Need for Training

After employees have been selected for various positions in an organisation, training them for the specific tasks to which they have been assigned assumes great importance. It is true in many organisations that before an employee is fitted into a harmonious working relationship with other employees, he is given adequate training. Training is the act of increasing the knowledge and skills of an employee for performing a particular job. The major outcome of training is learning. A trainee learns new habits, refined skills and useful knowledge during the training that helps him improve performance. Training enables an employee to do his present job more efficiently and prepare himself for a higher level job.[1] The essential features of training may be stated thus:

Box 9.1: Features of Training

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

Training is needed to serve the following purposes:[2] Need/purpose.

- Newly recruited employees require training so as to perform their tasks effectively. Instruction, guidance, coaching help them to handle jobs competently, without any wastage.
- Training is necessary to prepare existing employees for higher-level jobs (promotion).
- Existing employees require refresher training so as to keep abreast of the latest developments in job operations. In the face of rapid technological changes, this is an absolute necessity.
- Training is necessary when a person moves from one job to another (transfer). After training, the employee can change jobs quickly, improve his performance levels and achieve career goals comfortably
- Training is necessary to make employees mobile and versatile. They can be placed on various jobs depending on organisational needs.
- Training is needed to bridge the gap between what the employee has and what the job demands. Training is needed to make employees more productive and useful in the long-run.
- Training is needed for employees to gain acceptance from peers (learning a job quickly and being able to pull their own weight is one of the best ways for them to gain acceptance).

Training vs Development

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

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

table 9.1

Distinctions between Training and Development

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

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

when trainees are provided ample opportunities to repeat the task. For maximum benefit, practice sessions should be distributed over time.

Applicability of Training

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

Environment

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

Areas of Training

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

Knowledge

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

Technical Skills

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

Social Skills

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

Techniques

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

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

Types of Training

There are many approaches to training. We focus here on the types of training that are commonly employed in present-day organisations.[5]

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

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

- ***Refresher training:*** Rapid changes in technology may force companies to go in for this kind of training. By organising short-term courses which incorporate the latest developments in a particular field, the company may keep its employees up-to-date and ready to take on emerging challenges. It is conducted at regular intervals by taking the help of outside consultants who specialise in a particular descriptive.
- ***Cross-functional Training:*** Cross-functional Training involves training employees to perform operations in areas other than their assigned job. There are many approaches to cross functional training. Job rotation can be used to provide a manager in one functional area with a broader perspective than he would otherwise have. Departments can exchange personnel for a certain period so that each employee understands how other departments are functioning. High performing workers can act as peer trainers and help employees develop skills in another area of operation. Cross functional training provides the following benefits to an organisation (and the workers as well) (1) Workers gain rich experience in handling diverse jobs; they become more adaptable and versatile (2) they can better engineer their own career paths (3) they not only know their job well but also understand how others are able to perform under a different set of constraints (4) A broader perspective increases workers' understanding of the business and reduces the need for supervision (5) when workers can fill in for other workers who are absent, it is easier to use flexible scheduling, which is increasingly in demand as more employees want to spend more time with their families. Eli Lilly and Company (India), for example, encourages cross functional movements to make the organisation equally attractive to both specialists and generalists.

Box 9.2: Cross Functional Training: Indian Experiences

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

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

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

Box 9.3: How to be Creative ?

Postpone judgement : Don't reject any idea
↓
Create alternative frames of reference
↓
Break the boundary of thinking
↓
Examine a different aspect of the problem
↓
Specify the resources and environment
↓
Make a wish-list of solutions
↓
Borrow ideas from other fields
↓
Look for processes to change or eliminate
↓
Think up alternative methods
↓
Adopt another person's perspective
↓
Question all Assumptions

In creativity training, trainers often focus on three things :

