonal embarrassment.

Learning a group's norm is not always easy. Norms are usually informal and unwritten - and also varied! They can differ from group to group within the same organization. Organizations can facilitate the socialization process by providing ways to help newcomers learn organization and group norms, such as in realistic job previews and orientation programs.

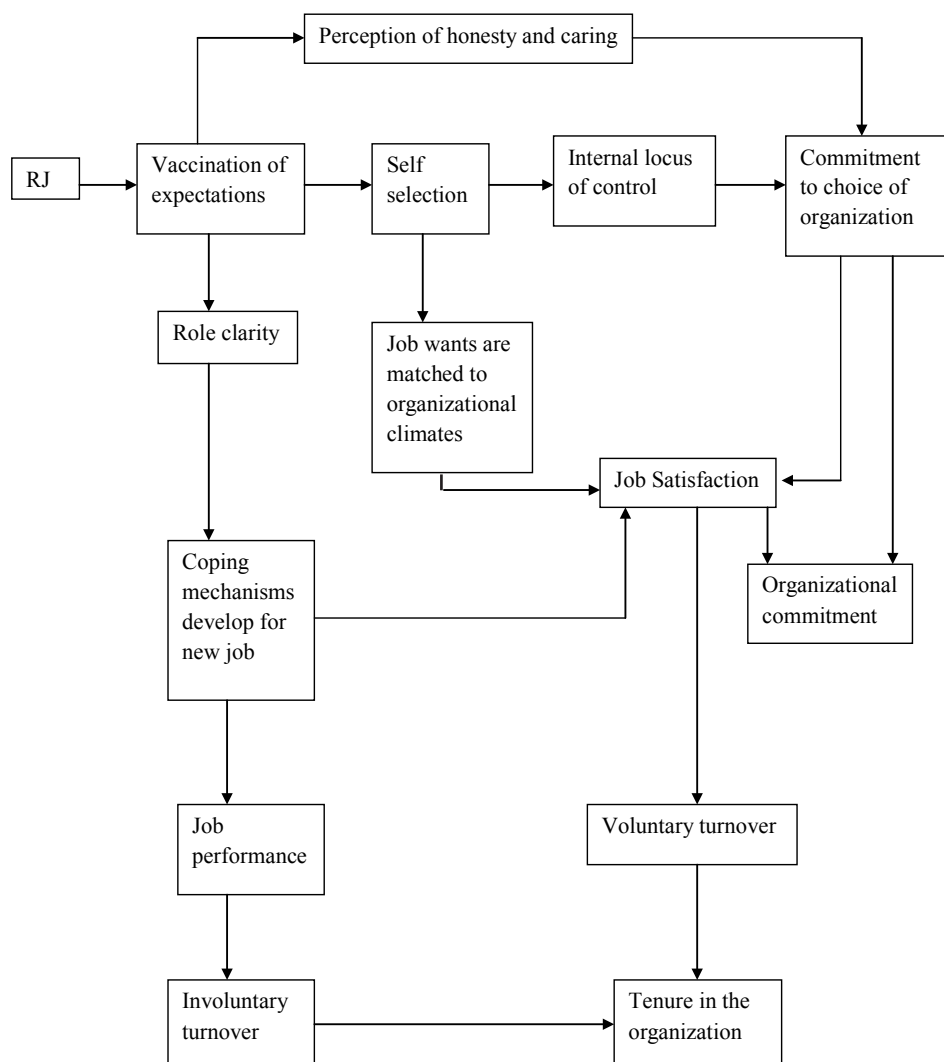
**Expectations:** Expectations are also central to organizational socialization. An expectation is a belief about the likelihood that something will occur. Expectations can encompass behaviors, feelings, policies, and attitudes. Newcomers have expectations about how they will be treated, what they will be asked to do, and how they will feel in the new organization, among other things. Expectations are important for a variety of organizational issues, including motivation and decision making. Research suggests that newcomers' expectations can affect their satisfaction, performance, commitment, and tendency to remain with the organization.

Unfortunately, recruiting practices often result in recruits having inflated expectations of their jobs and organizational life. Unrealistically high expectations are not likely to be met, leading recruits to be dissatisfied and increasing the chances they will leave the organization. In general, unmet expectations (whether realistic or not) can lead to dissatisfaction, which can eventually result in individuals quitting their jobs. Newcomers develop and test expectations throughout the socialization process. The expectations that an individual will develop depend on a number of factors and a variety of sources, including the organization and its representatives, coworkers, friends, family, the media, as well as the newcomer's own personality, attitudes, values, and prior experiences.

Organizations should be aware of the impact that expectations have on the newcomer's performance and satisfaction and take steps to ensure that the information they provide leads to realistic, attainable expectations. While organizations can help adjust newcomers' expectations, surprise cannot be completely eliminated from the newcomer's experience, in part, because newcomers may not be aware of how they feel about certain things until they experience them. For example, telling an applicant from another geographic area about the climate in your area is not the same as having the applicant actually experience it (say, 20 degrees **Fahrenheit** with wind chill in the winter, or 100 degrees with high humidity in the summer).

## The Realistic Job Review

A realistic job review (RJR) involves providing recruits with complete information about the job and the organization. While an RJR may seem like common sense, it actually stands in contrast to the traditional approach to recruiting, sometimes referred to as the “flypaper approach” in which the organization tries to attract applicants by selectively presenting only positive aspects of the job and downplaying any negative aspects. In an RJR, the recruit is given both positive and negative information - in essence, the whole truth. Thus if a job involves long hours and extensive travel, this information would not be withheld or glossed over, but rather discussed openly.



**Realistic job review effects**

*Adopted from Werner & DeSimone (2007). Human Resource Development, 4e. Thomson South-Western.*

According to John Wanous, the goal of an RJR is to increase newcomers' satisfaction and commitment and the likelihood that they will remain with the organization. A model of the RJR process (see Figure) suggests four interrelated mechanisms: vaccination, self-selection, coping, and personal commitment.

1. **Vaccination Against Unrealistically High Expectations** - providing accurate information to outsiders is similar to vaccinating people against a disease. New recruits are given information that permits them to adjust their expectations to the reality of the job. For example, a realistic portrayal of typical overtime or weekend work may assist applicants in understanding all that will be required of them in a given job.
2. **Self-Selection** - realistic expectations enable new recruits to decide whether the job and the organization match their individual needs. If they are incompatible, the recruit will probably not accept the position, thus saving the organization from hiring someone who would likely be dissatisfied and quit. The model suggests that self-selecting individuals are more likely to be satisfied employees. Self-selection obviously assumes that the organization has enough other applicants that it can afford to let applicants select themselves out of the hiring process.
3. **Coping Effect** - realistic expectations help newcomers develop a clear idea of their roles, which in turn enables them to develop coping strategies for performing their jobs effectively.
4. **Personal Commitment** - a new recruit who makes a decision to join in an organization based on a realistic perspective will develop a stronger personal commitment to that choice. This may lead to job satisfaction and a long-term commitment to remain with the organization. Although the RJR occurs during the recruitment process, it can also be considered as an HRD intervention in that it shares many of the same goals and techniques as other HRD approaches. As we described earlier, the socialization process really begins before an employee formally joins the organization, and the RJR addresses its initial step (i.e., anticipatory socialization) by attempting to adjust unrealistic impressions and reinforce accurate expectations.

## Uses of Realistic Job Reviews

The first step in developing an RJP is to assess the need for one. Interviews, questionnaires, and organizational records can be used to assess the satisfaction, commitment, and turnover of new employees in an organization. In addition, questions should be asked about whether new recruits' expectations were realistic and the extent to which the organization met their expectations. Employees who voluntarily leave the organization should be interviewed to state their reasons for leaving (this is typically done in an exit interview). Often, employees leave for reasons that are unrelated to their job satisfaction (including following a spouse/partner to a new location, a change of heart about a career choice, returning to school, or receiving a better job offer elsewhere); in these cases, an RJR would likely do little to reduce the turnover.

Furthermore, it is important to consider the performance level of individuals who voluntarily leave the organization. Some turnover may be desirable, for example, if the organization's poorest performers are the ones who are leaving. However, if this is not the case, and the organization would like to improve the situation (as when it is difficult to find new recruits), an alternative selection or training approach would likely be more effective than an RJR.

Supports of this view have suggested a number of conditions in which an RJR can be both useful and effective, including:

1. when job candidates can be selective about job offers, especially during times of low unemployment
2. when the selection ratio is low (the organization has many more job applicants than positions available)
3. when the new recruits are unlikely to have enough information available to them to develop realistic expectations (such as with entry level, complex, or "unique" jobs)
4. when replacement costs are high

A variety of media for delivering an RJR have been suggested, including printed materials (like booklets), audiovisual presentations (videos), discussions with a representative of the organization (usually a

recruiter or job incumbent), oral presentations, and interviews. Given that an RJP can be seen as a philosophy of recruiting rather than simply a specific program, other media are also possible, including job advertisements, recruiting literature, direct observation of the work environment (such as a tour), work simulations, and actual work experience for the recruit (such as a co-op or internship).

In addition to selecting what media will use to present the RJR, its content must be chosen. The following issues should be considered in determining RJR content:

1. Descriptive or Judgmental Content - descriptive content focuses on factual information, while judgmental content communicates incumbents' feelings.
2. Extensive or Intensive Content - Extensive content contains all pertinent information, while intensive content implies selective information that is presented more briefly and forcefully.
3. Degree of Content Negativity - Should the contents of the RJR be highly negative, moderately negative, or somewhere in between?
4. Message Source - if an audiovisual medium is used, should actors, job incumbents, or other organization members, such as supervisors or trainers, present the message?

Timing is critical to the RJR. According to theory, RJRs should be given as early as possible (before a job offer is made) in order to activate important mechanisms like vaccination and self-selection. However, this can be an expensive proposition, depending on the number of recruits and the media used. In addition, senior management may be less likely to approve using negative information if the RJR is given early (such as in a recruiting video) rather than late in the process (after an offer is made).

Research does not offer clear guidance on the timing of RJRs because in many of the studies the RJR was presented later in the process (e.g., after an offer or after the recruit accepted an offer). Although these studies have shown that RJRs are effective in lowering expectations and turnover, it may be that the timing used in these studies has led to conservative estimates of effectiveness. Early delivery of the RJR seems to be the best approach, using multiple forms of media - such as job ads, recruiting brochures,



and videos, DVDs, or online multimedia presentations - to communicate realistic information throughout the organizational entry process. Then, more expensive approaches can be used later, if necessary, when there are fewer individuals to process.

Stages of Entry	Evaluation criteria
Pre-entry	1. Ability of the organization to recruit newcomers
Entry	2. Initial expectations of new comers
	3. Choice of organization by the individual, ( specific job wants being matched with climates)
Post-entry	4.Initial job attitudes
	Satisfaction with the job
	Commitment to the organization
	Descriptive statements about the job (to be compared with expectations held as an outsider)
	Thoughts about quitting
	5.Job performance
	6.Job survival and voluntary turnover rates

### Evaluation criteria for the realistic job review

#### Effectiveness of Realistic Job Reviews

A variety of choices are available to help organizations evaluate the effectiveness of them realistic job more, including the criteria listed in Table. It is recommended that organizations evaluate theirs and communicate the results of their evaluations through the scientific and practitioner literature.

This will serve to expand the knowledge base upon which HRD professionals can make more informed decisions about designing and implementing. A relatively large number of studies examining the effectiveness of RJRs have been conducted, including a number of meta-analyses that review and combine the findings of multiple studies. In general, research has shown that RJRs reduce inflated expectations, and have a beneficial effect on turnover, satisfaction, and commitment. The average reduction of turnover has been between 5 and 10 percent.

Although much research has been done, many of the studies seem to have design flaws. Thus, while it appears that RJRs are effective, better designed studies that examine both underlying theory and practical issues will be of great benefit.

It should be noted that providing new recruits with realistic information can be expected to go along way in improving newcomers' attitudes and behaviors. An organization should examine what it can do to improve the conditions in which the employees work and correct the problems that it comes across. For example, new employees may often be disappointed by the lack of responsibility and challenge in early assignments. Simply telling newcomers about the case which may help them lower their expectations, but Irving and Meyer found that providing newcomers with positive work experience has a greater impact than altering expectations. Similarly, reducing the need for unscheduled overtime may be more effective than simply telling people about the "overtime issue." In today's economic environment, even moderate reductions in turnover can have a significant impact on organizational productivity thus; HRD practitioners should consider integrating RJRs within their organization's socialization processes.

### **Summary**

Assessment can be done using a variety of performance indexes, such as productivity, timeliness, and cost savings. Evaluation of training costs can be compared to the costs incurred in conducting an HRD program to the benefits received by the organization, and can involve two categories of activities: cost-benefit evaluation and cost-effectiveness evaluation. Roles define how a person fits into the organization and what he or she must do to perform effectively. Norms are the rules of conduct that are established by group members to influence or control behavior within the group. Group norms are an important part of the socialization process because they indicate the behaviors that insiders agree are appropriate. A realistic job review involves providing the new recruits with complete information about the job and the organization.

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## Lesson 3.3 - Career Management and Development

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### Learning Objectives

*After reading this lesson, you may be able to*

- Define Career Concepts
- Explain the Concept of Career Planning and Career Management
- Understand the Stages of Life and Career Development
- Understand the Models of Career Development
- Explain the Developmental Program
- Understand Career Plateau

### Introduction

In the modern employment environment, the availability of career-enhancing assignments and career management activities can be used both as a recruitment tool to attract employees and contingent workers to work for the organizations, and as a motivational tool to gain their full effort, commitment, and creativity. What should change, and what is changing, is that the organizational career development should be designed to fit the responsibilities and needs of both individuals and organizations, providing the opportunities both need to prosper in a dynamic environment.

### Definition Career Concepts

Greenhaus and colleagues described career broadly as “the pattern of work-related experiences that span the course of a person’s life.”

This definition includes both objective events, such as jobs, and subjective views of work, such as the person’s attitudes, values, and expectations. Therefore, both a person’s work-related activities and his or her reactions to those activities are part of his or her career. Further, this definition is consistent with the notion that careers develop over time, and that all persons have careers, regardless of profession, level of advancement, or stability of work pattern.

By not being tied to advancement-oriented or career-as-organizational-property points of view, this definition also recognizes the multiplicity of work-related paths and experiences that people engage in and respond to throughout their lives. This definition of a career also underscores the influence and importance of the individual, organization, and the environment on the individual's work life. While the job and occupational choices an individual makes during a career are determined in large part by forces within the individual, the organization and other external forces (e.g., society, family, the educational system) also play important roles. The individual is driven toward particular job choices by his or her skills, knowledge, abilities, attitudes, values, personality, and life situation. Organizations provide jobs and information about jobs, as well as opportunities and constraints within which one may pursue other jobs in the future (especially if one chooses to remain employed within the same organization). Both the individual and organization have needs and priorities, and it is important to remember that both are critical to the development of one's career.

Finally, this definition of career takes the focus away from the stereotyped idea of a career as a stable, long-term, predictable, organization-driven sequence of vertical moves. It is broad enough to encompass many of the recent ideas that have been offered in the career development literature, and it can liberate individuals, practitioners, and theorists to see the realities and possibilities that currently exist.

The overall process of career development can be defined as "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." However, it is useful to distinguish between two sets of activities that can be subsumed within career development: career planning and career management.

### **Career Planning and Career Management**

As stated earlier, both the individual and the organization have interests in an individual's career, and both parties may take actions to influence that career. These sets of related activities are referred to as career planning and career management. These activities can be viewed as existing along a continuum.

**Career planning** is defined as “a deliberate process of 1) becoming aware of self, opportunities, constraints, choices, and consequences, 2) identifying career-related goals, and 3) programming work, education, and related developmental experiences to provide the direction, timing, and sequence of steps to attain a specific career goal.” Viewed in this way, career planning is an activity performed by the individual to understand and attempt to control his or her own work life. The individual need not perform these activities alone. Assistance from counselors, supervisors, and others within and outside the organization can be helpful, but the focus of career planning is on the individual.

On the other end of the continuum is career management, defined as “an ongoing process of preparing, implementing, and monitoring career plans undertaken by the individual alone or in concert with the organization’s career systems.” Career management may include activities that help the individual develop and carry out career plans, but the focus is on taking actions that increase the chances that the organization’s anticipated HR needs will be met. At its most extreme, career management is largely an activity carried out by the organization. An example of such an activity is succession planning, which is typically carried out by senior management to determine which employee can and should be prepared to replace people in positions of greater responsibility.

The Figure is given below describes where various career development activities fit along the career development spectrum. These activities vary according to (1) the amount of influence by the individual, (2) the amount of information provided to the individual, (3) the amount of influence by the organization, and (4) the amount of information provided to the organization. Career management and career planning activities can be complementary and can reinforce each other. For example, it is difficult to monitor the career plans of an individual who has not made specific plans. A balance between management and planning makes for effective career development. The organization can support actions at any point on the spectrum, assisting the employee with career planning, as well as conducting career management activities.

Jeffrey Greenhaus and colleagues use the term career management to refer to all phases of career development activities, from gaining self-awareness, to developing career goals and plans, to enacting those plans.

Because planning is a significant activity within management, we adopt this more inclusive use of the term career management and use this model to form the framework of our discussion of how individuals and organizations can influence career development. Before discussing how one can influence the course of one's career, however, it is important to examine the career development process.

Employee Centered: Career planning		Mutual focus manager-employee planning		Organization centered: career management	
Self directed Corporate workbooks succession and tape planning cassettes	Company run career-planning workshops	Corporate seminars on organi- -zational career	Manager employee career discussions (includes separate training for managers)	Developmental assessment centers(with feedback)	Corporate talent inventories

Spectrum of career development activities

Models of Career Development

Just as it is possible to depict adult development as progressing through a series of stages, it is also possible to depict career development in this way. We will discuss two approaches to modeling career development: one is the traditional and the other one is more contemporary.

Traditional Models of Career Development

Numerous models of career development have been offered to explain the sequence of stages that adults progress during their work lives. These models emphasize the notion of an orderly series of career stages

linked to age ranges, place the career into the context of a person's life, and contain overlapping concepts. Given the similarities among these models, Greenhaus and colleagues combined these approaches into a five-stage model, which is shown in Table

### ***Stage 1: Preparation For Work (Age 0-25)***

The major tasks during this period involve forming and defining an idea of the occupation one would like to engage in, and making necessary preparations for entry into that occupation. These activities include assessing possible occupations, selecting an occupation, and obtaining the necessary education. A great deal of research has been done to identify the factors that influence occupational choice. The choices one makes during this stage represent initial decisions rather than final ones, and establish the first direction of the individual's career.

### ***Stage .2: Organizational Entry (Age 18-25)***

At this stage, the individual selects a job and an organization in which to begin employment in the chosen career field. The amount and quality of information obtained can affect as to whether the initial job choice will be a fulfilling introduction to one's career or a disappointing false start. Among the obstacles the individual faces in this stage are initial job challenge (is it sufficient?), initial job satisfaction (typically lower than at later career stages, due to the disparity between initial expectations and organizational realities), and organizational socialization (becoming an insider).

### ***Stage 3: The Early Career (Age 25-40)***

During this stage, the individual is dealing with finding a place in the world and pursuing his or her life dream; this also involves becoming established in a career and in an organization. The specific challenges that must be met to do this include becoming technically proficient and becoming assimilated into an organization's culture (i.e., learning its norms, values and expectations). Successful resolution of these challenges can result in job satisfaction, advancement in terms of position and responsibility, and increased financial and social rewards. In short, the early career stage is about becoming established and "making it."

<b>1. Occupation Choice: Preparation for work</b>	
Typical age range	Initially 0-25; then variable
Major tasks	Develop occupational self-image, assess alternative occupations, develop initial occupational choice, occupations, develop initial occupational
<b>2. Organizational Entry</b>	
Typical age range	Initially 18-25; then variable
Major tasks	Obtain job offer(s) from desired organization(s), select appropriate job based on accurate information.
<b>3. Early career: Establishment and Achievemen</b>	
Typical age range	25-40
Major tasks	Learn job, learn organizational rules and norms , fit into chosen occupation and organization, increase competence, pursue the dream
<b>4. Midcareer</b>	
Typical age range:	40-55
Major tasks:	Re-appraise early career and early adulthood, re-affirm or modify the dream, make choices appropriate to middle adult years, remain productive in work .
<b>5. Late career</b>	
Typical age range:	55-retirement
Major tasks:	Remain productive in work, maintain self-esteem, prepare for effective retirement.

#### ***Stage 4: The Midcareer (Age 40-55)***

Following Levinson, the midcareer stage begins at the same time as the midlife transition. Therefore, one of the tasks the individual faces at midcareer is a reexamination of the life structure and choices



that were adopted during the early career. The individual may reaffirm or modify The Dream, make choices appropriate to middle adulthood, and remain productive at work. These challenges are congruent with the popular notion of a midcareer crisis. The crisis may be severe for some and not even seen as a crisis by others. Two events that often occur during midcareer are plateauing (a lack of significant increases in responsibility and/or job advancement) and obsolescence (finding one's skills are not sufficient to perform tasks required by technological change). As stated earlier, the individual who successfully resolves these challenges will remain productive, while one who does not will experience frustration and stagnation.

### ***Stage 5: The Late Career (Age 55-Retirement)***

The individual faces two challenges during the late career. First, he or she must strive to remain productive and maintain a sense of self-esteem. This can sometimes be hampered by the negative beliefs that society has regarding the performance and capabilities of older workers. Second, this individual faces the challenge of disengaging from work and retiring. Retirement brings many emotional, financial, and social changes and should be planned for well in advance of the actual retirement date. Given current trends in the Social Security system, the abolition of the mandatory retirement age for most jobs, and questions about the management of pension funds, many people will be facing a career without an adequately planned retirement. Rather than facing retirement, the individual may have to face occupational change at an age at which his or her parents were dealing with a shift from work to nonwork. Pressures toward early retirement by organizations trying to reduce labor costs may at the same time force some workers into retirement sooner than planned, creating an additional set of problems.

This model is useful for identifying the normal, or typical, sequence of events and experiences that occur within one's working life. Some individuals, such as those who begin new occupations late in life, will deviate from the age ranges suggested in the model. Even though the ages will vary, many of the challenges are likely to stay the same, but the individual will perceive and respond to them in light of the other issues he or she is facing at that particular stage of life.

Contemporary views of career development: Certainly, the trends in globalization, demographics, technology (both information and otherwise), the changing employment relationship, team-based work, and new organizational structures are having a significant impact on the way careers are viewed. Contemporary view of career development is the notion of differing career patterns, called the multiple career concept models. This model suggests that there are four different patterns of career experiences, called career concepts. These four concepts differ in terms of the “direction and frequency of movement within and across different kinds of work overtime. Distinctly different sets of motives underlie each of the four concepts.” The four career concepts are:

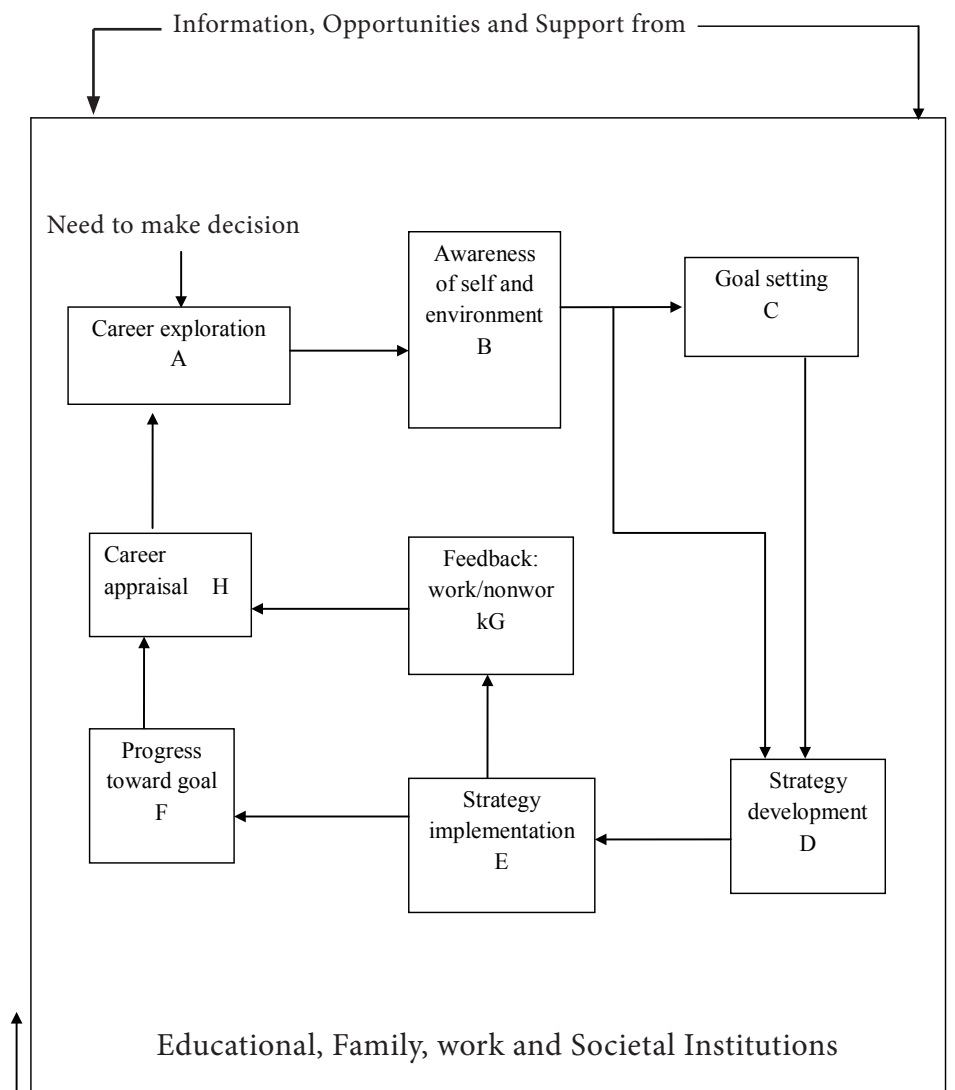
1. Linear — A progression of movement up an organizational hierarchy to positions of greater responsibility and authority; motivated by desire for power and achievement; variable time line; in the United States, this has been the traditional view of a “career.”
2. Expert — A devotion to an occupation; focus on building knowledge and skill within a specialty; little upward movement in a traditional hierarchy, more from apprentice to master; motivated by desire for competence and stability; rooted in the medieval guild structure.
3. Spiral — A lifelong progression of periodic (seven to ten years) moves across related occupations, disciplines, or specialties; sufficient time to achieve a high level of competence in a given area before moving on; motives include creativity and personal growth.
4. Transitory — A progression of frequent (three to five years) moves across different or unrelated jobs or fields; untraditional; motives include variety and independence.

### **An Individually Oriented Career Management Model**

As discussed earlier, individuals face a number of decisions in managing their careers. Greenhaus and colleagues present a valuable model of how individuals should manage this process. This is presented in Figure

That response includes eight activities: i) career exploration, ii) awareness of self and environment, iii) goal setting, iv) strategy development, v) strategy implementation, vi) progress toward the goal,

vii) feedback from work and non work sources, and viii) career appraisal (Table), to perform them, the individual uses information, opportunities, and support from family, as well as from educational, work, and societal institutions. The model suggests that career management occurs in a series of steps, though the order of progression through these steps may vary. The career management cycle is a problem-solving, decision-making process. Information is gathered so individuals can become more aware of themselves, and the world around them. Goals are established, plans or strategies are developed and implemented, and feedback is obtained to provide more information for ongoing career management. It is important to note that the career management process is cyclical and ongoing.



**A model of career management**

*Adopted from Werner & DeSimone (2007). Human Resource Development, 4e. Thomson South-Western.*

The need to make career decisions can result from changes within the individual (e.g., questioning done at midcareer) and changes in the environment (e.g., organizational decisions such as firing and downsizing, or a merger or acquisition). Effective application of the career management model, including knowledge of both self and the environment, realism of goals, career strategies, and continual feedback, are more meaningful indicators of career success. Following such a model can assist both employees and organizations in understanding what should be done to effectively manage careers. Obviously, employees benefit when they establish and work toward career goals. But it is also beneficial for the organizations to encourage their employees to manage careers in this way.

Organization oriented career management models

These models share the idea that the organization's structure and needs should guide the organization's career management system. We will briefly describe three of these models.

### **The Pluralistic Approach**

As described earlier, Brousseau and colleagues believe that there are at least four career concepts that represent patterns employees' careers can take. They argue that organizations can have career cultures that mirror these career concepts (i.e., linear, expert, spiral, and transitory). An organization's career culture is defined by the organization's structure, what forms of performance it values, and the rewards it offers to its employees. At the same time, the organization's career culture should support its strategic direction (e.g., an organization seeking diversification should adopt a spiral career concept culture).

Brousseau and colleagues present a pluralistic approach as a way to align the organization and the individual. They state: "We suggest that both organizations and the workforce as a whole might benefit from a pluralistic approach that combines varied amounts and types of organizational structure with an array of quite different career experience opportunities. Organizations would retain sufficient structure to maintain certain core competencies and organizational leadership, while utilizing less structured arrangements to meet the demands of external change and flux"

Operationally, Brousseau and colleagues offer three types of career management methods: (1) counseling, 2) contracts (individual career development program), and (3) a cafeteria approach that includes a variety of “career-track options, training opportunities, performance evaluation schemes, and reward systems”, from which employees may choose to fit their own career goals. Designing and managing a pluralistic career culture involves an ongoing process of assessing the gaps between the organization’s strategy and employees’ career concepts and motives, identifying the optimal organizational structure, and then identifying and implementing the proper career management practices.

#### 1. Career Exploration:

Career Exploration involves gathering information about one’s self and the environment for example, a young woman engaged in career exploration would collect information about her skills, values and preferences as well as information about the possible jobs and organizations available to her in the environment.

#### 2. Awareness of Self and Environment:

Successful career exploration will lead the individual to a deeper self-awareness and an understanding of both opportunities and constraints, present in the environment. This awareness of self and environment can lead the individual to set or revise career goals, or if such goals are already set it would lead to strategy development.

#### 3. Goal Setting:

A Career Goal is an outcome the individual decides to try to obtain. Such goals may be specific (e.g., I want to become a partner in my accounting firm by age 35) or general (e.g., I want to be a Successful and respected chef). To the extent career goals are based on an awareness of the self and environment they are likely to be realistic.

#### 4. Strategy Development:

A Career Strategy is an action plan for accomplishing the career goal. An effective strategy should include the actions that should be carried out and a time table for performing them. Many of the HRD practices and programs presented in this book can serve as part of an individual’s career strategy. For example a police officer whose career goal is to become a police sergeant may develop a strategy that include attending college and other

training courses and successfully completing the sergeant's examination. The strategy will be more effective if it is based on realistic self-awareness and environmental awareness. Greenhaus lists even career strategies; competency in the current job, increased involvement in work developing skills developing opportunities cultivating mentor relationships, image building and engaging in organizational politics.

#### 5. Strategy Implementation:

Strategy implementation involves carrying out the individual has developed. Following a realistic strategy as opposed to acting without a clearly defined plan increases the likelihood of attaining the career goal. It is easier to get where you want to go if you have a plan to follow. However, some people may develop elaborate plans, but then fail to implement them. Strategy implementation leads to progress toward the goal and feedback from work and nonwork sources.

#### 6. Progress Toward the Goal:

This is the extent to which the individual is nearing the career goal.

#### 7. Feedback from Work and Nonwork Sources:

Valuable information about the progress toward the career goal can be obtained from both work sources—such as co-workers, supervisors, and specialists—and nonwork sources such as friends, family, and teachers.

#### 8. Career Appraisal:

Feedback and information on progress toward the career goal permit the individual to appraise his or her career. This appraisal leads to reengagement in career exploration and the career management process continues with another cycle of activities.

### **Career management activities**

### **A Systems View of Career Management**

Nicholson states that there are three main elements of a career development system: (1) the people system, which includes the activities involved in selecting, nurturing, and motivating human resources; (2) the job market system, which includes the structure for developmental opportunities; and (3) the management and information system, which

facilitates the exchange of people, ideas, and information. Given the environmental forces most organizations now face, Nicholson believes that linking these three systems is vital to career management. He suggests “career management must link the people system and the job market system via the management and information system”.

This linkage could be made within organizations by ensuring that information is available and usable, and could include between-company cooperation in the form of creating and maintaining databases of people and jobs. Doing so would provide individuals and organizations with a way to gain and use knowledge to accomplish their goals. Nicholson suggests that individual outcomes of such a system would include better job-person fit, competency, and leadership. Organizational outcomes would include better teamwork, flexibility, and dynamism.

### **Team-Based Career Development**

As many organizations are shifting toward more team-oriented structures, it is possible that team experiences can be used for career management. Cianni and Wnuck note that in team-based organizations, career development responsibility can be shared among the individual, the team, and the organization. A team model for career development can enhance an individual member's growth and ensure that teams develop as well. Cianni and Wnuck suggest that the basic attributes of a team career model include the following:

1. Team members serve as role models.
2. Teams reward behaviors that enhance team performance and growth, and personal growth and development.
3. Teams determine training opportunities both for the team and for individuals.
4. The team moves collectively to higher organizational levels.
5. People move laterally within the team.
6. The organization evaluates the team; the team evaluates the individual.

The model offers different developmental activities for different team career stages. Stage 1, designed to integrate the individuals into the

team, would include team competency and project management training, team building, and skill and personal style assessment. Stage 2, designed to continue team development, would include team problem solving and performance monitoring training, task rotation and coaching. Finally, Stage 3, intended to make the team more independent and accountable, would include training in learning organization tools, leadership potential assessment, leadership rotation, and the possibility of having members lead a Stage 1 team.

Benefits of the team model should include higher productivity, commitment, organizational flexibility, and retention of high performers. However, not all teams would benefit from this approach. Cianni and Wnuck state that this would most benefit cross-functional teams intended to help the organization to expand into new markets or create new project or services, as well as internal consulting teams charged with implementing change or serving internal customers.

These organization oriented career models emphasize the role of organizational structure and organizational goals as a driving force in career management, making career management a more strategic endeavor. They differ in terms of their applicability to particular organizations. While the pluralistic approach is intended to be used in a wide range of organizations, the career systems and team models will fit best in a particular range of organizations. Because these are new ideas, research and practical experience are needed to determine their effectiveness and the best way of using them. We find them intriguing and think they are expanding career development in new and exciting directions.

### **The HRD and Career Development Professionals' Responsibility**

In many ways, HRD professional's role is the same as in the career management as it is in any other HRD activity: to ensure that the organization has programs and activities that will help the organization and its employees to achieve their goals. This role involves all the foundational activities in needs assessment, design, implementation, and evaluation. In addition, in the light of the changes in the career landscape, Hall offers the following suggestions for career development and HRD professionals to help individuals become "masters of their own careers":



1. Start with the recognition that each individual “owns” his or her career.
2. Create information and support for the individual’s own efforts for development.
3. Recognize that career development is a relational process in which the career practitioner plays a broker role.
4. Become an expert on career information and assessment technologies.
5. Become a professional communicator about your services and the new career contract.
6. Promote work planning that benefits the organization as a whole, over career planning that is unrelated to organizational goals and future directions.
7. Promote learning through relationships at work.
8. Be an organizational interventionist, that is, someone is willing and able to intervene where there are roadblocks to successful career management.
9. Promote mobility and the idea of the lifelong learner identity.
10. Develop the mind-set of using natural (existing) resources for development.
11. Finally, HRD professionals must examine the employment practices used by their organization, and determine the extent to which these practice promote or work against the kinds of career management behavior they want employees to engage in.

### **Career Development Practices and Activities**

Organizations have a wide range of possible career development tools and activities from which to choose. Some of these, such as self-awareness workshops are intended primarily for career planning and development, while others, such as recruitment, are a part of normal HR management activities. A study of career development activities at large organizations grouped career development activities into six categories: employee self-assessment tools, organizational-potential assessment processes, internal labor-market information exchanges, individual counseling or career discussions, job matching systems, and development programs.

## Self-assessment Tools and Activities

*Self-assessment activities*, such as self-study workbooks or career planning workshops, focus on providing employees with a systematic way to identify capabilities and career preferences. Self-assessment is best used as a first step in the process (i.e., at the stage of self-exploration) rather than as the only activity in a career management program. Self-assessment activities can be done by an individual alone, in groups, or in some combination of the two. Effective self-assessment should (1) set the stage for the self-assessment experience and (2) help an individual explore his or her values, interests, skills, feelings, personal resources, goals for timing, and decision-making styles. This information can help answer questions such as “Who am I?” “What do I want in my life and my career?” and “How Can I best achieve my career goals?”

Self-assessment workbooks provide information and a series of exercises to help an individual discover his or her values, abilities, and preferences. These workbooks can be purchased from a third party or designed specifically for an organization. For example, Richard Bolles’ best-selling book *What Color is Your Parachute?* includes many self-discovery exercises, along with information about various occupations and job search skills. Similarly, John Holland’s *The Self-Directed Search* helps an individual reader identify his or her interests and suggests possible occupations that match these interests.

The advantages of self-assessment exercises developed by third-party sources are that they are readily available and have been designed by career development experts. However, they are not designed to fit within an organization’s specific HRD and career development strategy. The HRD staff may need to make modifications, or develop supplementary material to fill these gaps.

Workbooks designed to complement an organization’s overall HRD strategy may do better at making employees aware of resources and opportunities within the organization. Such workbooks can include a statement of the organization’s career development policy and associated procedures; information on the organization’s structure, career paths, and job specifications; information about related training, education, and development programs; and instructions on how employees can obtain

further information, such as names, addresses, and phone numbers of resource persons within the organization.

The activities included within a workbook can also be delivered via computers and the Internet. For example, the U.S. Army uses a microcomputer-based self-assessment system for officers called Officer Career Information and Planning System (OCIPS), and the American College Testing Program publishes a computer-based system called DISCOVER.

Each of these programs provides career information and self-discovery exercises similar to those found in workbooks. One of the advantages of using self-assessment workbooks and computer programs is that they can be completed at the employee's convenience. However, it can also be beneficial to provide self-assessment information in an interactive group session where employees can share and discuss their insights. Career planning and pre retirement workshops are well suited for this purpose.

Like other self-assessment approaches, career planning workshops provide a structured experience in which participants develop, share, and discuss personal information about their strengths, weaknesses, goals, and values. Workshops can be made up of one or more sessions that focuses on what career planning and management is all about. Self-discovery, (reality testing of insights is gained during discussions with the facilitator and other participants), identification of possible career directions and opportunities, and career goal setting.

The advantages of workshops include the ability to reach many people at once, opportunities to gain support from peers and to develop networks, and exposure to other people's ideas and reactions. In addition the feedback from the facilitator and other group members may help the individual recognize any self-deception or self-ignorance that might go undetected if a self-assessment workbook were used alone. Potential disadvantages include scheduling problems, difficulty in designing an experience that suits for all the participants' needs (especially if they come from different organizational levels), and the possibility that some people may be intimidated by the group setting.

## **Individual Counseling or Career Discussions**

Individual career counseling involves one-to-one discussions between the employee and an organizational representative. One survey revealed that organizations primarily use HR professionals, supervisors, or line managers as career counselors. Such counseling sessions can range from brief, informal talks, to the annual performance evaluation discussion, to a series of discussions with a manager or counseling professional.

Individualized counseling can answer a wide range of questions and can either stand alone or supplement other career development activities. The career counseling process can be viewed in three stages:

1. **Opening and Probing** — This stage establishes rapport and determines the employee's goals for the counseling session(s).
2. **Understanding and Focusing** — This includes providing assistance in self- assessment and establishing career goals and strategies.
3. **Programming** — This stage provides support for implementing the career strategy.

During this process, the counselor can suggest actions to the employee and provide support and feedback about the ideas and results of actions taken by the employee.

Counseling can be used for continuing employees as well as employees who are approaching retirement, are about to be laid off, or are terminated. Outplacement counseling focuses on assisting terminated employee in making the transition to a new organization. The use of outplacement counseling has become widespread since the 1980s, especially in the wake of the downsizing, mergers, and acquisitions that organizations experienced during this period. These sessions can focus on job search skills, stress management, and career planning. Of all the forms of individualized counseling, outplacement counseling is the most likely to be performed by a counselor who is not an organization member. Many consulting firms offer outplacement services for hire.

Preretirement counseling and workshops involve activities that help employees prepare for the transition from work to nonwork. Retirement is often filled with great uncertainty on both the personal and the financial

level. Preretirement counseling programs typically involve discussions about financial planning, social adjustment, family issues, and preparing for leisure activities.

An important issue in individualized counseling centers on the individual selected to be the counselor. In some ways, managers and supervisors are well suited to serve as counselors. They are knowledgeable about the organization and should be familiar with the employee's performance and his or her capabilities. In addition, they are in an ideal position to offer support and to follow up on actions taken by the employee. However, there are disadvantages in using the supervisors and managers as career counselors.

First, unless they receive training in career development issues and counseling skills such as listening, questioning, and clarification, they may lack the skills to perform effective counseling. Second, even with training some supervisors and managers lack the abilities and/or desire to perform the task well. They may view it as an added burden and may not be rewarded by the organization for performing it. Finally, employees may be reluctant to discuss their career plans with current bosses or to take advice from a non professional

If managers and supervisors are to be used as counselors, the following steps should be taken:

1. Their role in the career development process must be clarified.
2. They must be trained to perform this role.
3. They must have the opportunity to discuss their own career development concerns.
4. The role of counselor or developer should be incorporated into the organizational reward system (e.g., included in managers' performance evaluations).

One element of this approach has been used at Metropolitan Life, where the performance evaluation process for managers and supervisors includes an evaluation of how well they are doing in developing their employees.

## **Internal Labor Market Information Exchanges and Job Matching Systems**

Employees engaged in career planning, need accurate environmental information in addition to an accurate self-assessment. To this end, the organization should provide employees with information about job opportunities within the organization. Two commonly used methods for doing this are job posting systems and the establishment of career paths. Job posting is one of the most common career development activities. It involves making open positions in the organization known to current employees before advertising them to outsiders. In a typical job posting program, the organization publishes the job description, job requirements, pay range, and an application procedure for vacancies, and it provides a form for employees to submit. The vacancies can be posted in a common area, such as on a bulletin board reserved for that purpose. Increasingly, such postings are done online, using the organization's website or intranet. Interested employees can then apply and be considered for the vacant positions. Job posting systems are widely used in both government and private organizations.

Job posting is a source of career information as well as a recruiting and selection tool. Employees can learn skills and abilities which are needed for various positions and can use that information as a springboard for career development discussions and to establish career goals and strategies. If they are administered openly and fairly, job postings can help employees realize that they have a future in the organization, and this can improve morale. However, job posting systems can also create problems if employees suspect that only low-level or undesirable positions are being posted, or if the job requirements listed are rigged to ensure that an "inside" candidate is the only one qualified for a position.

A career path is a sequence of jobs, usually involving related tasks and experiences that employees move through over time. For example, a career path in a city police department may include the positions of patrol officer, desk sergeant, lieutenant, captain, and chief of police. Career paths communicate to employees possibilities for job movement. Together with job descriptions and job specifications, these paths can aid the employee in developing a career strategy.

Career paths can be developed using either a traditional or a job/behavioral approach. In the traditional approach, the career path represents what has typically happened in the organization and usually represents a consensus among managers about logical job movements within a particular department. For example, if computer operators typically become technical advisors before becoming supervisor, the career path will reflect this. In the job/behavioral approach, the path is created by analyzing the similarities and differences among jobs in the organization. For example, if the positions of market research analyst and human resource research analyst require similar skills, these jobs may be listed on the same career path, even though they exist in different departments. The job/behavioral approach can include jobs from throughout the organization and, as a result, open up more possibilities for movement than the traditional approach.

Some organizations use a dual career path or dual-track system in which the Path to greater responsibility includes both management and non-management tracks. The presence of non-management paths, with relatively equivalent esteem and pay, can serve the needs of employees who lack the skills or the desire to become managers. For example, the Exploration Division of British Petroleum established dual career paths for areas such as engineering and product development. Teams of managers and employees established the system, and trained colleagues in how to use the new system. Such an approach opens up more possibilities than the traditional pyramid structure provides.

While career paths can help provide information to employees about career progression possibilities, they may rely too heavily on what the organization has typically done rather than on what it is likely to need in the future. Given the changes in the career landscape that we noted earlier in the chapter, vertical progressions may be unavailable, or they may be shorter than what have traditionally been available, unappealing to employees with spiral or transitional career concepts, or not in keeping with the organization's strategy and career culture. Therefore, career paths should be developed within the context of each organization's strategic and human resource planning activities. In addition, care should be taken to identify possible alternative paths such as lateral career movement. This is included in the career grid approach, in which career grids, based on job content, specify possible vertical and horizontal sequences of positions

employees may hold. The grids can communicate not only the potential path but also the competencies required for each position in the paths and developmental ideas for moving through these positions. From an organizational viewpoint, this approach is beneficial in that it provide skilled and valued employees (e.g., the organization's top engineers or accountants) with a career option that promises progression, while allowing them to remain in their specialty area. It also provides a learning and developmental incentive for employees who are not interested in becoming managers.