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

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

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

- ***Diversity Training:*** Diversity training considers all of the diverse dimensions in the workplace – race, gender, age, disabilities, lifestyles, culture, education, ideas and backgrounds – while designing a training programme. It aims to create better cross-cultural sensitivity with the aim of fostering more harmonious and fruitful working relationships among a firm's employees. The programme covers two things : (i) awareness building, which helps employees appreciate the key benefits of diversity, and (ii) skill building, which offers the knowledge, skills and abilities required for working with people having varied backgrounds.
- ***Literacy Training:*** Inability to write, speak and work well with others could often come in the way of discharging duties, especially at the lower levels. Workers, in such situations, may fail to understand safety messages, appreciate the importance of sticking to rules, and commit avoidable mistakes. Functional illiteracy (low skill level in a particular content area) may be a serious impediment to a firm's productivity and competitiveness. Functional literacy programmes focus on the basic skills required to perform a job adequately and capitalise on most workers' motivation to get help in a particular area. Tutorial programmes, home assignments, reading and writing exercises, simple mathematical tests, etc., are generally used in all company in-house programmes meant to improve the literacy levels of employees with weak reading, writing or arithmetic skills.

A Systematic Approach to Training

Training is most effective when it is planned, implemented and evaluated in a systematic way. Unplanned, uncoordinated and haphazard training efforts greatly reduce the learning that can be expected. Table 9.3 shows three major components of a systematic approach to training[6].

table 9.3

A Systematic Approach to Training

1. Assessment	2. Implementation	3. Evaluation
• Determine training needs	• Select training methods	• Compare training outcomes against criteria
• Identify training objectives	• Conduct training	

Training Needs Assessment = OR Training Need Analysis

Training efforts must aim at meeting the requirements of the organisation (long-term) and the individual employees (short-term). This involves finding answers to questions such as: Whether training is needed? If yes, where is it needed? Which training is needed? etc. Once we identify training gaps within the organisation, it becomes easy to design an appropriate training programme. Training needs can be identified through the following types of analysis, as shown in Table 9.4.

a. ***Organisational analysis:*** It involves a study of the entire organisation in terms of its objectives, its resources, the utilisation of these resources, in order to achieve stated objectives and its interaction pattern with environment. The important elements that are closely examined in this connection are:
    - *Analysis of objectives:* This is a study of short term and long term objectives and the strategies followed at various levels to meet these objectives.
    - *Resource utilisation analysis:* How the various organisational resources (human, physical and financial) are put to use is the main focus of this study. The contributions of various departments are also examined by establishing efficiency indices for each unit. This is done to find out comparative labour costs, whether a unit is under-manned or over-manned.
    - *Environmental scanning:* Here the economic, political, socio-cultural and technological environment of the organisation is examined.

table 9.4

Data Sources used in Training Needs Assessment

Organisational Analysis	Task Analysis	Person Analysis
Organisational goals and objectives	Job descriptions	Performance data or appraisals
Personnel inventories	Job specifications	Work sampling
Skills inventories	Performance standards	Interviews
Organisational climate analysis	Performing the job	Questionnaires
Efficiency indexes	Work sampling	Tests (KASOCs)
Changes in systems or subsystems (e.g., equipment)	Reviewing literature on the job	Customer/employee attitude surveys
Management requests	Asking questions about the job	Training progress
Exit interviews	Training committees	Rating scales
MBO or work planning systems	Analysis of operating problems	CIT
Customer survey/satisfaction data		Diaries
		Devised situations (e.g., role play)
		Assessment centers
		MBO or work planning systems

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

- *Organisational climate analysis:* The climate of an organisation speaks about the attitudes of members towards work, company policies, supervisors, etc. Absenteeism, turnover ratios generally reflect the prevailing employee attitudes. These can be used to find out whether training efforts have improved the overall climate within the company or not.