Beyond using career paths and job posting, internal information can also be supplemented by publishing booklets and flyers that inform employees of career enhancement possibilities. Knowledge of available resources such as upcoming training programs and tuition assistance programs can help employees develop and implement their career strategy.

Another source of internal labor market information is a skills inventory. A skills inventory is a database that contains information about employee skills, education performance evaluation, and career preferences. It is often part of an organization's human resource information system (HRIS). HRD professionals can use this information during the needs assessment phase to identify the capabilities of the workforce and pinpoint any skill shortages that should be addressed. Skills inventory information is usually collected from voluntary reports from employees. Potential shortcomings of voluntary self-reports include the possibility of incomplete, inaccurate, or outdated information, though the recent growth in network and personal computer-based HRIS has made these issues easier to deal with than they were earlier.

### **Organization Potential Assessment Processes**

Organizations have a vested interest in ensuring that they have individuals available who are ready to fill the key positions when these positions become vacant. Many organizations evaluate the potential, managerial, professional and technical employees. Those judged as highly-potential employees can then be groomed" for these positions. Three ways that potential assessment can be done through potential ratings, assessment centers, and by succession planning.



Potential ratings are similar to employee performance evaluations. An employee's manager or supervisor typically performs them. They measure multiple dimensions, and include a summary or overall rating of the employee's potential for advancement. The main difference between potential ratings and performance ratings is that potential ratings focus on the future rather than the past or present. This method requires the rater to judge whether an employee is likely to be successful in the job requiring skills he or she may not currently use. Also, the results of potential evaluations are unlikely to be made known to the employee. Ratings of potential are subject to the same problems as performance evaluations (i.e., rating errors and biases). Raters should be trained in the proper way to conduct such an evaluation.

**Assessment centers**, which can be used as part of the employee selection process, can also be used to assess potential for advancement." In an assessment center, small groups of employees perform a variety of exercises while being evaluated by a group of trained assessors. The exercises can include simulations, role-plays, group discussions, tests, and interviews. The exercises should measure relevant skills and aptitudes for a given position. The assessors are typically managers who are one or two organizational levels above those being evaluated (assess). Assessors should be specifically trained for this task. The assessors write a detailed report on each assessee and usually make an overall judgment about the assessee's promotability. When used for developmental purposes, the intensive assessment fallback is provided to the employee to increase self-awareness. The feedback from a developmental assessment center can be used by the employee to develop career goals and a plan for future development. While career development assessment centers can be expensive to use, they provide a rich source of data. Care should be taken in designing assessment center procedures to include assessment of skills that can be developed in a reasonable amount of time and to include exercises that permit multiple opportunities to observe participants in each dimension. Examples of this approach include developmental assessment centers at AT&T and Kimberly Brothers Manufacturing Company.

**Succession planning** is a third way of conducting potential evaluations. This process is most often done for upper-level management positions. It requires senior managers to identify employees who should be developed to replace them. Information generated during succession

planning may not be communicated to the employee. If potential evaluations are made known to the employee and his or her superiors, this information can be used to create a self-fulfilling prophecy. That is, if managers believe the employee has a high potential for advancement, they may be more likely to evaluate the person favorably and promote him or her more quickly than actual performance warrants. If succession plans are not communicated to the employee, the organization runs the risk of a mismatch between the employee's career plans and its plans for the employee. Making this information available to the employee can ensure that the employee develops realistic career plans and reduces the chances that the person will refuse the position.

In the case of management development, the notion of succession management can be seen as a way for succession planning to better serve organizations in a rapidly changing environment. One of the main properties of succession management is viewing the goal of the process as one of creating a cadre of individuals who have the competencies needed to work as part of a senior management team. Future competencies, in the form of a "leadership template," are used as the criteria toward which group of individuals should be developed. The role of senior management is not to identify specific individuals to replace them, but to identify developmental opportunities, create challenging assignments that are central to the business and create a team/network orientation, and mentor and serve as role models for those who are being developed.

### **Developmental Programs**

Career management includes job rotation, in-house programs, external workshops and seminars, tuition assistance and reimbursement plans, and mentoring programs, etc. These programs provide employees with opportunities to learn new ideas and skills, thus preparing them for future positions as well as introducing new challenges.

**Job rotation** involves assigning an employee to a series of jobs in different functional areas of the organization. These assignments are typically lateral rather than vertical moves, and can involve serving on task forces or moving from line to staff positions. Job rotation is a good way to introduce variety into an employee's career. In addition, it provides the employee with a chance to learn and use new skills and to better

understand different organizational functions. It can also serve to help the employee build networks within the organization, and be better prepared for future promotion opportunities, when they become available.

Professional non-managerial employees were more interested in rotation than others. With regard to implementing job rotation, care should be taken to ensure that the job assignments in job rotation offer developmental opportunities, rather than just the chance to do something different.

**Mentoring** refers to a relationship between a junior and senior member of the organization that contributes to the career development of both members. Mentoring relationships can be important from both a life development and a career development perspective. From a life development perspective, recall from Levinson's era approach to adult development that young adults seek to establish meaningful relationships, while middle-aged adults often want to make an impact on the generation to follow them. From a career development perspective, the younger employee wishes to become established in the organization, while the middle-aged employee wants to remain productive at work. From either perspective, the mentoring relationship serves the needs of both members.

The mentoring relationship serves both career and psychosocial (e.g., social support) functions. The mentor provides the protégé with career support — by opening doors, “teaching the ropes” of the organization, creating potential opportunities to demonstrate competence, enhancing visibility, and ensuring that the protégé has challenging work. The protégé provides the mentor with a meaningful, mutually reinforcing relationship that demonstrates the value and commitment of both parties to the organization. The mentor has a chance to serve as a role model and share what he or she knows with someone who can benefit from such knowledge. In return, the mentor receives respect, support, and in many cases, friendship.

In many organizations, mentoring relationships are formed as a result of the parties' mutual attraction. Some organizations, such as Apple Computer, Federal Express, and the Federal Reserve Bank of Chicago, have created formal mentoring programs in which mentors and protégés are paired by the organization and provided with support for the relationship.

Research has shown that mentoring can yield numerous organizational benefits, including facilitating the socialization of new members into the organization, reducing turnover, minimizing midcareer adjustments, enhancing transfer of beneficial knowledge and values, and facilitating the adjustment to retirement.

Mentoring relationships are complex. While they serve a variety of needs for both mentor and protégé, they are also subject to potential limitations and problems. Limitations of formal mentoring programs include the small number of mentor pairs that they can accommodate, and such unintended negative consequence as dissatisfaction with the relationship and negative feelings of those not involved in the program. It is not clear whether informal mentoring is superior to formal mentoring in terms of the depth and scope of the mentor-protégé relationship. While one research study found that the protégés in informal relationships received more career-related support and had better career outcomes, another study found no difference. Recent research by Eby and colleagues sought to understand negative experiences that protégés have with their mentors.

It is also not clear as to the extent to which problems exist in cross-gender mentoring relationships. Earlier writers suggested that such problems exist. Researches supporting this contention has reported the following findings:

1. Concern exists between the parties about intimacy and sexual attraction.
2. There is an inclination for men and women to rely on sex-role stereotypes.
3. Dissatisfaction with the role-modeling aspect of the relationship may be felt.
4. The relationship is subject to public scrutiny (e.g., jealous spouses, office gossip). Peer resentment may occur.

More recent studies have found no gender differences in the amount of career mentoring that protégés receive. It may be that in male-dominated occupations, gender role has more to do with differences in the amount of mentoring received than biological sex. Recent researches

also have found that women are as good as men to become mentors, report intentions to mentor, and to see the costs and benefits of entering a mentorship relations similarly.

Research on cross-racial mentoring suggests another source of potential problems. Thomas found that black protégés with white mentors reported less satisfaction with the mentoring relationship and less support than did members of same-race mentoring relationships. Even within same-race and same-sex mentoring relationships lack of support from the organization and incompatibility of the parties can undermine the relationship. For example, the way that participants in a cross-race developmental relationship prefer to deal with racial issues affects the dynamics of such relationships. When both parties share the same strategy for addressing racial issues, the relationship has both career advancing and psychosocial elements (i.e., it becomes closer and more personally supportive). When the parties prefer different strategies for dealing with racial issues, the relationship is primarily oriented toward career advancement only, and lacks the psychosocial element.

Given the problems that can occur, some authors have questioned the value of mentoring. Clawson stated that mentoring is not essential and that employees can gain some of the same benefits by learning from their current supervisors, while seeking sponsorship at the appropriate time from someone else. Kram suggests that it may not be necessary for employees to look for everything that mentoring can provide in a single relationship. In addition, relationships with peers can also provide some of the same functions that mentors do (e.g., information career strategies, emotional support, personal feedback), and may be more suitable for individuals without mentors or for those who do not want mentors. Recent writing recommends the value of a mentoring network, where employees foster relationships with multiple mentors.

Given the potential benefits for both the individual and the organization, we believe mentoring is a viable and appropriate career development strategy. If an organization chooses to develop a formal mentoring program, three conditions seem to increase the chances of success:

1. The program should be clearly linked to business strategy and existing HR policies and practices, so as to increase the chances that potential participants and senior management will accept and actively support the program.
2. Core components of the program (objectives, guidelines, training and education, communication strategy, monitoring and evaluation, and coordination) should be designed for effectiveness rather than expediency.
3. Voluntary participation and flexible guidelines are critical to success.
4. In addition, formal mentoring programs should be used as one part of an organization's overall development strategy. Mentoring should be tied to strategic business needs and take advantage of natural learning opportunities in the organization, as well as HR systems that encourage mentoring.

### **Issues In Career Development**

Several other issues are to be considered while formulating or modifying an organization's career development program. These include generating career motivation, career plateauing, career development for nonexempt workers, and career development without advancement. We will discuss each of these issues briefly here.

### **Developing Career Motivation**

Developing career motivation is a significant career management goal. According to Manuel London, career motivation affects how people choose their careers, how they view their careers, how hard they work in them, and how long they stay in them. London sees career motivation as a set of characteristics grouped into three facets: i) career resilience, ii) career insight, and iii) career identity. Each of these facets is defined in Table A person can have a high, moderate, or low level of career motivation depending on his or her position in each of these categories. For example, a person with high career motivation will continue to pursue career goals in the face of obstacles and setbacks (career resilience), formulate and pursue realistic career goals (career insight), and be highly involved in work and aggressively pursue career goals (career identity).

While career motivation is partly determined by an individual's life experiences, career activities and practices can help develop a person's career motivation. For example, self-awareness workbooks and personal journals can be used to build career insight. Because career motivation can affect both decision making and commitment to one's career, it would be beneficial for organizations to offer career development activities to enhance such motivation. Table provides some suggestions for how this can be accomplished.

1. *Career resilience.* The extent to which people resist career barriers or disruptions affecting their work. This consists of self-confidence, need for achievement, the willingness to take risks, and the ability to act independently and cooperatively as appropriate.
2. *Career insight.* The extent to which people are realistic about themselves and their careers and how these perceptions are related to career goals. This includes developing goals and gaining knowledge of the self and the environment.
3. *Career identity.* The extent to which people define themselves by their work. This includes involvement in job, organization, and profession and the direction of career goals (e.g., toward advancement in an organization).

### **Definitions of the Three Facets of Career Motivation**

Career motivation can be important in addressing the issues facing workers who have lost their jobs because of downsizing, layoffs, or some personal issues or setbacks. Efforts to redeploy such workers can be more effective if career motivation issues are addressed, whether the methods are government and community programs to assist unemployed workers to obtain jobs, or retraining for displaced employees or joint union-management retraining programs, or internal contingent workforces. London offers a variety of suggestions concerning how managers and executives can address career motivation issues to successfully redeploy displaced workers, and how organizations can support career motivation in older workers.

## **The Career Plateau**

The pyramidal structure of many organizations together with a shrinking number of management positions typically means that a time will come in an individual's career when he or she will no longer be able to "move up" in the organization. In addition, career progress is not likely to be a continuous upward journey, but rather one that includes periods of movement and periods of stability. These factors contribute to what has been termed as a career plateau. A career plateau has been defined as "the point in a career where the additional hierarchical promotion is very low". Early writing on career plateaus suggested that this is a traumatic experience for many employees (especially those who desire career growth), accompanied by feelings of stress, frustration, failure, and guilt. More recent writing suggests that a plateau can also be seen as a "time of change, transition, reevaluation, and reflection".

### ***1. To support career resilience***

- a. Build employees' self-confidence through feedback and positive reinforcement.
- b. Generate opportunities for achievement.
- c. Create an environment conducive to risk taking by rewarding innovation and reducing fear of failure.
- d. Show interpersonal concern and encourage group cohesiveness and collaborative working relationships.

### ***2. To enhance career insight***

- a. Encourage employees to set their own goals.
- b. Supply employees with information relevant to attaining their career goals.
- c. Provide regular performance feedback.

### ***3. To build career identity***

- a. Encourage work involvement through job challenge and professional growth.
- b. Provide career development opportunities, such as leadership positions and advancement potential.
- c. Reward solid performance through professional recognition and/or financial bonus.



## Methods for Increasing Career Motivation

The empirical research on the consequences of career plateaus has been mixed, with some verification of negative consequences of plateauing, coupled with other data suggesting that employees at such a plateau can be happy and productive. At least two explanations for these mixed findings have been offered. First, Feldman and Weitz stated that the factors that lead to a plateau affect the consequences of the plateau.

For example, if employees become plateaued because they lack the skills and ability to advance, they will likely exhibit poor performance and job attitudes. Alternatively, if the plateau occurs because of self-imposed constraints or a low need for growth, the employee will continue to perform well and have positive job attitudes.

## Enrichment: Career Development Without Advancement

Many organizations find themselves faced with the prospect of downsizing their workforces and reducing the numbers of management positions in response to competition and changing business conditions. However, even with fewer employees, organizations still have to engage in career development activities, because HR needs will change as business strategy and technology changes.

These forces increase the likelihood that organizations will have to develop career development programs, without being able to offer upward movement or the promise of job security as benefits to employees. Instead, career development efforts will have to focus on enriching employees in their current jobs or areas of expertise if they are to increase employee satisfaction, maintain the skill base of the organization needs, and offer employees a sense of career security by providing them with the best chance of gaining meaningful employment if they are laid off.

Career development options within an enrichment strategy include:

1. Certification programs and mastery paths that specify selection criteria and identify performance expectations, and training requirements to move through various levels of expertise within a job

2. Retraining programs
3. Job transfers or rotation

Enrichment programs raise the level of skills and professionalism of the workforce, and they can increase employees' sense of self-esteem and self-determination in guiding their own careers. Given the changes that are occurring in the organizational landscape, enrichment and other career development practices that encourage self-determination, continuous learning, and employability are especially important.

### **Delivering Effective Career Development Systems**

It may be clear by now that any HRD program has the best chance of succeeding if attention is paid to performing through needs assessment, design, implementation, and evaluation. The same is true for career development programs. Our earlier discussion highlights some of the relevant issues in the design and implementation of an effective system. Table provides a systematic approach to creating and delivering an effective career development system.

Using this approach, it is critical to obtain senior management support and to conduct and evaluate pilot programs before implementing a full-blown program. Rapid changes in the environment (e.g., demographics, technology, and competition) have led to changes in organizational operations, which then has an effect on employees (e.g., the advent of downsizing). Managing career development efforts well in the current turbulent environment makes it even more important that such activities be tied to an organization's strategic plan. This means that needs assessment data should include organization-level data on goals, strengths, weaknesses, resource availability, organizational climate, and on the current human resource plan. Career development, like all HRD activities, should fit into the overall HR strategy. i.e. Recruitment, selection, compensation, benefits, and HRD activities have an impact on career development, and all can be used to facilitate the process.

HRD practitioners should also consider benchmarking their career development practices by examining effective approaches used by other organizations. Career development practices can also be benchmarked through discussions with other professionals and visits to leading organizations. Many organizations are finding that career management

works best when activities are coordinated, within an integrated career development system. Examples of organizations that have effectively used this approach include 3M, Bechtel Group, Eastman Kodak Company, and Boeing.

### **Identify Needs**

1. Link career development to business strategy.
2. Align employee and organizational needs. Build a vision for change

### **Build a Vision for change**

3. Build systems and link them to other management and HR systems (e.g., quality initiatives orientation, performance evaluation, compensation).
4. Use a variety of tools and approaches.

### **Develop a plan for Action**

5. Create a corporate infrastructure but implement career development systems in individual business units or divisions.
6. Ensure line manager participation starting with system development

### **Implement for Impact and Longevity**

7. Hold line managers accountable and give them the skills they need to fulfill their responsibilities.
8. Follow up initial implementation with a series of activities that keep career development salient (e.g., information sharing, career action teams).

### **Evaluate and Maintain Results**

9. Evaluate.
10. Continuously improve the career development effort.
11. Maintain high visibility and ongoing communication of career development.

### **Systems approach to creating a career development program**

*Adopted from Werner & DeSimone (2007). Human Resource Development, 4e. Thomson South-Western.*

Another issue in developing and delivering career development

activities is the attitude held by many people that career development is primarily an individual's responsibility, and therefore this is not a beneficial area for organizational activity, this takes the individual responsibility notion to an unhealthy extreme that could encourage employers to abdicate any involvement in the career development process. This attitude must be overcome if a career management system is to gain wide acceptance.

### **Summary**

Career is best described as the pattern of work-related experiences that is spread through course of a person's life. Career development can be defined as an ongoing process by which individual's progress through a series of stages, each of which is characterized by a relatively unique set of issues, themes and tasks. Career model includes eight activities: career exploration, awareness of self and environment, goal setting, strategy development, strategy implementation, progress toward the goal, feedback from work and non work sources, and career appraisal. Organization oriented career management models share the idea that the organization's structure and needs should guide the organization's career management system. Career management includes job rotation, in-house programs, external workshops and seminars, tuition assistance, reimbursement plans, and mentoring programs. A career plateau has been defined as the point in a career where the likelihood of additional hierarchical promotion is very low.

The systematic approach for creating Career Development Programme would involve; identifying needs, Building a vision for a change, developing a plan for action, implement the plan for impact and longevity analysis, evaluating and maintaining results.

### **Self Assessment Questions**

1. 'Evaluating HRD programs will enhance its effectiveness' "Do you agree with this statement? If yes state how is it?
2. Explain the models and framework of HRD evaluation
3. Discuss the methods of data collection
4. How do you evaluate the cost of training?
5. Discuss HRD applications

6. What do you mean by Realistic Job Review? How does it help the individual and organisation
7. Define career concepts
8. Define career development. Explain the career development model
9. What is meant by career planning and career management
10. Explain the stages of career development model
11. Describe a career development programs

### **CASE STUDY**

Vikas Pvt. Ltd. An engineering firm with 50 years of success behind it has become a household name in India for its quality products. Although it had started its business in a modest way, it became a dominant supplier and engineering and equipments of critical nature needed by the transporter and engineering industries in a short span of 10 years. Later, with the advent of industrial planning initiated by the government of India, and by virtue of its position in the engineering business, it made rapid strides in many product lines, including electronic.

Mr. Vasudeva, an MBA from Harvard with a mechanical engineering background, was in charge of the Mechanical Engineering section since 1964. He was promoted as the Chief Executive of the Division in 01 April 1974. This was in recognition of his outstanding contribution to the development of new product lines, especially in the area of compressor - cum- vacuum pumps. In fact, the firm earned a good name in the export market and also bagged an export award during 1993-94. Moreover, Mr. Vasudeva was known for his honesty, integrity, leadership and decisiveness. He was brilliant engineer and always worked hard to be a step ahead of his competitors in the field. He was virtually a think – tank and the management were very proud of him.

For the last six months, he spent long hours redesigning the export model-T compressor – cum- vacuum pump set. In his discussions with his foreign collaborators, he was convinced that with a little more effort, the company could successfully redesign the model, thus saving production costs as well as improving the efficiency by 16 – 20 per cent. He depended entirely on Mr., Hanuman, a foreman of exceptional ability and tenacity. Moreover, Mr. Hanuman was good at human relations and commanded

respect from his immediate subordinates. Since the fabrication of the new model was in its infancy, everyone concerned felt it undesirable to let person working under him that this matter would not be brought to the notice of Mr. Keshav, the new works manager and recent induction into the company. They were one with their new job and always delighted in any words of appreciation from their chief, Mr., Vasudeva, when he visited the shop floor.

Mr. Keshav was young and energetic with a flair for Mechanical Engineering products. He had no knowledge of management, but had attended a few courses in material management and productivity control. He always expected others to proper supervisory activities, knew his job well and always expected others to perform their duties as scheduled. He could never tolerate indiscipline. His colleagues had nicknamed him “the real fire-brand” of the company.

One evening, before going home; Mr. Keshav went to the shop floor where he found six machinists and helpers engaged in fabricating a spare part of the pump set as per the order of Mr. Vasudeva. Mr. Keshav was happy to see people working under him so involved in their working.

However, his enthusiasm vanished in morning visit when he saw that, what they were engaged in was not a normal part of their work. “Damn it. What the devil are you up to?” He asked in annoyance. The workers were perplexed; they did not know what to say. However, Mr. Hanuman soon appeared on the scene and explained the on-going project and the benefits its success would bring.

The works manger got every angry with Hanuman and reprimanded him severely. In fact, he was admonished in the presence of his subordinates and technicians working on the shop- floor. Mr. Hanuman felt confused and hurt. As though this was not enough he received a show cause notice from the works manager demanding an explanation within 24 hours. This was adding insult to injury. He had no alternative but to report to the chief, but to his chagrin, he found that Mr. Vasudeva had already left on foreign tour, and was expected back a month later.

Mr. Hanuman felt that he was approaching a dead end; harassed, he went from pillar to post but no help or advice was forthcoming.

Exasperated and hurt he went to the General Manager and handed in his resignation letter. Mr. Hanuman was known for his honesty, simplicity and hard work. Only by the dint of hard he developed his skills and risen to the position of foreman from the level of an ordinary helper within a span of 10 years. His one weakness was that he was very sensitive and would never compromise on issues affecting his personality and dignity. On the whole he was respected by all. News of his resignation spread like wild fire. The workers, technicians and others sympathetic to his cause were alarmed and eagerly awaited the outcome.

### Questions

1. Was the GM right in accepting Mr. Hanuman “s resignation?
2. Was it well advised to keep Mr. Keshav in the dark about the ongoing project, especially since he was works manager?
3. Did Mr. Keshav act hastily in reprimanding Mr. Hanuman?
4. What action should be taken now?
5. What repercussion would this incident have on all involved?

### CASE STUDY

Like several other HR systems at the Hotel Paris, the compensation program was unplanned and unsophisticated. The company has a narrow target range for what it will pay employees in each job category (front-desk clerk, security guard, and so forth). Each hotel manager decides where to start a new employee within that narrow pay range: The Company has given little thought to tying general pay levels or individual employee’s pay to the company’s strategic goals. For example, the firm’s policy is simply to pay its employees a “competitive salary”, by which it means about average for what other hotels in the city are paying for similar jobs.

Lisa knows that pay policies like these may actually run counter to what the company wants to achieve strategically, in terms of creating an extraordinarily service-oriented workforce. How can you hire and retain a top workforce, and channel their behaviors toward high-quality guest services, if you don’t somehow link performance and pay? She and her team therefore turn to the task of assessing and redesigning the company’s compensation plan. So, even a casual review by Lisa Cruz and the CFO

made it clear that the company's compensation plan wasn't designed to support the firm's new strategic goals.

The current compensation policies had also bred what one hotel manager called an "I don't care" attitude on the part of most employees. What she meant was that most Hotel Paris employees quickly learned that regardless of what their performance was, they always ended up getting paid about the same as employees who performed better and worse than they did.

Lisa and the CFO knew they had to institute a new, strategic compensation plan. They wanted a plan that improved employee morale, contributed to employee commitment, reduced employee turnover and rewarded (and thus encouraged) the sorts of service-oriented behaviors that boosted guest satisfaction. After meeting with the company's CEO and the Board, the CFO gave Lisa the go-ahead to redesign the company's compensation plan, with the overall aim of creating a new plan that would support the company's strategic aims.

### **Questions**

1. Discuss the strategic integration of compensation plans at Hotel Plans, which will influence employee performance.
2. Would you suggest Hotel Paris implement a competency-based pay plan for its non-managerial staff?
3. Devise a ranking job evaluation system for the Hotel Paris' non-managerial employees (housekeepers, valets, front desk clerks, phone operators, waitstaff, groundskeepers and security guards).

### **CASE STUDY**

Vishal Components Limited manufactures a wide range of automotive components. It has a workforce of 1500 including 250 supervisors and executives. Performance appraisals of these employees are being carried out annually. The parameter used for performance appraisal is sense of responsibility, superiors' dependability on subordinates, initiative, regularity and punctuality, community activity and potential for development to take higher positions. All these factors are given equal



weight age .the performance appraisal has three objectives: to grant annual increment, to determine promotability and to assess training needs.

In the year 2010-11, some supervisors and executives were not given any increment because as per performance appraisal, their total scores were below standard. The overall low scores were due to community activity and potential for development which were given equal weightage along with other factors. On the stoppage of annual increment, the aggrieved supervisors and executives represented their case to the managing director of the company and contended that the entire performance appraisal system was faulty. They were very much against the inclusion of community activity and potential for development in the performance appraisal meant for giving pay raise. They argued that all aggrieved supervisors and executives should be given regular annual increments and time-bound promotions .The system would be more objective, air and free from undue biases.

### Questions

1. As human resource manager, how will you defend the existing performance appraisal system of the company? Will you like to incorporate changes, if any? If yes, what would be these changes and why?
2. Should there be separate appraisal criteria for appraising supervisors and executives? If yes, where are such differences needs?
3. What actions should be taken to the representation made by the aggrieved supervisors and executives?

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## UNIT IV

### Unit Structure

Lesson 4.1 Employee Counselling and Wellness Services

Lesson 4.2 Employee Wellness and Health Program

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### Lesson 4.1 - Employee Counselling and Wellness Services

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### Learning Objectives

*After reading this lesson, you may be able to*

- Understand the Employee Counseling Services
- Elaborate on Employee Counseling Program
- Understand the Link Between Employee Counseling and Coaching
- Describe Employee Assistance Programs

### Introduction

Rising healthcare costs are one of the reasons for which organizations are so interested in helping employees with their personal problems. In addition to reducing healthcare costs, employers' efforts to improve employees' well-being are also purported to reduce workers' compensation costs, tardiness, absenteeism, turnover, time lost in work because of illness and injury, and accidents while enhancing morale, loyalty, creativity, productivity, decision-making effectiveness in labor relations, recruiting, and company image. Given the potential gains, it is not surprising that organizations are looking for ways to enhance the well-being of their employees. Another factor promoting organizational interest in employees' well-being is a shortage of skilled workers.

## Employee Counseling Services

Organizations have adopted the HR strategy that it is better to retain and help workers with problems than to discard them and be faced with recruiting new ones. This extra attention to retaining employees has persisted, even when many companies simultaneously face the need to downsize some portion of their business. How are organizations addressing the issue of employee well-being? In addition to traditional HR activities like training and motivational programs, organizations are also making a major investment in providing employee counseling services as a way to promote employees' well-being.

In the literature describing employee counseling services, the term counseling has been used to refer to a variety of activities from informal discussions with an employee to intensive one-to-one discussions with a trained professional with a view of releasing the mental tension that has affected an employees. Dale Masi's four-part definition of mental health counseling provides a good general description of some of the different types of activities that are typically involved in this activity at the workplace:

(1) a relationship established between a trained counselor and the employee; (2) thoughtful and candid discussion of personal problems experienced by the employees; (3) an appropriate referral that secures the necessary assistance; and (4) the provision of short-term counseling, when a referral is not necessary.

Employee counseling services have existed since the turn of the century. For example, in 1917, Macy's Departmental Store established an employee assistance program to help workers in their personal problems, and by 1920, over 100 of the largest companies in the United States employed a welfare secretary, and a part of this individual's responsibilities included employee counseling. Recently, growth in wellness-related activities has been explosive.

Estimates in the early 1990s suggested that there were over 20,000 employee assistance programs, which dealt with abuse and mental health problems, and over 50,000 health promotion programs, which typically focus on physical health and well-being.

## **Employee Counseling as an HRD Activity**

Employee counseling serves the same goal as any other HRD activity: to ensure that each employee is a positive contributor to the organization's effectiveness, and that he or she will continue to contribute in the future. Employee assistance and health promotion programs often use the same techniques as other HRD interventions. These techniques include workshops, role playing, behavior modeling, discussions, lectures, coaching, and audiovisual presentations. In addition, the process of delivering counseling services is the same as that of the other HRD interventions, and includes needs assessment, planning/design, implementation, and evaluation. Designing, delivering, and evaluating employee counseling programs offer ample opportunity for HRD professionals to use their expertise (i.e., the "core" systems framework).

### **The Link Between Employee Counseling and Coaching**

Much of the focus of coaching analysis and discussion is on the employee's work performance, and how this can be improved. Clearly, however, many work performance problems are related to employees' personal lives, for example, an employee's habitual tardiness may be linked to that employee's use of drugs or alcohol outside the work plane. The focus of employee counseling is on addressing these personal problems, particularly as they impact employee work performance. In reality, coaching and counseling are often intertwined, as supervisors may find themselves confronted with employee personal problems as they seek to address a performance issue with an employee.

However, for most employee personal problems, especially those that are more serious (e.g., depression, substance abuse), supervisors are generally encouraged to provide early identification and referral to a trained professional or counseling service, and do not try to solve or resolve the employee's problem by themselves. Most managers and supervisors are not properly trained to deal with serious employee personal problems, and there are also legal issues to consider employee counseling. A trained professional is most likely to be aware of the legal issues involved, and to ensure that any action taken with an employee comply with all relevant laws and regulations.

## **An Overview of Employee Counseling Program**

Organizations use a wide variety of activities and programs to help ensure the emotional and physical health of their employees. These activities range from health- risk appraisals to on-site counseling and stress reduction workshops, as well as other ways to promote employee health. They may take the form of a one-session discussion, or a series of sessions, or an ongoing organizational activity. In this section, the components of a typical program, the providers of such services, and characteristics of an effective counseling program is discussed.

### **Components of the Typical Program**

While employee counseling programs vary in terms of problems addressed and specific techniques used, six activities are typical of such programs: (1) problem identification, (2) education, (3) counseling, (4) referral, (5) treatment, and (6) follow-up.

#### ***Problem Identification***

Problem identification usually involves the use of a screening device (e.g., a questionnaire or diagnostic test) and/or the training of employees and supervisors in the identification of problems. For example, employees may volunteer to have their cholesterol level assessed as part of a wellness program, or supervisors may be trained to identify the behavioral patterns that indicate possible. Table provides an example of a screening device concerning alcohol use.

#### ***Questions***

1. On average, how often do you drink beer, wine, liquor, or other beverages containing alcohol?
2. How many drinks do you usually have? On days when you drink (One drink equals a 12-ounce beer, a 4-ounce glass of wine, or a shot of liquor.)
3. During the past thirty days, on how many days did you have five or more drinks on the same occasion?
4. In the next six months, do you want to reduce the amount of alcohol that you drink?

### *Feedback*

1. Low-risk drinking is using alcohol in a way that does not harm your health. Research suggests that on any one day, more than four drinks for men and more than three for women can cause problems. Having more than twelve drinks a week can cause problems over time. Also drinking alcohol every day may cause problems. Unless you limit your intake to one drink each day, you are advised to drink no more than four to five days a week.
2. Risk assessment categories:
  - c. Low risk — drink less than seven days a week and no more than one to two drinks per occasion
  - d. Moderate risk — drink up to three to four drinks per occasion or drink every day
  - e. High risk — usually or occasionally drink five or more drinks per occasion

### *Education*

Education typically includes providing information about the nature, prevalence, likely causes and consequences of the problem, and ways the problem can be prevented. For example, a program focusing on hypertension (high blood pressure) might use pamphlets, videos, or a lecture to raise employees' awareness of the problem and how it can be treated or prevented.

### *Counseling*

A counseling involves a person with whom employees can discuss difficulties and/or seek further help. The type of counseling can vary from a frank discussion with a supervisor about work-related performance problems to meeting with a mental health professional skilled in diagnosing and treating for problems such as depression or substance abuse.

### *Referral*

Referral involves directing the employee to the appropriate resources for assistance. For example, an employee who shows signs

of cocaine addiction may be referred to a drug treatment facility that specializes in treating for that addiction.

### ***Treatment/Intervention***

Treatment includes the actual intervention to solve the problem. For example, a nutrition program may include cooking classes or the offering of healthy foods in the cafeteria and nutritious snacks in vending machines.

### ***Follow-Up***

As with any other HRD activity, some form of monitoring is needed to ensure that the employee is carrying out the treatment and to obtain information on employee progress. For example, if the employee agrees to seek alcohol abuse treatment as part of an agreement to improve his or her performance, it is necessary to determine whether the employee actually attends and completes treatment.

Clearly, not all employee counseling programs make use of all the six types of activities. Which activities an organization uses depends on the type of problem addressed, the appropriate response to the problem, and the resources the organization chooses to commit to the program. Take the example of a program to address employee physical fitness. One organization may choose to renovate part of its facility or build a new structure to house a fitness center, complete with a trained staff, locker room, showers, athletic courts, and exercise equipment. Another organization may offer employees free or reduced-fee membership in a local health club. An even less expensive option would be to make fitness information available and encourage employees to exercise on their own time.

### **Providing Service**

An organization may offer a counseling program in-house or contract it out. In-house (or on-site) programs involve using current employees or hiring specialists, such as psychologists, social workers, or other trained individuals, to operate the program. Each approach has a number of advantages and disadvantages. Advantages attributed to in-



house programs include (1) internal control of the program, (2) familiarity with the organization (e.g., its policies, procedures, and workforce characteristics), (3) better coordination of treatment and follow-up, (4) a sense of ownership of the program, and (5) greater awareness and credibility with supervisors. However, disadvantages of in-house programs can include (1) real or perceived problems with confidentiality, (2) lack of resources needed, (3) reluctance of some employees to use the service (e.g., a vice president of finance may be reluctant to go to a lower-level employee to admit a drinking or marital problem), and (4) possible limitations in staff skills and expertise.

An advantage of contracting the service out is that the organization can rely on the services of trained professionals whose business is to treat the problem in question. In addition, confidentiality may be easier to maintain, cost may be lower, and there may be better identification and use of community resources. Disadvantages include the lack of on-site counseling, possible communication problems, and lack of knowledge of the organization and its employees. The advantages and disadvantages of both the approaches are discussed.

### **Characteristics of Effective Employee Counseling Programs**

Communicating the program's services to managers, supervisors, and employees, and following up with them is critical in getting organizational members to use it. For example, one survey found that employee willingness to use an employee assistance program was related to their familiarity with and trust in the program, and the personal attention provided by it. Similarly, a study of four wellness programs found that programs using systematic outreach and follow-up counseling were more effective than those that did not.

It is also important that managers and supervisors receive training in identifying problems and in how to counsel or refer employees to seek treatment when needed. In many counseling programs, especially those dealing with addiction and mental health, the supervisor's role in helping the employee seek treatment and supporting the treatment effort is critical to success. Other necessary ingredients for an effective counseling program include:

1. Top management commitment and support
2. A clearly written set of policies and procedures outlining the program's purpose and its function within the organization
3. Cooperation with local union (s), if they are present in the organization
4. A range of care (e.g., referral to community resources, follow-up)
5. aAclear and well-enforced policy concerning employee confidentiality
6. Maintenance of records for program evaluation
7. Health insurance benefit coverage for services
8. Family education

### **Employee Assistance Programs**

Employee assistance programs (EAPs) are defined as “job-based programs operating within a work organization for the purposes of identifying troubled employees, motivating them to resolve their troubles, and providing access to counseling or treatment for those employees who need these services.” EAPs have their origins in the occupational alcoholism programs begun in the 1940s. In the 1970s, they expanded to cover other issues, particularly drug and other substance abuse issues. Since then, EAPs have expanded their coverage to also help employees with mental health issues, such as anxiety, depression, eating disorders, and compulsive gambling, as well as other personal, marital, or financial problems that may be affecting their work. Possible outcomes that may be affected by EAPs include productivity, absenteeism, turnover, unemployment costs, and treatment for substance abuse, accidents, training and replacement costs, and insurance benefits.

### **Mental Health**

Among the emotional and mental health issues commonly seen by counselors in industry are the following:

1. Individual adjustment problems (neurosis to psychosis)
2. External factors such as battering, incest, rape, or crime
3. Sexual problems, including impotence
4. Divorce and marital problems

5. Depression and suicide attempts
6. Difficulties with family or children
7. Sexual harassment in the workplace
8. Legal and financial problems

Mental health problems may be brought into the workplace from employees' personal lives, and work itself can lead to a decline in mental health. Organizations are affected by employee mental health problems in the form of absenteeism, poor work habits, low job satisfaction, interpersonal conflicts, and indecisiveness.

1. EAPs are based on the premise that work is very important to people; the work itself is not the cause of the employee's problem. Consequently, the workplace can be a means to get people help.
2. The supervisor plays a key role in getting help for the employee. Often, however the supervisor denies the problem and even enables the troubled employee. to continue the problem behavior. The supervisor is critical in the confrontational process with the troubled employee. Therefore, education is necessary to eliminate the supervisor's tendency to enable the employee by denying the problem.
3. Information about the employee's job performance is extremely important in diagnosis and treatment. It can be used to measure and track whether treatment is successful.
4. Workplace peers and union stewards are very important; however, they too can deny the problem and enable the employee to continue the behavior. Teaching them to confront and consequently break the denial barrier is an important element.
5. Job leverage is the key ingredient in helping an employee. The counselor must be able to use this in conjunction with the supervisor.
6. EAPs concentrate on job performance issues. They are not intended to be medical programs.
7. Cost-effectiveness is an important consideration and must be addressed with upper management.
8. The EAP professional's Knowledge about addiction is paramount. Every EAP should be staffed by licensed professionals who are familiar with addictions and other employee personal problems.

#### **Conceptual framework for EAP**

### **The EAP Approach to Resolving Employee Personal Problems**

EAPs are based on the notion that work is very important to people and that work performance should be used to identify employee personal problems and motivate employees to seek help. Originally developed to deal with alcohol abuse, the EAP approach assumes — as does the Alcoholics Anonymous (AA) movement — that substance abusers will deny their problem until they are faced with a crisis. From the EAP point of view, that crisis is created by confronting the employee with evidence of substandard work performance, meanwhile making counseling available and attempting to motivate the employee to seek help. Although this may seem surprising, Dale Masi states that the workplace is, in fact, an ideal place for employees to receive treatment for mental health problems. Her argument is that many of the obstacles for seeking help, such as transportation and time off, are removed in the workplace. A conceptual framework for the EAP approach is shown in above Table and Masi's framework for delivering mental health services is shown in above Table.

An important aspect of the modern treatment of substance abuse and other personal problems in the workplace is that the employee problem is operationally defined in terms of job performance, rather than clinically defined in terms of addiction or psychiatric disorder. For example, the patterns of behaviors that indicate a substance-abuse problem typically include absenteeism, erratic performance, poor quality work, poor judgment, and complaints by clients or customers. In most EAPs, supervisors are trained to use the constructive confrontation approach in dealing with troubled employees. This is, in fact, one of the seven workplace practices that make up the "Core Technology" recommended by the Employee Assistance Professionals Association. This strategy calls for supervisors to monitor their employees' job performance, confront them with evidence of their unsatisfactory performance, coach them on improving it, urge them to use the EAP's counseling service if they have personal problems, and emphasize the consequences of continued poor performance. Constructive confrontation proceeds in progressive stages; at each stage, employees must choose whether to seek help from the EAP, manage their problems themselves, or suffer the consequences of their actions.

According to this approach, the supervisor need not, and perhaps should not, say that the employee has a drug or alcohol problem. Rather, the supervisor should treat the problem like any other performance problem and leave it for the employee to seek help from the appropriate source. With this approach, recommending that the employee contact an EAP or other agency “if you need to” should be the extent of the supervisor’s intervention.

However, referral by a supervisor is not the only method by which employees may contact an EAP. Employees with personal problems may contact the EAP directly “and receive counseling without the supervisor’s knowledge. Some have argued that this is the preferred referral strategy, because the employee receives help before job performance is affected. It is also possible for one employee to encourage a peer with a problem to seek help from an EAP. In fact, some success with Member Assistance Programs (MAPs) has been reported, where union representatives are actively involved in the administration of the assistance program. It is argued that union representatives can intervene in a potential work performance problem before it becomes severe enough that the employer must deal with it.

The components of the typical EAP can vary in terms of organizational policy, referral method, use of in-house and external resources, types of problems treated, and staffing. In general, though, the typical EAP consists of the following:

- A policy and procedures statement that makes clear the responsibilities of both the organization and the employee concerning health and personal problems impacting the job
- Employee education campaigns, which may include letters, poster campaigns, or extensive training programs
- A supervisory training program that teaches problem recognition and performance documentation
- Clinical service that may be provided by a professional in-house staff, or by off-site or community agencies
- Follow-up monitoring to ensure real problem resolution has occurred

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- Follow-up monitoring to ensure real problem resolution has occurred

1. Counseling in the workplace is short term. Long-term therapy is appropriate in the community.
2. There are logistical as well as legal problems when families are included. Although EAP programs often services to families, they are based on self-referral and supervisory-referral.
3. The manager or supervisor is the key person in the client's work life. The work associates are similar to family members. The counselor should learn their configuration and how these individuals interact with and impact the employee.
4. The counselor assumes the role of a "broker" or go-between for the employee between the supervisor and the therapist in the community.
5. The counselor should have skills in management consultation, that is, meeting with supervisors to determine whether they have a problem employee, advising them on a course of action, and supporting them through the referral and after-care process.
6. Crisis counseling (to deal with emergency episodes such as suicide attempts) should be available in the workplace.
7. The counselor must have special skills in "confrontation to break the denial of the employee appropriately, especially the addicted person.

8. Confidentiality is an even greater issue in the workplace than it is in a community mental health clinic or social agency because of the uniqueness of the work setting. Competition for jobs, well as an environment that does not necessarily understand employee's personal problems, mandate a clearly defined and enforced confidentiality policy.
9. Record-keeping procedures need to be carefully developed and delineated, so that employees are assured of their privacy. This is not as necessary to explain to clients in a hospital or social agency, it is accepted in such situations. Employees worry about who will read their records (especially HR professionals). The privacy Act, Alcohol and Drug Regulations, and other relevant laws are guideposts that all EAPs should follow to protect their employees.
10. The counselor must also design and implement educational programs in the workplace.
11. The unique work system ( including HR and company physicians) can be used to help the employee. The counselor needs to understand how these systems work.
12. Counselor need to be able to work with labor unions in the workplace as appropriate.

**Stress management programs or interventions (SMIs)** are defined as “any activity, program, or opportunity initiated by an organization, which focuses on reducing the presence of work-related stressors or on assisting individuals to minimize the negative outcomes of exposure to these stressors.” SMIs are a popular form of employee counseling program, with roughly 40 percent of organizations estimated to have such interventions. Companies such as John Hancock Insurance and General Electric have been cited for their exemplary stress management programs. The techniques used to treat stress vary widely, including education, time management physical exercise, assertiveness training, biofeedback, meditation, and communications training.

## Summary

Rising healthcare costs are one reason organizations are so interested in helping employees with their personal problems. Employee counseling is a HRD activity which ensure that each employee is a

positive contributor to the organization's effectiveness, and that he or she will continue to contribute in the future. HRD interventions techniques include workshops, role playing, behavior modeling, discussions, lectures, coaching, and audiovisual presentations. Organizations use a wide variety of activities and programs to help ensure the emotional and physical health of their employees. It is also important that managers and supervisors receive training in identifying problems and also as to how to counsel or refer employees to seek treatment when needed.

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## Lesson 4.2 - Employee Wellness and Health Program

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### Learning Objectives

*After reading this lesson, you may be able to*

- Understand the Meaning of Employee Wellness Programs
- Understand the Levels of Wellness Program
- Identify the Issues in Wellness Programs
- Describe Organizational Strategies

### Introduction

Employee wellness programs (EWPs) or health promotion programs (HPPs) are made up of activities that promote employee behavior and organizational practices that ensure employee health and fitness. Unlike disease prevention and health protection programs, HPPs and wellness programs are based on the premise that wellness is more than the mere absence of disease. These programs attempt to encourage individuals to adopt lifestyles that maximize overall well-being.