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

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

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

Box 9.4: Model Form for Conducting a 'Training Needs' Assessment

Conducting a Needs Assessment: A Model Form

Job ______________________ Title ______________________

Interviewer(s) ______________________ Date ______________________

Part I Background Information on Interviewee

Years on the Job ______________________ Years in the company______________________

Educational/Technical Qualifications ______________________

Part II Organisational Analysis

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

Part III Task and Person Analysis

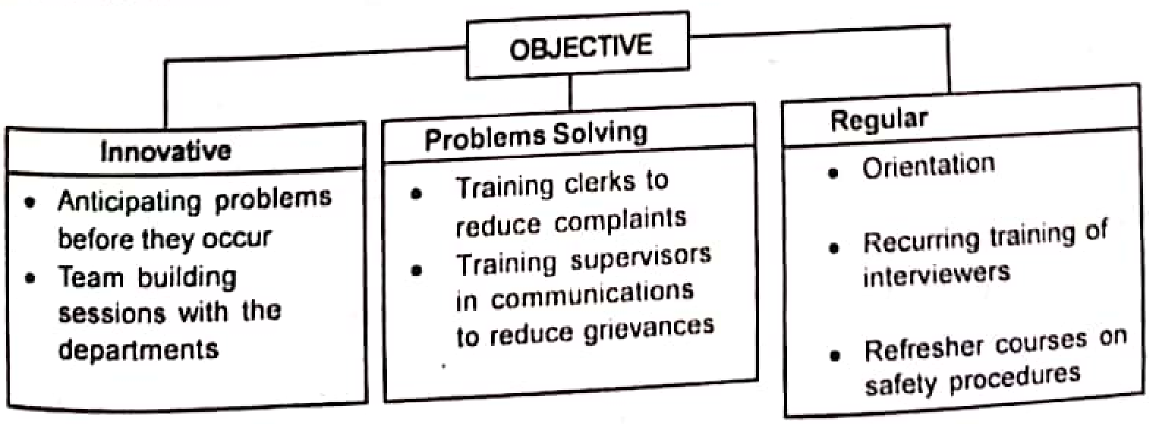
9. Describe the major duties of your job. Rank them in terms of importance (1= most important)
10. Think about a person who is very effective at your job. What knowledge, skills or abilities does this person possess? Can these skills be enhanced through training? If yes, explain the type of training that might be helpful.
11. Do you foresee any additional job demands being added to the current responsibilities in your job in the next 5 years or so? If yes, what additional skills or abilities will be required to meet these demands?

Identify Training Objectives

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

figure 9.1

Objectives of Training



As Figure 9.1 suggests, training objectives can be of three types. The most basic training takes place through orientation programmes. The second type of training objective is problem solving. The focus is on solving a specific problem instead of providing general information about a problem area. The final objective is innovation. Here the emphasis is on changing the mind set of workers, supervisors and executives working at various levels.

Training Methods

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

1. Job Instruction Training (JIT)

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

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

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

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

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

table 9.5

Job Instruction Training

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

2. Coaching

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

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

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

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

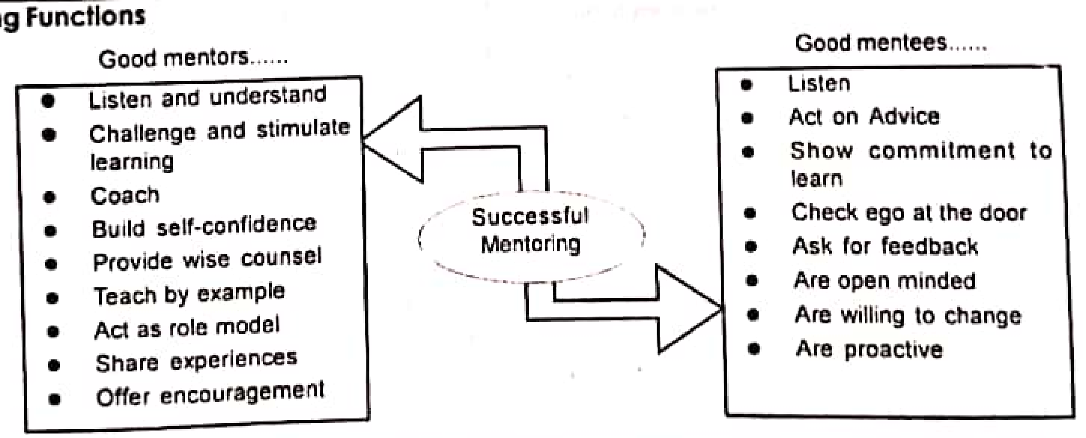
- *explaining* appropriate ways of doing things
- *making* clear why actions were taken
- *stating* observations accurately
- *offering* possible alternatives / suggestions
- *following up*