While stress management may be a component of an HPP, HPPs also deal with non stress issues, such as obesity and smoking cessation. Interest in health promotion programmes and fitness is very high. It is estimated that there are over 50,000 programs that promote the physical fitness among employees, and the number is growing. According to a survey by Hewitt Associates, the percentage of worksites that have implemented at least some form of health promotion activity grew to 91 percent in 1997, with wellness programs offered by 89 percent.

According to one national survey, some of the most common health promotion activities are exercise/fitness, smoking cessation, stress management, blood pressure education, and back pain problem prevention.

## Levels of Wellness Program

O'Donnell describes three levels at which fitness and wellness programs can be implemented.

They are

**Level I** programs primarily cover educational activities and may not attempt to directly change employee behavior. Techniques used in Level I programs include newsletters, posters, classes, and health screening.

**Level II** programs are those that attempt to bring about direct behavioral change. The activities in such programs may include supervised exercise classes, memberships in fitness centers, and classes on how to properly perform physical work tasks, such as lifting.

**Level III** programs try to create an organizational environment that helps employees maintain healthy lifestyles. Two widely publicized examples of Level III programs are Johnson and Johnson's Live for Life program and Control Data's Stay well program, which the company also sells to other organizations. A recent survey of health promotion experts emphasized the need to link health promotion efforts with an organization's goals and strategy.

Heirich and colleagues described ten dimensions of worksite wellness programs. These dimensions are:

1. Establishing a constructive policy for wellness
2. Conducting wellness screening — health risk appraisals
3. Establishing working relationships with community resources
4. Referral of employees to treatment and health-improvement interventions
5. Providing health-improvement interventions using a menu approach
6. Outreach and follow-up counseling, done on a regular and ongoing basis
7. Wellness events done for the entire organization
8. Consultation on worksite policies and systems, and organizational-level changes

9. Ongoing evaluation of the process used to carry out the wellness program as well as any reductions in employees' health risks
10. Periodic evaluation based on work performance and benefit use

Screening Programs	Educational Programs	Behavioral Change Programs
Annual medical exam	Alcohol and drug use	Exercise and fitness
Blood analysis	Breast self-exam	Aerobics
Cervical cancer Colon and rectal cancer	Cancer prevention	Calisthenics
Diabetes	Coronary disease risk factors	Recreational sports
Fitness assessment	Cardiopulmonary resuscitation	Competitive sports
Health fairs	Weight control	Weight training
Health-risk appraisal	Exercise and fitness	Exercise instruction
Height and weight	First aid	EAPs
High blood pressure	Cancer detection	Healthy back
Preemployment medical exams	Low back pain	Self-defense
Pulmonary function tests	Nutrition	Smoking cessation
Screening for job-specific health	Seat-belt use	Stress management
	Smoking cessation	Weight loss
	Stress	Cooking classes

**Activities in an employee wellness or HPP**

In addition, they suggest two other important issues: turning fitness centers into wellness centers, and involving employees' family members in the activities of the wellness program.

Table lists out activities that might take place in employee wellness or health promotion programs. The sequence of events common to many such programs can be described as follows:

The program begins with employee health screening, results of the health screen are fed back to the employee in some type of counseling sessions, Employees are advised to participate in one or more health promotion activities consistent with their current health status, and follow-up counseling and health assessment reinforces and maintains employee involvement. Four common components of **HPPs are exercise and fitness, smoking cessation, nutrition and weight control, and control of hypertension** (high blood pressure).

Corporate exercise and fitness programs are among the most popular employee well-being interventions, especially among large employers, 83 percent of employees who offer an exercise-for-fitness program. These programs can supply a range of services for employees, from jogging trails and on-site fitness centers to exercise breaks and company-sponsored sports leagues. Companies such as Xerox, Kimberly-Clark, Goodyear Tire and Rubber, Blue Cross of Indiana, and Tenneco have sponsored such programs.

One of the driving forces behind the strong interest in exercise and fitness programs is the evidence that the risk of developing coronary heart disease, cancer, and other leading causes of death can be reduced by adopting a healthy lifestyle. Unfortunately, it has been estimated that 10 percent of adults in North America engage in regular activity at a level that could achieve or maintain cardio respiratory fitness. This is despite the fact that even a modest increase in aerobic fitness beyond the level of a sedentary middle-aged adult is related to a significant reduction in the risk of dying prematurely. Organizations supporting fitness and health programs expect to generate benefits such as a greater ability to attract and retain employees, more positive employee attitudes, and increased productivity through reduced absenteeism, turnover, and a heightened physical capacity to perform work. Organizations also use fitness programs as a way to cut rising healthcare costs.

Organizations that use fitness programs should identify the needs of all employees and provide incentives to ensure that those at greatest risk also participate. Systematic outreach and follow-up counseling have also been found to increase the effectiveness and cost-effectiveness of fitness programs. Other aspects of an effective fitness and exercise program include establishing goals and objectives, obtaining management

commitment, hiring quality staff, developing an evaluation strategy, and recruiting participants. Finally, it does not appear that a large investment in equipment and facilities is needed. One review of worksite fitness programs found that combining outreach, individual counseling, and a supportive organizational environment with a moderately well-equipped facility was an effective (and cost-effective) approach.

### **Smoking Cessation**

Smoking is one of the most publicized health risks in society and in the workplace. It has been amply demonstrated for some time that smoking is linked to greater incidence of coronary heart disease, stroke, cancer, and emphysema. Evidence continues to mount concerning the increased health risks that befall on smokers, as well as nonsmokers exposed to cigarette smoke (i.e., secondhand smoke). The additional annual cost of employing smokers and allowing smoking in the workplace has been estimated to be \$2,853 per smoker.

Organizations have increased their sponsorship of smoking cessation programs as a way to help employees, reduce costs, and provide a safer workplace. In many cases, state and local laws banning smoking in public areas have also prodded organizations to help employees quit smoking. Fifty-nine percent of worksites with fifty or more employees, and 85 percent of medium-sized and large worksites have a formal policy that prohibits or severely restricts smoking in the workplace. A survey of private worksites found that 35 percent of respondents had a smoking cessation program. Organizations can either sponsor smoking cessation programs in-house, as part of an EAP, stress management, or wellness program, or can refer interested employees to an outside organization, such as the American Cancer Society or a local hospital.

### **Nutrition and Weight Control Interventions**

Overweight is defined as being 25 to 29.9 percent or more over one's "ideal" body weight (based on height and gender). Obesity is defined by a body mass index (BMI) of 30 or more.

Over the past twenty years, the trends toward increasing obesity in the Indian population are dramatic and troubling. Obesity has been

causally associated with musculoskeletal problems, hypertension, high levels of blood sugar and cholesterol, and some forms of cancer. Because of the health and cost consequences of obesity and because of employee concerns about appearance, workplace weight control and nutrition interventions are becoming more common.

Worksite weight control programs can be effective in helping participants achieve short-term weight loss (that is, one to two pounds per week), but their effectiveness with regard to long-term weight loss and their health and productivity benefits have not been established. Similarly, worksite nutrition and cholesterol programs can lead to short-term benefits for participants (e.g., attitude and dietary change, decreased cholesterol level), with more intensive programs that used individual counseling and follow-up leading to better results.

In each of these types of programming, more and better conducted studies can help establish causal links to improve health and behavior. For example, results of two well-conducted, large-scale health promotion programs have recently been reported. Both interventions led to reduced fat intake and increased fruit and vegetable consumption. As is the case with other health improvement programs, employee participation is an important aspect of program effectiveness. It does seem to be the case that competition serves to improve both participation and the success rate of such programs.

Negative attitudes toward overweight individuals are widespread in our society. A review by Mark Roehling demonstrated substantial evidence of bias and employment discrimination against overweight people. There are obvious psychological and economic implications here for overweight individuals, but also potential legal implications for employers.

The point we would stress is that organizational efforts to assist individuals in losing weight can be good and beneficial to both the employee and the organization. However, organizations and their representatives need to make sure that their nutritional and weight control interventions are kept free of negative stereotypes and negative job outcomes for participants unless the participant's weight is truly related to their ability to perform a given job.

## Control of Hypertension

Health problems linked to hypertension include a significantly greater incidence of heart disease and stroke. Despite the potentially devastating effects of hypertension, it can often be controlled through exercise, weight reduction, medication, stress reduction, and a low-salt diet. The high incidence of hypertension and the relative ease with which it can be detected and controlled have made hypertension screening and control programs popular in the workplace.

Organizations need not have a full-blown fitness or health promotion program to help employees reduce hypertension. A typical screening and control program may include:

- Provision of educational materials
- Blood pressure screenings to identify hypertensive employees
- Referral of such employees for treatment
- Installation of blood pressure screening equipment for employees to use and monitor their own blood pressure
- Low-salt foods available in both cafeteria and vending machines
- Periodic monitoring of employee progress

## Overall Effectiveness of Health and Wellness Programs

It is recommended that organizations have multiple components to their health and wellness programs, that is, covering as many of the topics as possible. A recent compilation of the results of over forty studies about the impact of such programs demonstrated reductions in sick leave, health plan costs, and workers compensation costs of over 25 percent.

Further, an average cost-benefit ratio of 5.93 was obtained, suggesting that the benefits of such programs far outweigh the costs. This is fairly impressive evidence of overall effectiveness. It would seem that the challenge now is to get more organizations to implement such inclusive wellness programs, and then to see more individuals take part in them.

## Issues in Employee Counseling

Each of the employee counseling approaches discussed previously is affected by a common set of issues, including effectiveness, ethical and legal issues, responsibility, and unintended negative consequences.

### Effectiveness of Employee Counseling Interventions

Several factors make it difficult for rigorous research to be conducted on these topics. First, the personal nature of many problems addressed by counseling, such as substance abuse and mental illness, may make organizations reluctant to allow researchers access to the data needed. Second, defining success and effectiveness for many of these problems is a difficult task. In the case of alcohol abuse, for example, many programs define alcoholism indirectly, in terms of changes in job behavior, rather than directly, in terms of the volume or pattern of alcohol consumption.

Is an alcohol abuse program effective if treated employees return to normal working patterns, even if the employees still drink? Similarly, what period of time is suitable to establish that a problem has been solved? Does a reduction of stress for six months signify success? The prevention of relapse is a significant factor, whether in the case of weight control, hypertension, or fitness interventions. The effectiveness can be defined using multiple criteria, including cost-effectiveness, short and long-term behavior and attitude changes, participation rates, and direct impact on the cause of the problem. It would also be beneficial to conduct more longitudinal studies that use multiple worksites and interventions and to examine organizational-level interventions and outcomes.

Third, the reasons an organization has begun an intervention in the first place may affect the research whether the research is done and how effectiveness is defined. Some organizations launch employee counseling programs because they believe it is the right thing to do or because the program is consistent with the organization's philosophy. Other organizations implement such programs to enhance the organization's image, both internally and externally. Effectiveness data in these cases may not affect whether the organization continues to offer the program; the fact that the program is being offered is the key concern.



One way to encourage organizations to evaluate their programs is to provide a model that identifies the data needed for sound evaluation. Gebhardt and Crump describe a strategy for evaluating wellness programs that we believe could be used as a guideline for evaluating EAPs and SMIs as well. Their strategy includes these steps:

1. Determine the demographics of the organization (age, sex, etc.).
2. Determine expected participation rates.
3. Estimate program start-up and maintenance costs needed to meet objectives.
4. Implement a testing and tracking system to quantify program outcomes.
5. Measure pre- and post program changes for relevant outcomes.
6. Analyze the program variables separately by relevant demographic groups and by measuring participation versus nonparticipation in the program.
7. Perform cost-benefit analysis of present and future benefits, expressed in current rupee value.

Following this framework is not easy, as it is often hard to identify all the costs and benefits of a program and to express them in economic terms. However, conducting an evaluation based on this strategy can provide the data needed to make informed decisions about the program.

Ethical issues in employee counseling

Two ethical issues relating to employee counseling services merit discussion: confidentiality and the nature of participation (i.e., whether mandatory or voluntary). Each is discussed here.

Confidentiality is a key concern in all types of employee counseling interventions. All records of program utilization should be held in the strictest confidence, and maintained separately apart from an employee's personnel file, and should be released only with the express permission of the employee.

While data generated by participation in, for example, a nutrition program may be less sensitive than that gained from a drug treatment

program, it is nevertheless important to guarantee the confidentiality of all employee counseling records. Program policy statements should include an explicit description of the confidentiality policy and the steps involved in implementing it.

A second ethical consideration is whether the participation in a counseling program should be voluntary or mandatory. While organizations stand to gain greater benefits if all members of a target group participate in a program (e.g., all smokers), Employees should have the right to determine their lifestyle, and should not be forced to engage in behavior change other than that relating to performance of their jobs. Even an employee with a substance abuse problem should be free to choose whether and how to deal with that problem. The organization can offer assistance in treating the problem, but it should not attempt to force acceptance of treatment. If the employee's substandard performance does not improve after he or she has had ample opportunity to improve, then the organization should pursue its regular procedures concerning discipline and discharge.

### **Native Outcomes of Employee Counseling Programs**

It is possible that participation in a counseling or fitness program can have unintended negative consequences. This is particularly true of health promotion programs. Some potential unintended negative consequences could include (1) workers' compensation cost increases; (2) employees participating in fitness programs may experience scheduling problems, increased fatigue and accidents, and lower performance; or (3) prohibiting smoking may lead to conflicts between smokers and nonsmokers. There is little research on this topic to guide organizations in making decisions. Decision makers concerned about such consequences may find some help by investigating the experiences of other organizations.

### **Organisational Strategies Based on Human Resources**

Recognition has been growing that, under certain conditions, human resources contribute to a competitive advantage for organizations. People can have the core competency when they have special capabilities to make decisions and be innovative in ways that competitors cannot easily imitate. Having those capabilities requires selection, training, and retention of good employees. An employee group without those special abilities would not be as strong a basis for competitive advantage.

The shared values and beliefs of a workforce are called organizational culture. For people to be a core competency managers must consider the culture of the organization because otherwise excellent strategies can be negated by a culture incompatible with those strategies. Further, the culture of the organization, as viewed by the people in it, affects attraction and retention of competent employee. Numerous examples can be given for key technical, professional, and administrative employees leaving firms because of corporate cultures that seem to devalue people and create barriers to the use of individual capabilities.

### **Productivity as an HR-Based Strategy**

The more productive an organization is the better is its competitive advantage, because the costs to produce its goods and services are lower. Better productivity does not necessarily mean more is produced; perhaps fewer people (or less money or time) were used to produce the same amount. A useful way to measure the productivity of a workforce is the total cost of people per unit of output. In its most basic sense, productivity is a measure of the quantity and quality of work done, considering the cost of the resources used. It is also useful to view productivity as a ratio between inputs and outputs that indicates the value added by an organization or in an economy.

At the national level, high productivity leads to higher standards of living, as shown by the greater ability of a country to pay for what its citizens want. Increases in national wage levels (the cost of paying employees) without increases in national productivity lead to inflation, which results in an increase in costs and a decrease in purchasing power.

**Organizations and Productivity:** Productivity at the organizational level ultimately affects profitability and competitiveness in a for-profit organization, and total costs in a not-for-profit organization. Decisions made about the value of an organization is often based on the productivity for which it is capable.

Perhaps none of the resources used for productivity in organizations are so closely scrutinized as the human resources. Many of the activities undertaken in a HR system are designed to affect individual or organizational productivity. Pay, appraisal systems, training, selection,

job design, and compensation are HR activities directly related with the productivity.

A useful way to measure HR productivity is by considering unit labor cost, which is computed by dividing the average cost of workers by their average level of output. In using unit labor costs, one can see that a company paying relatively high wages still can be economically competitive if it can also achieve an offsetting high productivity level. Low unit labor costs can be a basis for a strategy focusing on human resources.

**Increasing Productivity:** Most of the productivity improvement efforts have focused on their workforces. The early stages included downsizing, reengineering of jobs, increasing computer usage, and working employees harder and longer. These approaches have been useful in some firms. Some ideas for the next round in productivity improvements include:

- **Outsourcing:** Contract with someone else to perform activities previously done by employees of the organization.
- **Making workers more efficient with capital equipment:** Typically the more money spent on equipment per worker, the greater will be the output per worker.
- **Replacing workers with equipment:** Certain jobs are not done as well by humans. The jobs may be mindless, physically difficult, or require extreme precision. For example, a ditch is better dug by one person operating a backhoe than by several workers with shovels.
- **Helping workers work better:** Replace outmoded processes, methods, and rules. Also, find better ways of training people to work more efficiently.
- **Redesigning the work:** Some work can be redesigned to make it faster, easier, and possibly even more rewarding to employees. Such changes generally improve productivity.

### **Quality and Service as HR-Based Strategies**

Both high quality products, and/or extremely good service can be strategic competitive advantages that have HR dimensions. Quality of production must be considered as part of productivity, because one

alternative might be to produce more products and services but of lower quality. At one time, American goods suffered in the market as a result of this trade-off. W. Edwards Deming, an American quality expert, stated that getting the job done right the first time-through pride in craftsmanship, excellent training, and an unwillingness to tolerate delays, defects, and mistakes-is essential to quality production. However, attempts to improve quality have worked better for some firms than for others.

Delivering excellent customer service is another approach to enhancing organizational competitive performance. Service begins with product design and includes interaction with customers, with the ultimate goal of meeting customers' needs. Some organizations do not produce products but do only services. Service excellence is difficult to define, but people know it when they see it. In many organizations, service quality is affected significantly by the individual employees who interact with customers.

### **Linking HR Planning and Strategy for Competitive Advantage**

Many think that organizations decide on strategies and then HR planning is done to supply the right number and kinds of employees. However, the relationship should go deeper. Business strategies affect HR plans. Consideration of human resources issues should be part of the initial input to the strategy formulation process. For example, it may be important to identify competitive advantage opportunities that fit the existing employees or assess strategic alternatives given the current capabilities of human resources. HR professionals should be doing environmental scanning to know and pinpoint which skills are available and which are not. HR professionals also should be able to estimate lead times for adjusting to labor shortages or surpluses, because HR will be involved in implementing any strategies that affect people.

To describe the relationship between the strategy and HR, two basic strategies can be identified: cost-leadership and differentiation. An example of a company following a cost-leadership strategy might be Wal-Mart, and of the differentiation strategy it may be Intel or Microsoft. A cost-leadership strategy may be appropriate in a relatively stable business environment because it approaches competition on the basis of low price and high quality of product or service. The differentiation strategy is

more appropriate in a more dynamic environment characterized by rapid change and requires continually finding new products and new markets. The two strategies may not be mutually exclusive, because it is possible for an organization to use one strategy for one product or services and another with others.

The cost-leadership strategy requires an organization to “build” its own employees to fit its specialized needs. This approach needs a longer HR planning horizon. When specific skills are necessary for a new market or product, it may be more difficult to internally develop them quickly. However, with a differentiation strategy, responsiveness means that HR planning is likely to have a shorter time frame, and greater use of external sources, (such as acquisition of another company with specialized employees).

### **Summary**

Employee wellness programs (EWPs) or health promotion programs (HPPs) are made up of activities that promote employee behavior and organizational practices that ensure employee health and fitness. Corporate exercise and fitness programs are among the most popular employee well-being interventions, especially among large employers. Organizations that use fitness programs should identify the needs of all employees and provide incentives to ensure that those at greatest risk also participate. Each of the employee counseling approaches is affected by a common set of issues, including effectiveness, ethical and legal issues, responsibility, and unintended negative consequences. The more productive an organization is, the better is its competitive advantage, because the costs to produce its goods and services are lower. Consideration of human resource issues should be part of the initial input to the strategy formulation process.

### **Self Assessment Questions**

1. “Like any other HR activities the organizations are also making a major investment in providing employee counseling services as a way to promote employees’ well-being” Discuss
2. Explain the components of employee counseling program.
3. Describe employee assistance program

4. What is meant by employee assistance programme? State its contents and approaches.
5. What is meant by employee wellness program
6. What are the levels of wellness program
7. Discuss organizational strategies to improve the effectiveness of human resources

### **CASE STUDY**

Share options are a benefit normally reserved for directors. However it was reported that motor components supplier UNI PART offered shop floor workers the opportunity to participate in such a scheme.

The applied to all full time staff who had worked for the company for over six months, who had received a satisfactory appraisal and whose division has reached its 2007 targets. It was estimated that 2600 of the 3800 staff would be eligible. They were given option to buy a limited number of shares, 5 to 10 depending upon service, at a 15% discount for everyone bought at the market rate.

You may wish to consider the following points.

- How does the scheme compare with typical executive share option schemes?
- What are the advantages and disadvantages of this approach?
- Does it penalize those who work for the division that has not reached its target? for the reason that may be beyond an individual's control?

### **CASE STUDY**

Suppose you are a Restaurant manager who is conducting a coaching discussion with one of your servers about the server's repeated failure to complete store closing operations before leaving for the night. You have conducted coaching analysis and have determined that the server is able to complete this responsibility, that all obstacles to doing so have been removed, and that this is an important part of a server's job in your restaurant.

- a. Describe as to how do you get the server to agree that the problem exists, and what you would do if the server refuses to acknowledge that a problem exists
- b. Describe the option available to you in dealing with this situation
- c. Which option would you select? Support your choice

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## UNIT V

### Unit Structure

Lesson 5.1 Work Force Reduction, Realignment and Retention

Lesson 5.2 HR Performance and Benchmarking

Lesson 5.3 Diversity of Workforce

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### Lesson 5.1 - Work Force Reduction, Realignment and Retention

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### Learning Objectives

*After reading this unit, you may be able to*

- Understand the Meaning of Workforce Reduction and Realignment
- Understand the Meaning and Strategy for Retention of Human Resource
- Evaluate the Determinants of Retention

### Introduction

Planning is of little value if no subsequent action is taken. The action taken depends on the likelihood of a human resources surplus or shortage. A surplus of workers can be managed within a HR plan in a variety of ways. But regardless of the means, the actions are difficult. 14.2 Workforce reductions and realignment

In this era of mergers, acquisitions, and downsizing, many workers have been laid off or had their jobs eliminated due to closing of selected offices, plants, and operations. It has been called “downsizing,” “rightsizing,” “reduction in force” (RIF), and in many other terms as well, but it almost always means cutting employees. “Lay-offs” come in response to a shortfall in demand for products, while “downsizing” involves job reductions based on a desire to operate more efficiently when the demand is strong.

Downsizing is a structural change that negates rehiring laid-off workers. However, workers who are laid off (but not as part of downsizing) may get their jobs back when demand picks up.

The outcome of downsizing is a bit clearer after many examples and studies. Downsizing has worked for some firms, but it doesn't generate additional revenue. It only generates lower costs in the short term; "corporate liposuction" one observer calls it. But when companies cannibalizes the human resources they need to grow and innovate, disruption follows for some time.

Senior executives still see layoffs as their first line defense against an economic downturn, but some research suggests downsizing can hurt productivity by leaving "surviving" employees overburdened and demoralized. Loss of employees may mean a loss of informal knowledge of how to handle specific problems and issues or how to respond to specific customers or suppliers. However focusing on trimming underperforming units or employees as part of a plan based on sound organizational strategies may make sense. Such a plan often includes cutting capital spending.

Workforce realignment can occur in all forms as the HR Perspective illustrates. Some common problems include demoralized managers, lawsuits, sabotage, and a need for more security. Alternatives to layoffs should be examined first to avoid negative repercussions for organizations.

### **The effects of Mergers and Acquisitions**

Another cause for downsizing has been the proliferation of mergers and acquisitions in many industries. One has to look at the financial or telecommunications industry to see massive consolidation in the number of firms. Some mergers occurred between two huge firms, such as British Petroleum and Amoco or Norwest and Wells-Fargo banks, while others have been smaller merges, such as the merger of two local hospitals. But a common result of most mergers and acquisitions (M&As) is an excess of employees once the firms have come to be combined. The wave of M&A activity in the United States has often left the new, combined companies with redundant departments, plants, and people. Because much of the rationale for combinations is financial, eliminating employees with overlapping responsibilities.

Corporations that are closing facilities or eliminating departments may need to offer financial transition arrangements. **A *transition stay* bonus** is extra payment for employees, whose jobs are being eliminated, thereby motivating them to remain with the organization for a period of time.

Just as critical is the impact of job elimination on the remaining employees, an AMA survey found that in 69% of the surveyed firms, employee morale declined in the short term and 28% of the firms had longer-term decline in employee morale after downsizing. Additionally, resignations and employee turnover all increased substantially in the year following the downsizing. These consequences of organizational restructuring are crucial challenges to be addressed by HR management.

### **Managing Survivors of Downsizing**

A common myth is that those who are still around after downsizing in any of its many forms are so glad to have a job that they pose no problems to the organization. However, some observers draw an analogy between those who survive downsizing and those who survive wartime but experience guilt because they were spared while their friends were not. The result is that performance of the survivors and throughout the organization are adversely affected.

The first major reduction in force (RIF) of workers ever undertaken in a firm is often a major jolt to the employees' view of the company. Bitterness, anger, disbelief, and shock are common reactions. For those who survive the cuts, the paternalistic culture and image of the firm as a "lifetime" employer often is gone forever. Survivors need information about why the actions had to be taken, and what the future holds for them personally. The more the employees are involved in the regrouping, the more likely the transition is to be smooth. Managers, too, find downsizing situations stressful and react negatively for having to be the bearers of bad news.

### **Downsizing Approaches**

The need for downsizing has inspired various innovative ways of removing people from the payroll, sometimes on a massive scale. Several

methods can be used when downsizing occur: attrition, early retirement buyouts, and layoffs are the most common.

### ***Attrition and Hiring Freezes***

Attrition occurs when individuals who quit, die, or retire are not replaced. With this approach, no one is sent out of a job, but those who remain must handle the same workload with fewer people. Unless turnover is high, attrition will eliminate only a relatively small number of employees in the short run. Therefore, employers may use a method that combine attrition with a freeze on hiring. This method is usually received with better employee understanding than many of the other methods.

### ***Early Retirement Buyouts***

Early retirement is a means of encouraging more senior workers to leave the organizations early. As an incentive, employers make additional payments to employees so that they will not be penalized too much economically until their pensions and Social Security benefits take effect. The financial incentives of such voluntary termination programs, or buyouts, entices employees to quit. They are widely viewed as ways to accomplish workforce reduction without resorting to layoffs and individual firings.

Buyouts appeal to employers because they can reduce payroll costs significantly over time. Although it faces some up-front costs, the organization does not incur the continuing payroll costs. One hospital saved \$2 for every \$1 spent on early retirees. As noted, early retirement buyouts are viewed as a more humane way to reduce staff than terminating long-service, loyal employees. In addition, as long as buyouts are truly voluntary, the organization is less exposed to age discrimination suits. One drawback is that the employees the company wishes would stay, as well as those it wishes would leave, can take advantage of the buyout.

### ***Layoffs***

Layoffs occur when employees are put on unpaid leaves of absence. If business improves for the employer, then employees can be called back to work. Layoffs may be an appropriate downsizing strategy during

a temporary economic downturn in an industry. Nevertheless, careful planning of layoffs is essential. Managers must consider the following question: while resorting to layoffs.

- How are decisions made about who should be laid off, using seniority or performance records?
- How will callbacks be made if all workers cannot be recalled at the same time?
- Will any benefits be given to workers who are laid off?
- If workers take other jobs, do they forfeit their callback rights?

Companies have no legal obligation to provide a financial cushion to laid-off employees; however, many companies do that. When a provision exists for severance pay, the most common formula is one week's pay for every year of employment. Larger companies tend to be more generous. Loss of medical benefits is a major problem for laid-off employees, but under federal law displaced workers can retain their medical group coverage for up to 18 months, and up to 36 months for dependents, if they pay the premiums themselves.

## **Retention of Human Resources**

Retention of employees has become a primary concern in many organizations for several reasons. As a practical matter, with lower turnover for every individual who is retained one person has to be recruited, selected, and trained. Also, organizational and individual performance is enhanced by the continuity of employees who know their jobs, co-workers, organizational services and products, and the firm's customers. One survey of supervisors and workers found that losing high performers made it more difficult for organizations to reach their business goals. In addition, continuity of employees provides better "employee image" for attracting and retaining other individuals.

## **Importance of Retention**

A survey of Chief Executive Officers found (26%) that they believe the greatest contribution to organizational success over the next five years will be to get and retain employee talent. For example, one technology

company with 5,000 employees, SAS Institute, determined that the turnover cost of their highly skilled employees averaged \$60,000 per departure. By focusing on retention, the firm had an attrition rate of 17% below the industry average, meaning that 850 fewer employees had to be hired at an estimated “savings” of more than \$50 million per year. SAS’s focus on retention has allowed the organization to be more innovative with its retention programs. SAS also found that increased employee retention has contributed significantly to reaching its organizational goals.

### **Retention as Management Concern**

Changes in economic conditions, along with the collapse of the dot.com employment bubble and slowing of the growth of technology firms, have led some to speculate that the emphasis on retention was a temporary concern. However, an updated McKinsey & Company survey found that 90% of those firms surveyed said it was more difficult to retain talented individuals than it was several years before. Therefore, it is imperative that organizations and managers recognize that retention must be a continuing HR practice and a significant responsibility for all supervisors and managers. Some firms, such as Mutual of Omaha, American Express, and others, conduct retention training for managers. Even more directly, firms evaluate managers and supervisors on retention as part of their performance reviews. Hartford Life Insurance and other firms tie managers’ performance reviews and bonuses to the retention and attraction of employees. Also, more senior managers have stock options linked to employee retention.

***Retention Officer:*** Some employers have placed such a high priority on employee retention that they have designated an individual as the retention officer for the firm. One estimate is that 10% of large U.S. firms have assigned at least one person to focus on retention. Often an individual in the HR area is assigned a specific focus on retention to ensure that it receives high priority and the multifaceted efforts are needed to increase employee retention.

### **Why People Stay or Leave**

Individuals stay or leave their jobs and organizations for many reasons. Obviously, individuals who are terminated leave as per the order

of the organizations. But the bigger issue in many organizations is why employees voluntarily leave. One survey by McKinsey & Company, a large international consulting firm, emphasized the importance of retention by concluding that employers face “a war for talent.” The McKinsey studies conducted several years apart found that the most critical factors affecting the attraction and retention of managers and executives can be classified into three areas. The area, key items, and percentage responses are listed as follows:

#### *Great Company*

- Value and culture (58%)
- Well managed (50%)
- Company has exciting challenges (38%)

#### *Great Job*

- Freedom and autonomy (56%)
- Job has exciting challenges (51%)
- Career advancement and growth (39%)

#### *Compensation and Lifestyle*

- Differentiated pay package (29%)
- High total compensation (23%)
- Geographic location (19%)
- Respect for lifestyle (12%)

Several different studies provide some consistent patterns and insights. Figure contains data from a SHRM Retention Practices Survey. Notice that the first three factors with the highest percentages such as career opportunities, competitive compensation/benefits, and poor management, are controllable items in the sense that they are influenced by organizational policies and practices. Of the remaining areas cited, several of them are personal, less controllable by employers (relocation, returning to school, etc.).

**Retention Determinants**

It has been recognized by both employers and employees that some common areas affect employee retention. If certain organizational components are being provided, then other factors may affect retention. Surveys of employees consistently show that career opportunities and rewards are the two most important determinants of retention. Finally, job design/work factors and fair and supportive employee relationships with others inside the organization contribute to retention.

**Organizational Components**

A number of organizational components influence individuals in their decisions to stay or leave their employers. Organizations that have positive, distinctive cultures and values have fewer turnovers, as the opening discussion indicates.

***Organizational Culture and Values***

Organizational culture is a pattern of shared values and beliefs that provides organizational members meaning and rules for behavior. Numerous examples can be given for key technical, professional, and administrative employees leaving firms because of corporate cultures that seem to devalue people and create barriers to the use of individual capabilities. In contrast, creating a culture that value people enables some corporations to successfully attract and retain employees.

One corporation well known for its culture and values is Southwest Airlines. The firm focuses considerable effort on instilling its values of customer service and employee involvement through its HR efforts. These efforts have yielded greater performance, retention of employees, and a reputation as an “employer of choice” in the airline industry. Even after the terrorist attacks in September 2001, Southwest was the only airline that did not cut staff and significantly reduce its flights. The genius of Southwest’s culture, founding CEO Herb Kelleher, has repeatedly stated that showing respect for people is central to Southwest Airline’s culture.

One key organizational value that affects employee retention is trust. One study of more than 600 employees found that trust and



organizational values were noted as factors that influenced intentions of employees to stay with their current employers. Employees who believe that they can trust managers, co-workers, and the organizational justice systems are much less willing to leave their current employers.

### ***Organizational Strategies, Opportunities, and Management***

Other organizational components that affect employee retention are related to the strategies, opportunities, and management of the organization. In some organizations external events are seen as threatening, whereas others see changes as challenges requiring responses. The latter approach can be a source of competitive advantage, especially if an organization is in the growing, dynamic industry.

One factor affecting how employees view their organizations is the visionary quality of organizational leadership. Often such vision is demonstrated by having an identified strategic plan that guides the firm's response to changes. Organizations with clearly established goals that hold managers and employees accountable for accomplishing results are viewed as better places to work, especially by individuals wishing to progress both financially as well as in career.

### ***Job Continuity and Security***

Many individuals have seen a decline in job security over the past decade. All the downsizings, layoffs, mergers and acquisitions, and organizational restructurings have affected employee loyalty and retention. Also as co-workers experience layoffs and job reductions, anxiety levels of the remaining rise. Consequently, employees start thinking about leaving before they too get cut. On the other hand, organizations where job continuity and security is high tend to have higher retention rates.

Job insecurity concerns generally increase as workers become older because these individuals perceive they would have more difficulty in finding employment that provides comparable pay, benefits, and responsibilities. Even younger individuals have experienced some increase in job insecurity due to the decline in employment at some dot.com and high-technology companies.

***Rewards and Retention***

The tangible rewards that people receive for working come in the form of pay, incentives, and benefits. Numerous surveys and experiences of HR professionals reveal that one key to retention is to have competitive compensation practices. Many managers believe that money is the prime retention factor, 89% in one survey, and many employees cite better pay or higher compensation as a reason for leaving one employer for and joining with another. However, the reality is a bit more complex.

Pay and benefits must be competitive, which means they must be “close” to what other employers are providing and what individuals believe to be consistent with their capabilities, experience, and performance. In fact, money may be a factor for some people leaving a job, but the other factor may be why many stay.

***Competitive Benefits***

Another compensation issue affecting employee retention is having competitive benefits programs. Offering health insurance, retirement, tuition assistance, and many other benefits commonly offered by competing employers is vital. Burger King, Pizza Hut, and Taco Bell have learned the importance of competitive benefits. By introducing new benefits, including retirement plans, health insurance, and other benefits not previously provided, each of these fast-food firms have seen employee turnover decline significantly. All three firms attribute the enhanced benefits as contributing substantially to lower turnover rates. Employers also are learning that having some benefits flexibility aids retention. When employees choose how much and what benefits they will have from a “cafeteria” of choices, given a set of money available from the employer, the employees can tailor the benefits to their needs. By giving employees greater choice, employees feel more “individual” and “in control”, thus reducing their desire to move to another employer.

***Special Benefits and Perks***

A number of employers use a wide range of special benefits and perks to attract and retain employees. One large Seattle Company has on-site recreation clubs, discount travel programs, day-care centers, and other

resource benefits for employees. At other firms concierge benefits provide employees with assistance in personal matters at their places of work. Some of the coverage benefits offered at work have included dry cleaning pickup and drop off, car maintenance services in company parking lots, coffee and latte kiosks, ATM machines in break rooms, along with many others. By offering these special benefits and perks, employers hope to reduce the time employees spend after work on personal chores and to be seen as more desirable employers where individuals will remain for longer stays.

### ***Performance and Compensation***

Many individuals expect their rewards to be differentiated from others based on performance. For instance, if an employee receives about the same pay increase and overall pay as others who have lower productivity, more absenteeism, and work fewer hours, then the result may be a feeling of “unfairness.” This may prompt the individual to look for another job where compensation recognizes performance differences exist. The results of a survey on rewards at work found that individuals are more satisfied with the actual levels of their pay than the processes used to determine pay. That is why the performance management system and performance appraisal processes in organizations must be linked to compensation increases.

To achieve greater performance links to organizational and individual performance, a growing number of private-sector firms are using variable pay and incentives programs. These programs in the form of cash bonuses or lump sum payments are one mechanism used to reward extra performance.

The growth of technology firms have highlighted another facet of performance differentiation-giving employees’ incentives in the form of stock options, organizational ownership, and other longer-term rewards. Yahoo, Amazon.com, and other technology firms have made extensive use of stock options for many employees. However, the collapse of their stock prices in 2001 caused them to have to “re price” or lower the levels at which the stock options were given, in order to retain employees.

**Recognition**

Employee recognition as a form of reward can be both tangible and intangible. Tangible recognition comes in many forms, such as “employee of the month,” perfect attendance, or other special awards.

Recognition also can be intangible and psychological in nature. Feedback from managers and supervisors that acknowledge extra effort and performance of individuals provides recognition, even though monetary rewards are not given. For instance, a franchise firm for the widely known KFC food chain uses both tangible and intangible recognition as part of employee retention efforts. Employees who receive recognition cards from either customers or co-workers can exchange them for movie tickets and other rewards. Also, managers have been trained to make special efforts to recognize employee performance and service.

**Retention Interventions**

Based on what the measurement and assessment data reveal, a variety of HR interventions can be undertaken to improve retention. Turnover can be controlled and reduced in several ways. During the recruiting process, the job should be outlined and a realistic job preview was presented, so that the reality of the job matches the expectations of the new employee. By ensuring that the expectations of potential employees match with what the organization is likely to offer, voluntary turnover may be reduced.

Another way to eliminate turnover is to improve the selection process in order to better match the applicants to the jobs. By fine-tuning the selection process and hiring people who will not have disciplinary or performance problems or whose work histories suggest higher turnover potential. Employers can reduce turnover. Once selected, individuals who receive effective orientation and training are less likely to leave.

Other HR factors are important as well. Compensation is important because a competitive, fair, and equitable pay system can help reduce turnover. Inadequate benefits also may lead to voluntary turnover, especially if other employers offer significantly higher compensation levels for similar jobs. Career development and planning can help an organization keep

employees. If individuals believe they have few opportunities for career development advancement, they are more likely to leave the organization. Employee relations, including fair/nondiscriminatory treatment and enforcement of HR policies, can enhance retention also.

Successful retention intervention efforts occurred at Deloitte & Touche, a national accounting and consulting firm. An HR study at the firm found that it was losing many talented women employees after several years of employment with the firm. Because the firm had invested significant time and funds in training and developing employees, a special program throughout Deloitte & Touche was established to focus on retaining all employees, especially women who had significantly higher turnover rates. Key portions of the program include workshops on “Men and Women as Colleagues,” enhanced career mentoring programs, revised family/work policies and alternatives, and establishing a women’s leadership program. Retention of all employees, including women, improved.

## **Summary**

Downsizing is a structural change that negates rehiring laid-off workers. A cause for downsizing has been the proliferation of mergers and acquisitions in many industries. Attrition, early retirement buyouts, and layoffs are the most common methods of downsizing. Surveys of employees consistently show that career opportunities and rewards are the two most important determinants of retention. Finally, job design/work factors and fair and supportive employee relationships with others inside the organization contribute a lot to the retention.

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## Lesson 5.2 - HR Performance and Benchmarking

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### Learning Objectives

*After reading this unit, you may be able to*

- Understand the Bench Marking Process
- Understand the Impact of Globalization on HRD
- Understand the Concept of Expatriate and Repatriate
- Describe Global Management Assignment

### Introduction

One approach to assessing HR effectiveness is benchmarking, which compares specific measures or performance against data on those measures in other organisations adopting “best practices”. HR professionals interested in benchmarking try to locate organizations that do certain activities particularly well and thus become the “benchmarks.”

### Benchmarking Analysis

When information on HR performance has been gathered, it must be compared to a standard, which is a model or a measure against which something is compared to determine its performance level. For example, it is meaningless to know that the organizational turnover rate is 75% if the turnover rates at comparable organizations are unknown. One means for obtaining benchmarking data is through telephone calls, which then may be followed up with questionnaires and site visits to benchmarking partners. The common benchmarked performance measures in HR management are:

- Total compensation as a percentage of net income before taxes
- Percent of management positions filled internally
- sales per employee
- Benefits as a percentage of payroll cost

A useful way to analyze HR involves calculating ratios that can be compared from year to year, thus providing information about changes in HR operations. For example, one suggested series of ratios and measures is shown in Figure.

HR Performance Area	Method of Calculation
I. CEO's priority numbers	Whatever CEO sees as linked to organizational strategic goals
2. Human value added	Revenue - Operating expense - Pay and benefits = Adjusted profit + Full time. equivalent employees
3. Return on human capital invested	Revenue - Operating expense - Adjusted profit = Adjusted profit + Pay and benefits
4. Time to fill openings	Total calendar days from each requisition to accepted offer/ Number of openings filled
5. Turnover cost	Cost to terminate + Cost to hire + Vacancy cost + Productivity loss = Total + Employees lost
6. Voluntary turnover rate	Total voluntary employee separations /Total employees
7. Return on training	(Dependent upon type of training done)
8. Cost per employee hired	Advertising expenses + Agency fees + Employee referral bonuses + HR recruiters pay and benefits + 10% misc. costs = Total + Total number of employers hired

9. Pay and benefits as % of operating expense	Total pay and benefits expenditure + Total operating expenses
10. Healthcare cost per employee	Total healthcare benefits expenses + Total number of employees

#### HR Business Performance Calculation

Effectiveness is best determined by comparing ratio measures with benchmarked national statistics. The comparisons should be tracked internally over time. For instance, the Society for Human Resource Management (SHRM) and the Saratoga Institute have developed benchmarks based on data from more than 500 companies, presented by industry and by organizational size. The Saratoga Institute in Santa Clara, California, surveys employers annually and compiles information that allows individual employers to compare HR costs against national figures.

#### Return on Investment (ROI) and Economic Value Added (EVA)

Return on investment (ROI) and economic value added (EVA) are two related approaches to measuring the contribution and cost of HR. Both calculations are a bit complex, so they are just highlighted here. Return on investment (ROI) shows the value of expenditures for HR activities. It can also be used to show how long it will take for the activities to pay for themselves. The following formula can be used to calculate the potential ROI for a new HR activity:

$$\text{ROI} = C/A + B$$

Where:

A = Operating costs for a new or enhanced system for the time period

B = One-time cost of acquisition and implementation

C= Value of gains from productivity improvements for the time period

**Economic value added (EVA)** is a firm's net operating profit after the cost of capital is deducted. Cost of capital is the minimum rate of return demanded by shareholders. When a company is making more than the cost of capital, it is creating wealth for shareholders. An EVA approach requires that all policies, procedures, measures, and methods use cost of capital as a benchmark against which their return is judged. Human



resource decisions can be subjected to the same analyses. Both of these methods are useful, and specific information on them is available from other sources.

**Utility or Cost/Benefit Analyses** In utility analysis, economic or other statistical models are built to identify the costs and benefits associated with specific HR activities. These models generally contain equations that identify the relevant factors influencing the HR activity under study.

## **Impact of Globalization on HRD**

There are a number of forces that together have led to world trade increasing over 60% in the past decade. Some of the more prominent are discussed below.

### **Global Population Changes**

Throughout the world in the developed / Industrialized countries such as the European Union (EU), Japan, and the United States, population growth have become significant. In those areas an aging population and declining birth have contributed to slower growth in the number of workers and consumers. However, population in China, India, Africa, Latin America, and other countries and regions continues to grow significantly. To take advantage of this growth, firms throughout the world have established operations, formed joint ventures, or merged with firms in these countries. The prospect of billions of new consumers in the faster-growing countries is driving global investments and operations. Consumer demands for products from other countries are also driving globalization. As examples, German and Japanese cars, French cosmetics, U.S. fast food, Mexican beer, and Korean electronics are all available globally and desired by consumers in many count

### **Global Economic Interdependence**

Economic experts estimate that by 2020 the six largest economies will be the U.S., China, Japan, Indonesia, India, and Korea. Firms based in other countries are responding to these opportunities. Thus the economic future of organizations throughout the world is linked to the growth of the world economy. An example of this linkage is unrest, as has occurred

in Indonesia, Turkey, Argentina, and some other countries. This unrest has affected stock markets throughout the world. Other examples of the global economy can be seen by the effects of the economic stagnation in Japan, the fall of the U.S. stock market, and results of international terrorist acts at the U.S. World Trade Center. These examples indicate the level of interdependence among the economies of individual countries.

### **Regional Alliances**

The development of a number of regional trade and political alliances also has contributed to globalization. The two most well-known alliances are as follows.