3. Mentoring

Mentoring is a relationship in which a senior manager in an organisation assumes the responsibility for grooming a junior person. Technical, interpersonal and political skills are generally conveyed in such a relationship from the more experienced person. A mentor is a teacher, spouse, counsellor, developer of skills and intellect, host, guide, exemplar, and most importantly, supporter and facilitator in the realisation of the vision the young person (protégé) has about the kind of life he wants as an adult. The main objective of mentoring is to help an employee attain psychological maturity and effectiveness and get integrated with the organisation. In a work situation, such mentoring can take place at both formal and informal levels, depending on the prevailing work culture and the commitment from the top management. Formal mentoring can be very fruitful, if management invests time and money in such relationship building exercises. The important features/processes of mentoring may be presented thus (Figure 9.2)[7]:

figure 9.2

Mentoring Functions



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

  1. *Sponsorship:* Where mentors actively nominate a junior person (called 'mentee') for promotions or desirable positions.

2. *Exposure and visibility:* Where mentors offer opportunities for mentees to interact with senior executives, demonstrate their abilities and exploit their potential.

3. *Coaching:* Mentors help mentees to analyse how they are doing their work and to define or redefine their aspirations. Here mentors offer practical advice on how to accomplish objectives and gain recognition from others.

4. *Protection:* Mentors shield the junior person from harmful situations/seniors.

5. *Challenging assignments:* Mentors help mentees develop necessary competencies through challenging job assignments and appropriate feedback. Mentors create opportunities for their clients to prove their worth – to demonstrate clearly what they have to offer.

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

6. *Role modelling:* Mentors offer mentees a pattern of values and behaviours to imitate

7. *Acceptance and confirmation:* mentors offer support, guidance and encouragement to mentees so that they can solve the problems independently and gain confidence in course of time. Mentors also help people to learn about the organisation's culture and understand why things are done in certain ways.

8. *Counselling:* Mentors help mentees work out their personal problems, learn about what to do and what not to do, offer advice on what works and what doesn't, and do everything to demonstrate improved performance and prepare themselves for greater responsibility.

9. *Friendship:* Mentors offer practical help and support to mentees so that they can indulge in mutually satisfying social interactions (with peers, subordinates, bosses and customers)

table 9.6

Merits and Demerits of Mentoring

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

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

4. Job Rotation

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

Job rotation may pose several problems, especially when the trainees are rolled on various jobs at frequent intervals. In such a case, trainees do not usually stay long enough in any single phase of the operation to develop a high degree of expertise. For slow learners, there is little room to integrate resources properly. Trainees can become confused when they are exposed to rotating managers, with contrasting styles of operation. Today's manager's commands may be replaced by another set from another manager! Further, job rotation can be quite expensive. A substantial amount of managerial time is lost when trainees change positions, because they must be acquainted with different people and techniques in each department. Development costs can go up and productivity is reduced by moving a trainee into a new position when his efficiency levels begin to improve at the prior job. Inexperienced trainees may fail to handle new tasks in an efficient way. Intelligent and aggressive trainees, on the offer hand, may find the system to be thoroughly boring as they continue to perform more or less similar jobs without any stretch, pull and challenge. To get the best results out of the system, it should be tailored to the needs, interests and capabilities of the individual trainee, and not be a standard sequence that all trainees undergo.[8] Table 9.7 presents the mertis and demerits of job rotation:

table 9.7

Job Rotation: Merits and Demerits

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

5. Apprenticeship Training

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

6. Committee Assignments

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

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

Off-the-Job Methods

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

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

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

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

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

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

Behaviourally Experienced Training

Some training programmes focus on emotional and behavioural learning. Here employees can learn about behaviour by role playing in which the role players attempt to act their part in respect of a case, as they would behave in a real-life situation. Business games, cases, incidents, group discussions and short assignments are also used in behaviourally-experienced learning methods. Sensitivity training or laboratory training is an example of a method used for emotional learning. The focus of experiential methods is on achieving, through group processes, a better understanding of oneself and others. These are discussed elaborately in the section covering Executive Development Programmes.