#### ***North American Free Trade Agreement (NAFTA)***

The United States, Canada, and Mexico recognized the importance of world trade by eliminating barriers and working together by signing the North American Free Trade Agreement (NAFTA). The Commission on Labor Cooperation (CLC), established as part of NAFTA, reviews complaints filed in the U. S., Canada, or Mexico regarding occupational safety and health, child labor, benefits, and labor-management relations. Discussions have held for expanding NAFTA to include other Latin American countries also.

#### ***European Union (EU)***

In Western Europe, efforts of several decades led to the creation of the European Union. The economic integration of the countries in the EU received a major push in 2002 with the introduction of the Euro currency. The EU also has established labor and other standards, adopted by individual EU countries, which has led to greater similarity of HR practices in EU-based firms. Foreign firms operating in the EU have had to comply with the requirements.

### **Global Communications**

Another major contributor to globalization is the development and evolution of telecommunications and technology that aids the rapid transfer of information. Satellite technology has brought television and

wireless telephone services to remote villages in Africa, India, China, and Latin America. The worldwide growth in the use of the Internet has made that people and firms can easily communicate and have access to huge amounts of information and data.

Much of the communication on the Internet is in English. As the global language of business, English allows easier communications and information flow. In many countries students learn English as their second language, and many foreign firms train their employees in English. For instance, Telecom Italia provides English courses for its employees, and several large Japanese global firms use English as their “business language.”

### **Staffing Global Assignments**

Staffing global assignments involves selecting, placing, and locating employees in other countries. The need for individuals who can provide leadership in global organizations emphasizes the importance of global staffing. According to several different surveys of large multinational corporations, about 85% indicated a shortage of global leaders with the capabilities required for success.

When staffing global assignments, cost is a major factor to be considered. The cost of establishing a manager or professional in another country can run as high as \$1 million for a three-year job assignment. The actual costs for placing a key manager outside the United States often are twice the manager’s salary. For instance, if the manager is going to Japan, the costs may be even higher when housing costs, schooling subsidies, and tax equalization payments are calculated. Further, if a manager, professional, or executive quits an international assignment prematurely or insists on a transfer home, associated costs can be equal or exceeding the annual salary. “Failure” rates of managers sent to other countries may run as high as 40% to 50% in some firms or countries, and the reasons for this failure are discussed later in this chapter.

Global organizations can be staffed in a number of different ways. Each staffing option presents some unique HR management challenges. For instance, when staffing the citizens of different countries, different tax laws and other factors have to be applied. HR professionals need to be knowledgeable about the laws and customs of each country. They must

establish appropriate payroll and record-keeping procedures, among other activities, to ensure compliance with varying regulations and requirements.

### **Expatriate and Repatriate Support and Development**

International employees typically are placed in three different classifications, as discussed below.

#### **Expatriates**

An expatriate is an employee, working in an operation, who is not a citizen of the country in which the operation is located, but is a citizen of the country of the headquarters organization. Also referred to as parent-country national (PCN). Expatriates are used to ensure that foreign operations are linked effectively with the parent corporations. Generally, expatriates are also used to develop global capabilities within an organization.

Experienced expatriates can provide a pool of talent that can be tapped as the organization expands its operations more broadly into even more countries. For example, Japanese-owned firms with operations in the United States have rotated Japanese managers through U.S. operations in order to expand the knowledge of U.S. business practices in the Japanese firms. The HR Perspective describe a research study on use of expatriates who are parent-country nationals and host-country nationals to staff global subsidiaries.

#### **Host-Country Nationals**

A host-country national is an employee working for a firm in an operation who is a citizen of the country where the operation is located, but where the headquarters for the firm are in another country. Using host-country nationals is important for several reasons. One reason is that the organization wants to establish clearly that it is making a commitment to the host country and not just setting up a foreign operation. Host-country nationals often know the culture, politics, laws, and business customs better than an outsider knows. Tapping into the informal “power” network may be important. Another reason to use host-country nationals is to provide employment in the country.

### **Third-Country Nationals**

A third-country national is a citizen of one country, working in a second country, and employed by an organization headquartered in a third country. For example, a Indian citizen working for a British oil company as a manager in Norway is a third country national. Staffing with use of third-country nationals shows a truly global approach. Often, these individuals handle responsibilities throughout a continent or region. For instance, a major U.S.-based electronics company has its European headquarters in Brussels, Belgium. Although most employees on the clerical staff are Belgians, only about 20% of the professionals and managers are from Belgium. Most of the rest, except for five U.S. expatriates come from other Western European countries.

### **Possible Global Assignments**

Decisions about how to staff global assignments vary based on the nature, purpose, and length of the assignment. There are four different types of global assignments requiring intercultural capabilities:

- For technical assignments, individuals are sent to do limited jobs and then to return, which requires limited cultural skills.
- In functional assignments, individuals are sent for extended projects or jobs but return upon completion of work, and some intercultural skills are needed.
- For developmental assignments, individuals are sent to develop and broaden their understanding of global operations and intercultural understanding and skills are important.
- On strategic assignments, individuals are sent to fill critical strategic jobs, requiring extended efforts, and intercultural understanding and skills are critical to success.

The importance of intercultural capabilities increases as assignments progress from technical to strategic. Also, the higher the level of responsibility and longer the assignment, the more intercultural capabilities are needed. Instead of making assignments for three years long or more, global employers now find that shorter-term assignments can be effective in reducing the “resistance” of assignees and their failure

rates. Short-term assignments of several months at a time create different personal and family stresses than relocation for several years. Also, the assignments provide global development experiences for employees without disrupting the individuals' careers. Different compensation and lodging issues arise with shorter-term assignment. But success with shorter assignments requires planning to address such issues as housing, travel, return trips, compensation, and health and safety concerns.

Another means of providing global experience is through the use of multicultural or transnational teams. These, teams may be temporary or somewhat permanent, formed to solve a specific problem or to handle ongoing activities. They often include headquarters representatives, host-country nationals, and third-country nationals. They are useful not only as potentially valuable business units, but also as development vehicles for leaders.

### **Recruiting for Global Assignments**

Recruiting employees for global assignments requires approaches and understanding different from the typical recruiting efforts in a home-country setting. The recruiting processes must consider cultural differences, laws, and language considerations. For instance, in Eastern Europe potential recruits like to work for European and U.S. firms, so recruiters emphasize the "western" image. In Hong Kong recruiting ads often stress success factors by showing "typical employees" of a firm wearing expensive watches and stylish clothes.

The growth of the Internet has made global recruiting much more accessible, particularly for individuals in search of professional management jobs. Those individuals and more technologically knowledgeable candidates can be reached using Internet advertising. Global search firms also can be used to locate specialized global managerial talent.

### **Selection for Global Assignments**

The selection process for an international assignment should provide a realistic picture of the life, work, and culture to which the employee may be sent. HR managers start by preparing a comprehensive description of the job to be done. This description notes responsibilities

that would be unusual in the home nation, including negotiating with public officials; interpreting local work codes; and responding to ethical, moral, and personal issues such as religious prohibitions and personal freedoms.

### **Cultural Adjustment**

Cultural awareness  
Cultural adaptability  
Diversity acceptance  
Global experiences

### **Personal Characteristics**

Flexibility and risk taking  
Emotional stability  
Ambiguity tolerance  
Physical/stress coping

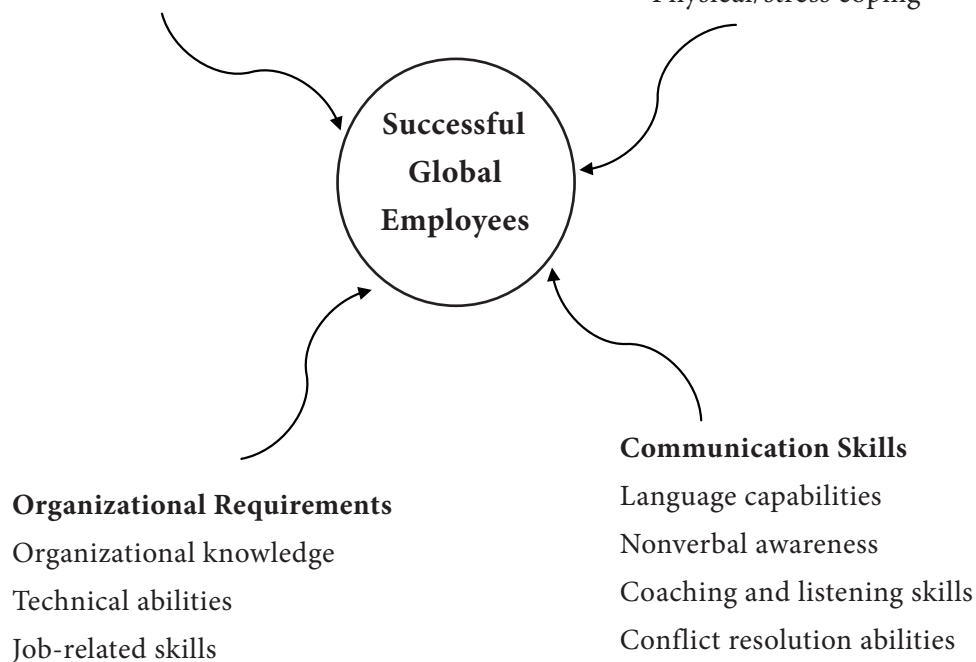


Figure shows the most frequently cited key competencies for successful global employees.

### ***Cultural Adjustment***

Crucial to global success for individuals is how they adjust to the cultural differences in their foreign assignments. Prior global experiences, even foreign vacation travel, can be explored as part of the selection process to gain insights on how culturally adaptable individuals are. Awareness of cultural issues and differences and acceptance of diverse cultural and customs are important areas to explore. Throughout the selection process, especially in the selection interviews, it is crucial to assess the potential employee's ability to accept and adapt to different customs, management practices, laws, religious values, and infrastructure conditions.

However, individuals with different cultural backgrounds must be considered as well. For instance, the U.S. emphasis on assertiveness, individualism, and independence may lead the U.S. interviewers to expect applicants to exhibit those characteristics. But in some Asian cultures deference to authority and conflict avoidance may result in Asian candidates not displaying the “American characteristics” in selection interviews. Therefore, if the candidates are to be placed in China or Japan, the interviewers’ styles and expectations may need to be altered.

### ***Organizational Requirements***

Many global employers find that knowledge of the organization and how it operates is as important as cultural adjustment factors in determining global assignments success. Interacting with managers in the home country, representing the firm in the foreign locations, and managing foreign employees all require some understanding of the firm’s products, services, organizational “politics,” and policies.

As with any job, the individuals must have the needed technical abilities and meet the job-related KSAs to be successful in work. However, simply meeting organizational requirements may not be sufficient for ensuring global assignment success. For this reason, the selection process for someone from inside the company must also assess the other factors shown in Figure. For candidates from outside the organization, industry knowledge may be helpful, but a realistic preview of the organization is essential in order to determine person- organization fit.

### ***Personal Characteristics***

The experiences of many global firms demonstrate that the best employees in the home country may not be the best employees in a global assignment, primarily because of personal characteristics of individuals. A number of identified personal characteristics contribute to the success of global employment. The stress of living and working in foreign countries requires people who exhibit emotional stability, adjusting to different cultures as challenges, and enjoy the risks associated with those challenges. Also, the physical demands of travel, jet lag, time zone changes, long work hours, and frequent business meetings and dinners place significant stress on global employees.



During the selection process many global employers use personality tests and other assessment in order to assess candidates' suitability for global assignments. For example, Motorola uses intelligence and personality tests, as well as assessment centers and role-playing exercises to assess potential candidates for global assignments. The importance of assessing personality characteristics was underscored by a study that found that extroversion, agreeableness, and emotional stability increased the desire of expatriates to complete their global assignments.

### ***Communication Skills***

One of the most basic skills needed by expatriate employees is the ability to communicate orally and in writing in the host-country language. Inability to communicate in the local language may significantly inhibit the success of an expatriate. Numerous firms with international operations select individuals based on their technical and managerial capabilities and then have the selected individuals take foreign language training.

But in any language, communication includes far more than simple vocabulary. Nonverbal communications through greetings, gestures, pace, and proximity all vary in different countries. Interacting with other people through coaching and listening skills is at least as important as speaking the language. Conflict resolution abilities are essential, particularly given different cultural values regarding conflict. For example, in some Western countries, the individual parties address conflicts directly and forcefully. In many other cultures conflicts go unattended, and conflict resolution often requires more time and extensive communications sensitivities.

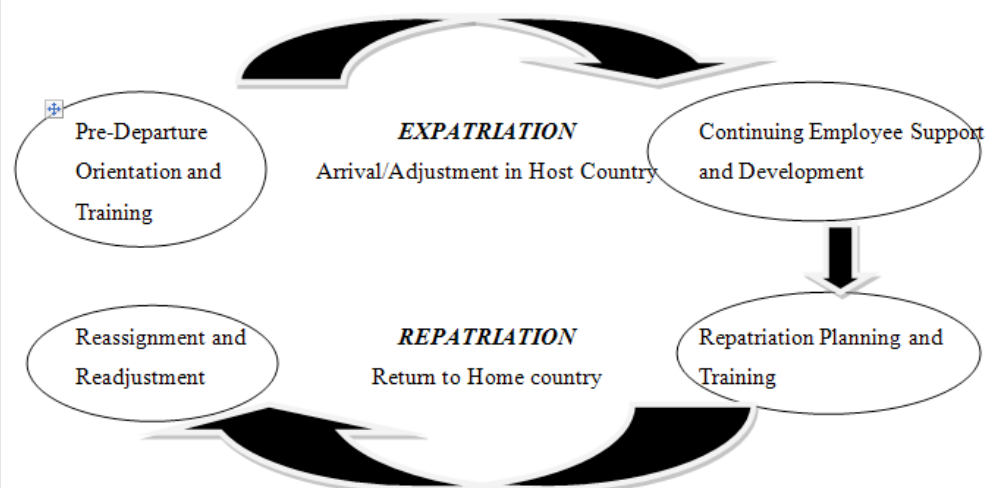
### ***Personal/Family Factors***

The preferences and attitudes of spouses and other family members also present major staffing considerations. Two of the most common reasons for turning down international assignments are family considerations and spouses' careers. Many expatriates are married, and three-fourths of the married expatriates are accompanied on overseas assignments by their spouses and 60% bring children with them. Also, the growth in dual-career couples complicates the transfer of international employees, particularly with the work-permit restrictions which are common in many countries. Notice that person/family concerns top the list, followed by factors related

to candidate selection and the job not meeting individuals' expectations. Since the personal/family factors play a large role in the success of global employees, the selection process may include interviews of spouses, partners, and even children. If significant resistance or opposition to accepting a global relocation and adapting to different cultures will create family conflicts, then there is a greater likelihood that the global employee will not complete the assignment or will not be as successful.

### Global Assignment Management

Once employees have been selected for international assignments, continuing organizational support for the employees is crucial. The intention of expatriates to quit and their commitment to their organizations are affected by how they view the support given to them by their employers. That is why management of global assignments is so important. As Figure indicates, there are two major phases in the cycle of global assignment management. The first phase is expatriation, in which an organization prepares and sends global employees to their foreign assignments, once the employee needs continuing support and development, as discussed later in the chapter. Upon completion of this assignment repatriation occurs. Repatriation involves planning, training, and reassignment of global employees to their home countries. It should also be noted that if the global employee is being sent to a third-country, then must begin as part of repatriation actions.



**Global Assignment Management Cycle**

*Adopted from Mathis & Jackson (2005). Human Resource Management, 10e. Thomson South-Western*

### ***Pre-departure orientation and training***

The orientation and training that expatriates and their families receive before departure significantly affect the success of the overseas assignment. Unfortunately, various surveys have found that only 50% to 60% of global employers provide formal training programs for expatriates and their families. When offered, most expatriates participate in this training, which generally produces a positive effect on cross-cultural adjustment.

The most common topics covered in pre-departure training are Daily living conditions, Cultural customs, Business issues, Country history, Geographical climate, Transportation and communication systems

Individuals selected to work outside their home countries need answers to many specific questions about their host countries. Training in various areas aids the adjustment of expatriates and their families to deal with host-country counterparts. Training in customs and practices can be especially valuable to individuals who will not live outside the home country but will travel to other countries for business purposes.

### ***Intercultural Competence Training***

Growing number of global employers are providing intercultural competence training for their global employees. Intercultural competence incorporates a wide range of human social skills and personality characteristics. There are three components of intercultural competence require attention when training expatriates for global assignments:

- Cognitive: What does the person know about other cultures?
- Emotional: How does the person view other cultures and how much sensitivity exists to cultural customs and issues?
- Behavioral: How does the person act in intercultural situations?

But knowing about the country and one's abilities may not be sufficient. A growing number of global employers are using training methods that allow individuals to behave in international situations and then receive feedback. One of the most popular methods in the Culture Assimilator used worldwide, especially by European-based firms, the

Culture Assimilator is a programmed training and learning method consisting of short case studies and critical incidents. The case studies describe intercultural interactions and potential misunderstandings on the part of expatriates and host-country nationals. Each case study centers around some situation or difficulties experienced by an expatriate, a host national, or both. The incidents are analyzed after the answers are given and they are discussed and evaluated from the two viewpoints: the original home-country culture and the target host-country culture. The assumption behind Culture Assimilator training is that as the trainees receive feedback on their responses, they begin to understand both the cognitive and emotional facets of the target culture. This understanding allows them to subsequently select more appropriate behavioral responses during their global assignments.

### **Expatriate Support and Development**

There are several areas that affect the cross cultural adjustment process. To get global employees to their new assignments requires planning relocation efforts including moving their possessions, selling their existing homes, obtaining new housing, and other activities. Once global employees arrive in the host country, they need assistance in “settling in.” Arrangements should include someone to meet them and assist them. Basics such as obtaining housing, establishing bank accounts, obtaining driver’s licenses, arranging for admissions to schools for dependent children, and establishing a medical provider relationship need to be part of international relocation. But differences in culture, language, and laws may complicate these activities in a foreign country. The sooner the expatriates and their families establish a normal life, the better the adjustment will be, and less likely that expatriate failure will occur (Figure is given below).

### ***Continuing Employee Communications and Support***

Continuing home-office support helps to reduce premature assignment departure. One of the greatest deterrents to accepting foreign assignments comes from employees’ concerns that they will be “out of sight, out of mind.” If they do not have direct and regular contact with others at the corporate headquarters, expatriates can feel isolated and left out of important company activities. The growth of the Internet and company

intranets helps alleviate some of the communication concerns. Personal contact through phone conversations also is important, but may be difficult due to time zone differences and the quality of telecommunications services in some lesser-developed countries.

### ***Continuing Career Development***

Many expatriates experience anxiety about their continued career progression. Therefore, the international experiences of expatriates must offer benefits to the employer and to the expatriate's career. Firms sometimes address this issue by inviting the expatriates back for development programs and through regular interactions with other company managers and professionals. Another useful approach is to establish a mentoring system which matches an expatriate with a corporate executive in the headquarters.

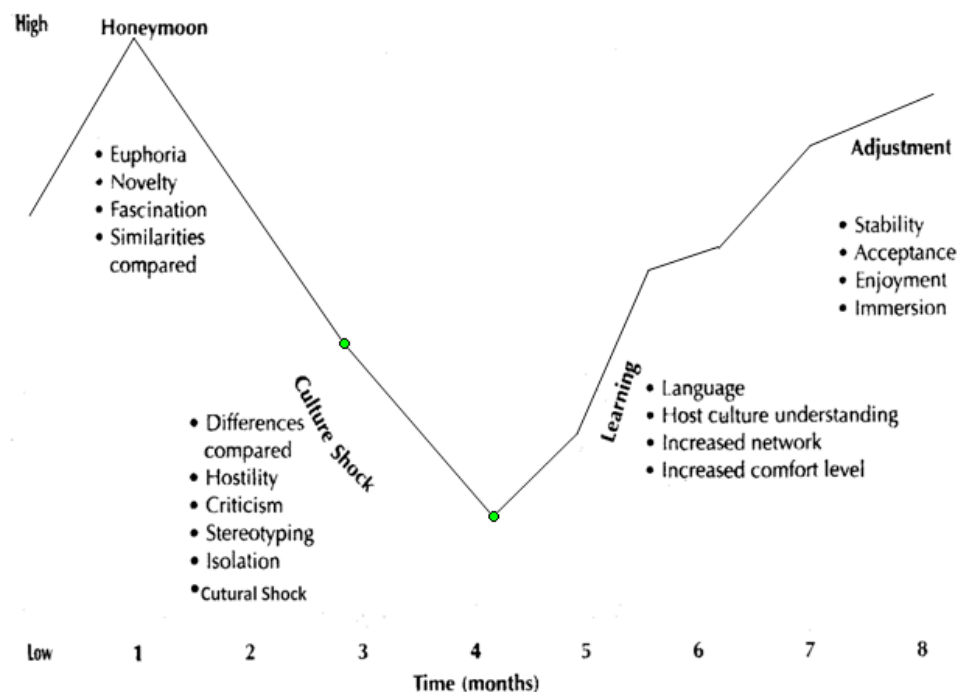
This executive talks with the expatriate frequently, ensures that the expatriate's name is submitted during promotion and development discussions at the headquarters, and resolves any headquarters-based problems experienced by the expatriate.

### ***Repatriation***

The process of repatriation, whereby expatriates are brought home or moved to other global assignments, must address potential difficulties that can arise when it is time to bring expatriates home. For example, expatriates no longer receive the special compensation packages often available to them during their assignments, which mean that the expatriates experience a net decrease in total income, even if they receive promotions and pay increases.

Back in the home organization, repatriate employees must readjust to a closer working and reporting relationship with other corporate employees. Often, expatriates have a greater degree of flexibility, autonomy, and independent decision making than their counterparts in the United States. Another major concern focuses on the organizational status of expatriates upon return. Many expatriates have concerns about what jobs they will have, whether their international experiences will be valued, and how they will be accepted back into the organization. Unfortunately,

surveys reveal that almost half of expatriates feel that their employers do a poor job of repatriation. To counter these concerns, some companies provide career planning, the mentoring programs, and even guarantees of employment upon completion of foreign assignments.



**Expatriate Adjustment Stages**

*Adopted from Mathis & Jackson (2005). Human Resource Management, 10e. Thomson South-Western*

## Summary

Benchmarking is the process which compares specific measures or performance against data on those measures in other “best practices” organizations. Return on investment (ROI) and economic value added (EVA) are two related approaches to measuring the contributions and the cost of HR. Global population changes, Global economic interdependence, Regional alliances and Global communications have their impact on HRD. Staffing global assignments involves selecting, placing, and locating employees in other countries. International employees typically are placed in three different classifications i.e. Expatriates, Host-Country Nationals, and Third-Country Nationals. Recruiting employees for global assignments requires approaches and understanding different from the typical recruiting efforts in a home-country setting.

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## Lesson 5.3 - Diversity of Workforce

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### Learning Objectives

*After reading this unit, you may be able to*

- Describe Cultural Diversity
- Cross Cultural Education and Training Programs
- Understand the Management of Diversity
- Describe HRD Programs for Diversified Employees

### Introduction

In order for organizations to compete successfully in a global economy, they must be able to attract and retain the best employees possible. For most organizations, this means recruiting and hiring a more diverse workforce. Organizations have recognized the demographic changes that have occurred in the workforce over the past forty years. In response to the civil rights and feminist movements, as well as the equal employment legislation that began in the 1960s many organizations established programs to facilitate the recruitment and retention of qualified women and minorities. The inclusion of women, minorities, and other underrepresented groups have made organizations more culturally diverse.

### Cultural Diversity

Cultural diversity is defined as the existence of two or more persons from different cultural backgrounds in any single group or organization. Most organizations are culturally diverse because their employees are from different cultural subgroups (whether gender, race, ethnic origin, etc.). But even if an organization is culturally diverse, it may not be aware of or acknowledge this diversity.

## Valuing Differences and Diversity Training

Barbara Walker, former manager of the International Diversity Program at Digital Equipment Corporation, is credited with coining the phrase “*valuing differences*” in the 1980s. Her approach was to create an environment in which each person’s cultural differences are respected. Valuing differences soon became popularized as diversity training. The diversity training movement gained momentum when the Hudson Institute published a report in 1987 that predicted that women and minorities would represent 85 percent of all net new entrants in the labor force by the year 2000. This prediction led to a sense of urgency by employers who felt they were ill prepared to handle this kind of change. It also resulted in the proliferation of diversity consultants and programs (e.g., cultural sensitivity training), many of which came with a large price tag.

It is estimated that 72 percent of organizations conducted diversity training in 2003. Diversity training programs vary in scope and length. At one extreme there are one- to three-day programs for managers that designed to transform them into culturally sensitive people. Most of these are one-shot programs that have no follow-up to reinforce the issues raised in training. For example, US WEST developed a diversity program that includes two kinds of training: (1) a three-day program called managing a Diverse Workforce for managers and union stewards and (2) a one-day version called “The Value of Human Diversity” for the remaining 65,000 employees. Other organizations have used a different approach that include a strategy to foster long-term cultural change. For example, Pacific Gas & Electric created a program based on the assumption that a cadre of internal trainers is needed to cultivate a multicultural organization. Employees are selected to attend a six-day certification (“train-the-trainer”) diversity awareness program and, upon graduation, are expected to champion diversity in their day-to-day interactions with others.

## Managing Diversity

Thomas defines managing diversity as “a comprehensive managerial process for developing an environment (organizational culture) that works for all employees.” This approach goes beyond both affirmative action and valuing diversity because it focuses on building a positive environment for everyone and on full utilization of the total workforce. It does not exclude



women or minorities, nor does it exclude whites or males. It is an attempt to create a level playing field for all employees without having regard for cultural distinction. Coming to an agreement on the definition of diversity can be a very difficult task, as many experienced trainers will attest. However, one recent article defined it as “the commitment on the part of organizations to recruit, retain, reward, and promote a heterogeneous mix of productive, motivated, and committed workers including people of color, whites, females, and the physically challenged.” To do this, managing the diversity approach requires (1) a long-term commitment to change; (2) substantive changes in organizational culture; (3) a modified definition of leadership and management roles; (4) both individual and organizational adaptation; and (5) structural changes.

The long-term commitment to change, particularly from top management, is necessary to allow sufficient time and resources to bring about a change in organizational culture. For example, Pillsbury has created the three-year objectives for its division heads for managing diversity:

1. To develop and implement strategic plans for creating more culturally diverse organizations
2. To increase leaders' and managers' knowledge and skills in managing a culturally diverse workplace
3. To attract, motivate, and retain women and people of color

To achieve these objectives, managers must be totally committed to the program. Commitment from key organizational members (top managers, union leaders, etc.) is an important part of managing diversity.

A substantive change in culture is necessary if an organization expects to change the underlying assumptions, values, and beliefs that have fostered sexist and racist attitudes. Employees must learn to be more understanding of language and cultural differences and be able to identify and reject cultural stereotypes. Most organizations that have developed managing diversity programs rely on education and training programs, much as the valuing differences approach does. For example, organizations like Avon, Apple Computer, and Xerox have made diversity education the cornerstone of their managing diversity programs.

Modified definitions of leadership and management roles are needed to accommodate the changes in organizational culture. Not only is it important that management roles be redefined during the change process, they may also be redefined as part of managing diversity program. For example, managers may be required to serve as formal mentors to one or more of the women and minorities in their organization. Other organizations may require managers to lead a diversity core group. To ensure that these roles are institutionalized, some organizations have created a new corporate office for managing diversity. This office gives the program high visibility, and ensures that all activities are coordinated.

Managing diversity requires both individual and organizational adaptation, because as the organizational culture undergoes a redefinition and begins to take on new characteristics, employees must be able to adapt to these changes. How well the organization and its employees adapt to this is highly dependent on the management and leadership of the change process. Sufficient support systems must be available for people who are not sure about what is expected of them and how to adapt to these new expectations. For example, some employees may feel this program is affirmative action under a new name. Managers must be able to reinforce the point that a managing diversity favors no subgroup.

Structural changes are necessary to accommodate the changes in management and leadership roles and changes in individual expectations. For example, several structural changes within the HRD function may need to be made. These include (1) developing new policies that support the management of diversity initiative; (2) changing formal orientation programs to place more emphasis on diversity issues; (3) developing formal career development programs; (4) adding a diversity component to some of the ongoing training programs, particularly management and supervisory training; and (5) developing a diversity resource library for all types of ongoing diversity programs.

### ***Effectiveness of managing diversity programs***

There is growing awareness of the need to address diversity issues. Many organizations have achieved success with such programs. However, a problem with managing diversity is the resistance of long-held attitudes to change. Even when organizations bolster their change strategy with

diversity education and training programs, there is no guarantee that all employees will place the same value on learning about their own attitudes and about other cultures, particularly if they feel they have nothing in common with members of those cultures. The fact remains that people tend to feel most comfortable among those with whom they have things in common (e.g., common cultural attributes).

This perceived backlash should not be ignored in a process of forced change. Resistance to change is rooted in personal values, beliefs, and attitudes. To overcome this resistance, we feel that organizations should consider introducing multiculturalism through a planned change strategy. This would entail making use of theories and interventions. Further, there is a growing body of work that provides guidance concerning how organizations can manage diversity in a way that is strategic, proactive, and more grounded in solid empirical and theoretical research than has typically been true to date.

### **Cross-cultural Education and Training Programs**

Globalization is increasingly being linked to diversity management efforts. The argument is that a multicultural perspective is needed for organizations to successfully compete in the global marketplace. To prepare these individuals for their assignments, many organizations are providing cross-cultural training. Most cross-cultural awareness training programs deal with at least four elements:

1. Raising the awareness of cultural differences
2. Focusing on ways attitudes are shaped
3. Providing factual information about each culture
4. Building skills in the areas of language, nonverbal communication, cultural stress management, and adjustment adaptation skills

To raise the awareness of cultural differences discussion should focus on understanding the assumptions, beliefs, and values people have about other cultures. Without first developing insight into these elements, it will be difficult for people to value cultural differences. For example, people from Japan and some other Asian countries may have difficulty in assimilating with the aggressiveness that is common in many U.S.

workplaces. Without understanding these differences, Americans may misinterpret the motive of a Japanese manager who is unwilling to confront an American worker who has been overtly aggressive toward him.

Programs that focus on how attitudes are shaped help people to understand how cultural stereotypes are formed and the destructiveness of cultural bias. Even though people may understand cultural differences, they may not understand how assumptions, values, and beliefs underlie sexist and racist attitudes. For example, a male manager may take extra effort to understand gender differences and learn to value women's contributions at the workplace. However, since there are a limited number of female managers, he may assume that most women lack the desire (or ability) to become managers. This assumption may result in his not actively encouraging female subordinates in developing the skills needed to qualify for a management position. This may serve to create a glass ceiling. Without focusing on how these attitudes are developed, it will be difficult to change them.

Providing factual information about each culture is necessary to reinforce new assumptions, values, beliefs, and attitudes about different cultures. When people are strongly ethnocentric i.e. feeling that their culture is superior to others, training may be provided, with the goal of reinforcing that every culture has its own unique and valuable experiences, perspectives, and styles of approaching problems. There is empirical evidence suggesting that cultural diversity brings together different experiences, perspectives, and styles that can be used for approaching problems and situations resulting in increased productivity. People need to know what these strengths are and how they can help individual workers and the organization to do a better job.

Programs that build skills in the areas of language, nonverbal communication, cultural stress management, and adjustment adaptation address critical interpersonal relations of employees both inside and outside the organization. In order to establish effective relations with people, they must learn as to how to communicate. Nonverbal communication, including body language (e.g., gestures and handshakes), can be particularly important. Part of the communication training effort should focus on learning to understand cultural differences in body language and other nonverbal communication when dealing with different cultural groups.

## **Human resource development programs for culturally diversified employees**

The changing demographics of the workforce present both opportunities and challenges to HRD professionals. One of the challenges is seeking to remove all causes of discrimination. HRD professionals can do at least two things. First, they must be willing to confront the underlying assumptions, beliefs, and attitudes that foster bigotry and stereotyping that exist within their organization. They can be advocates for people who are the victims of discrimination and must be willing to fight for institutional justice. Second, HRD professionals should examine their organization's practices in the areas of socialization, orientation, career development, and sexual and racial harassment.

### **Socialization and Orientation**

Socialization is the process by which an individual becomes an insider through assimilation roles, norms, and expectations of the organization. A new employee's initial experiences in an organization are particularly significant in influencing later decisions about career choices and to remain in an organization or not. For example, when learning experiences are designed for new employees, the following issues should be considered:

1. New employees (including women and minorities) may feel isolated when their cultural differences prevent them from obtaining the interesting and challenging work assignments that are needed to learn important job-related skills and to qualify for promotions.
2. Women and minorities may experience additional stresses if they feel they must become "bicultural" in order to be accepted by coworkers in the majority group.
3. Women and minorities are sometimes held in higher standards than other coworkers as they enter nontraditional occupations.

Failure to consider these issues can result in the loss of talented employees

Some organizations have recognized the influences of cultural differences on the socialization process and have taken steps to incorporate them into their orientation and socialization practices. For example, Armco Steel recognized that subtle attitudes and prejudices against women and minorities had a negative effect on their upward mobility. Armco saw how these attitudes and prejudices were manifested during the socialization process. Specifically, it looked for ways in which existing employees could serve as role models during the socialization process. Having role models from one's own race and gender can make it easier for new employees to confront issues like sexism and racism without fearing reprisal from coworkers

There is disagreement about the value of holding training and orientation programs that are targeted to a segregated audience (e.g., women or minorities only) Some organizations believe that if the goal of managing diversity is to get employees to work together, it is important not to segregate women or minorities at any point in their development. However, other organizations see such sessions as important in meeting the special needs of these groups. Organizations like DuPont and GTE provide additional classroom training for newly hired women, but the trend is to avoid the impression of preferential treatment. Morrison and Von Glinow have stated that, "Because women and minorities face special situations as tokens, they may need to perfect certain competencies such as conflict resolution." While we agree that it may be beneficial for incoming women and minorities to be given special awareness and training programs to help them make the adjustment and deal with difficult cultural issues, these programs should exist within an overall plan targeted toward all employees to achieve the goal of multiculturalism.

### **Career Development**

Most career development models and programs do not explicitly deal with the special concerns of a culturally diverse workforce. Programs that promote valuing differences and managing diversity can be useful in creating a positive climate for career advancement. Although both of these approaches rely on education and training to change some of the underlying assumptions, values, and beliefs that sustain barriers like the glass ceiling, only the managing diversity approach attempts to integrate these efforts into the organizational strategy. For example, Jim Preston,

former CEO of Avon, saw managing diversity as a significant part of his organization's business strategy, and stated that "if you are going to attract the best . . . people into your organization, you'd better have a culture; you'd better have an environment in which those people feel they can prosper and flourish."

Organizations can modify or create career development policies and programs without using a managing diversity approach. However, if sexist and racist attitudes are prevalent, an organization is less likely to be successful using "traditional" career development techniques to help advance the careers of women and minority employees. A "new" career development program should include specific roles for managers (e.g., serving as mentors or advocates) and a formal role for HRD department in monitoring the process.

### **Mentoring to Promote Diversity**

Mentoring is a relationship between a junior and senior member of the organization that contributes to the career development of both members. There is some evidence to suggest that women see barriers to mentoring because they feel that a male mentor might misconstrue their request as a romantic or sexual gesture, are concerned about how others feel about the relationship, and feel that the male mentor would reject them.

In terms of minorities, a study found that the development of minorities in organizations is affected by such things as the "absence of mentors, less interesting or challenging work as a result of being in the out group, and being left out of the informal social network." This is supported by research that has examined diversified mentoring relationships (i.e., those made up of a majority member and minority member) and homogeneous mentorship (i.e., those made up of both minority members and both majority members). The findings show the following relationships:

- Minorities in homogeneous mentoring relationships receive more psychosocial support (e.g., personal support, friendship) than those in diverse mentoring relationships.
- Mentors are also better role models in homogeneous relationships.



- Psychosocial support existed in diverse relationship when both the mentor and protégé showed the preferred strategy for dealing with (racial) differences.

HRD professionals who design and implement mentorship programs should be aware of these possibilities and attempt to construct their programs in ways that maximizes the benefits and minimizes the problems. Even though there are some inherent potential problems with mentoring, the benefits outweigh the potential pitfalls, and that mentoring should be part of the career development process.

### **Sexual and Racial Harassment Training**

Reports of sexual harassment have remained high over the past fifteen years. Organizations must take affirmative steps to deal with this problem at the workplace. Recent court decisions make it clear that the burden is on organizations to create a safe environment free from sexual demands or hostile acts. Similar issues exist concerning racial and other forms of harassment as well. For example, the Civil Rights Bureau for the State of Wisconsin advocates a single organizational policy covering all forms of workplace harassment.

A number of steps should be taken to implement training to reduce workplace harassment. On the whole, the HRD process model discussed, provides a framework for the issues that should be addressed in establishing this sort of program. The four steps listed highlight some of the issues specific to developing and delivering a sexual or racial harassment training program:

1. Preparation of a policy and complaint procedure. Make sure the harassment policy is up-to-date and can be understood by all members of the organization. An appropriate policy should include procedures for (1) defining the scope of responsibility, (2) prompt and measured responses to claims of harassment, (3) authority to address the issue, and (4) multiple avenues for filing complaints. Some organizations have made the employees to sign a document indicating that they have read and understood this policy.



2. Assessment of the organizational climate. It is important to determine if the organization is ready to accept the appropriate change, particularly if such training is mandatory. Also, it is important to survey the employees to see how they feel about harassment issues. The data could be helpful for determining program content. For example, if evidence shows that a number of supervisors try to discourage formal complaints; the program may need to reinforce supervisors' legal responsibilities in this area.
3. Content of the training program. The program should describe the current laws including interpretation of recent court decisions, review of the organizational policy and procedures, communicate a set of organizational standards of conduct, outline responsibilities of supervisors, discuss methods of counseling or referring victims, and address situations where harassment is likely to take place.
4. Selecting the trainer or trainers. Care must be taken in selecting a trainer who has both expert knowledge of the law and an understanding of the organizational politics. Many organizations seek an outside consultant with legal experience in this area.

In addition, the issue of whether the training should be mandatory or not should be assessed. As a rule, if there is sufficient evidence for widespread harassment, training should be mandatory. These steps need to be modified in situations where there is significant resistance to change. If this is the case, organizations often take a more direct approach (e.g., zero tolerance) to ensure that this kind of discrimination is eliminated or at least minimized.

Some organizations advocate zero tolerance, which suggests that policies dealing with all forms of discrimination will not be accepted. In this situation, the policies would probably include strong sanctions against certain kinds of behavior, up to and including dismissal.

Even with a strong policy, however, it is recommended that training and education be used as a vehicle for communicating the policy. The long-term effectiveness of these kinds of interventions depends on the continued commitment of top management.

## **Other Human Resource Management Programs and Processes**

Many organizations have extended managing diversity programs beyond HRD programs and processes by changing human resource management (HRM) policies and programs to meet the special needs of the new workforce. Through the development of affirmative action and “diversity recruitment” programs, many organizations have been able to develop effective recruitment methods that are more effective in attracting qualified women and minority candidates. A growing number of organizations are holding managers formally accountable for diversity goals, for example, incorporating such goals into their performance evaluation process.’ Further, the influx of women and minorities into the workforce has led the organizations to modify some of their HRM practices to meet the needs of a culturally diverse workforce. For example, some organizations have devised flexible work schedules and child-care programs directed at the growing number of working mothers who are entering or reentering the workforce. IBM, after realizing that 30 percent of its employees had child-care needs and an equal number had elder-care responsibilities, revised its child-care program and established a program for elder care.

### **Summary**

Cultural diversity is defined as the existence of two or more persons from different cultural groups in any single group or organization. Managing diversity is a comprehensive managerial process for developing an environment that works for all employees. Most cross-cultural awareness training programs deal with raising the awareness of cultural differences, focusing on ways attitudes are shaped, providing factual information about each culture and building skills in the areas of language, nonverbal communication, cultural stress management, and adjustment adaptation skills. HRD professionals should examine their organization’s practices in the areas of socialization, orientation, career development, and sexual and racial harassment.

## Self Assessment Questions

1. What is meant Workforce reduction and realignment
2. Discuss the effects of Mergers and Acquisitions on employee turnover
3. Explain the approaches of Downsizing
4. Discuss the determinants of employee retention
5. Define bench marking
6. How do you evaluate the cost of HR
7. Discuss the impact globalization on HRD
8. Explain global staffing
9. Explain classification of International employee
10. Explain the functions of HRD in the Global employment?
11. Define cultural diversity
12. Explain the cross cultural education and training programs
13. Explain HRD programs for managing diversity

## CASE STUDY

In March 2006, some leading IT services companies in India such as Wipro Technologies (Wipro) and IBM India dismissed several employees, when they discovered that the information provided in the employees' Curriculum Vitae (CVs) was false. The companies also blamed some of the recruitment agencies which had recruited the dismissed employees, for helping them to fake their CV's. These charges and allegations highlighted the growing problem of fake CVs in the Indian job market. The phenomenon of fake CVs was not just restricted to the software industry. It was also prevalent in other sectors like ITeS, financial services, retail etc. It was estimated that Rs 400 crores was spent by Indian companies for filling 200,000 jobs a year in these sectors and 10-12% of the selected candidates had submitted false information in their CVs. However, the extent of falsification was believed to be much higher in the IT and ITeS sectors as they accounted for 50% of the 200,000 jobs and were highly attractive to job seekers due to their high salary packages and other benefits.

The main areas for falsification were work experience, expertise and skills, educational qualifications, and previous salary packages. It

was reported that in many cases the falsification of the CV's was done with active collaboration of recruitment agencies and at times even with the knowledge and connivance of the company's recruitment managers. The boom in the Indian job market had resulted in the growth of the recruitment industry and it was reported that 1,500 new recruitment agencies were set up since 2004 to cater to the growing demand. The issue of fake CVs highlighted concerns regarding the professional practices and ethics of the recruitment agencies. Industries which used the services of these agencies were concerned about the negative perceptions the issue might create with customers based in foreign countries. They felt that this problem, if unchecked, could negate India's status as a favorable destination for outsourcing of software and BPO services. The Executive Recruiters Association (ERA), the association of the Indian recruitment industry, expressed its regrets on this issue and promised strict action against the erring member agencies.

1. Elucidate the problem in this case
2. State the ethical issues in this case.
3. Should the companies go for direct recruitment or outsource?
4. Suggest suitable methods for improving this situation

### **CASE STUDY**

Automotive Components Limited is a major manufacturer of automatic filters mostly used in automobiles of various types. It supplies filters directly to automobile manufacturers in bulk quantity besides supplying to the market for replacement. On one day two engineers from a reputed engineering consultant came. They inspected the production facilities and workshop; they came on the next two days also. During their visit the atmosphere in the workshop was tense as the engineers made several enquiries from the foreman of the workshop. Three days after the last visit of these engineers a notice was put on the notice board asking the workers to shut off motors and lights during the lunch break.

During the following week a rumor spread that the company was not able to discharge its contractual commitments because of the technical defects in the plant. Therefore a big order was likely to be cancelled resulting into closure of the plant for some time. This period became quite

distributed both for workers as well as for the foreman .Three workers made enquires on different occasions from the foreman. About the reasons for the visits by the outside engineers .In fact one of the workers put a question” Is there going to be layoff in the plant?” The foreman himself being ignorant in the matter had little to say. Thus rumors spread further about the likely layoff and retrenchment .The union leaders criticized the approach of the management and threatened with strike if any worker was laid off or retrenched.

On getting this news of lower productivity and threat of strike the production manager visited the plant and talked to the foreman and some of the senior workers. One of the office bearers of the union questioned angrily when some of them were to be thrown out. The production manager was taken by surprise and asked the foreman what workers were talking about. The foreman narrated the total situation right since the visits of outside engineers and notice of conserving power. He also told about the rumour of cancellation of big order and consequently retrenchment of some of the workers the production manager was taken back and could not believe what the foreman was saying .He asked the foreman “But all this is not true, did you not tell the workers?” The foreman kept quiet.

Later in the day, the production manager called a meeting of union office bearers along with some workers. He also invited the foreman to attend the meeting. In the meeting the production manager informed about the objectives of the visits of outside engineers. He told that the engineers were invited to observe the existing machine layout and to draw plan for installing new equipment.

He explained that notice for putting off motors and lights during the lunch break was meant to save power as there was shortage of power and this had nothing to do with the visits of the engineers. Regarding the cancellation of order, he agreed that one big order was likely to be cancelled because of some troubles at the buyers’ plant but the company had secured a much bigger order and that instead of layoff. There would in fact be more recruitment. But all these could not convince the workers and after two days the union gave a notice to the production manager for a one day protest strike.

## Questions

1. Discuss the reasons for the problem that arise in the company.
2. Advise the production manager as to how he should proceed in the matter.

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