Evaluation of a Training Programme

The specification of values forms a basis for evaluation. The basis of evaluation and the mode of collection of information necessary for evaluation should be determined at the planning stage. The process of training evaluation has been defined as "any attempt to obtain information on the effects of training performance and to assess the value of training in the light of that information." Evaluation helps in controlling and correcting the training programme. Hamblin suggested five levels at which evaluation of training can take place, viz., reactions, learning, job behaviour, organisation and ultimate value[9].

1. ***Reactions:*** Trainee's reactions to the overall usefulness of the training including the coverage of the topics, the method of presentation, the techniques used to clarify things, often throw light on the effectiveness of the programme. Potential questions to trainees might include : (i) What were your learning goals for the programme? (ii) Did you achieve them? (iii) Did you like this programme? (iv) Would you recommend it to others who have similar learning goals? (v) What suggestions do you have for improving the programme? (vi) Should the organisation continue to offer it ?

2. ***Learning:*** Training programme, trainer's ability and trainee's ability are evaluated on the basis of quantity of content learned and time in which it is learned and learner's ability to use or apply the content learned.

3. ***Job behaviour:*** This evaluation includes the manner and extent to which the trainee has applied his learning to his job.

4. ***Organisation:*** This evaluation measures the use of training, learning and change in the job behaviour of the department/organisation in the form of increased productivity, quality, morale, sales turnover and the like.

5. ***Ultimate value:*** It is the measurement of ultimate result of the contributions of the training programme to the company goals like survival, growth, profitability, etc. and to the individual goals like development of personality and social goals like maximising social benefit.

An example of an assessment firm to be completed by trainees is given in Box No. 9.4.

Decision Points in Planning Training Evaluation

John Dopyera and Louise Pitone identified eight decision points in planning training evaluation. They are:

1. Should an evaluation be done? Who should evaluate?
2. What is the purpose of evaluation? There are mainly two purposes of doing evaluation. They are justification evaluation and determination evaluation. Justification evaluations are undertaken as

Methods of Evaluation

Various methods can be used to collect data on the outcomes of training. Some of these are:

- ***Questionnaires:*** Comprehensive questionnaires could be used to obtain opinions, reactions, views of trainees.
- ***Tests:*** Standard tests could be used to find out whether trainees have learnt anything during and after the training.
- ***Interviews:*** Interviews could be conducted to find the usefulness of training offered to operatives.
- ***Studies:*** Comprehensive studies could be carried out eliciting the opinions and judgements of trainers, superiors and peer groups about the training.
- ***Human resource factors:*** Training can also be evaluated on the basis of employee satisfaction, which in turn can be examined on the basis of decrease in employee turnover, absenteeism, accidents, grievances, discharges, dismissals, etc.
- ***Cost benefit analysis:*** The costs of training (cost of hiring trainers, tools to learn, training centre, wastage, production stoppage, opportunity cost of trainers and trainees) could be compared with its value (in terms of reduced learning time, improved learning, superior performance) in order to evaluate a training programme.
- ***Feedback:*** After the evaluation, the situation should be examined to identify the probable causes for gaps in performance. The training evaluation information (about costs, time spent, outcomes, etc.) should be provided to the instructors, trainees and other parties concerned for control, correction and improvement of trainees' activities. The training evaluator should follow it up sincerely so as to ensure effective implementation of the feedback report at every stage.

Summary

- Training is a planned programme designed to improve performance and to bring about measurable changes in knowledge, skills, attitude and social behaviour of employees.
- Training makes employees versatile, mobile, flexible and useful to the organisation.
- Development is future-oriented training, focusing on the personal growth of the employee.
- Learning principles are the guidelines to the way people learn most effectively. More effective training incorporates more of these principles.
- The various types of training include: skills training, refresher training, cross functional training, team training, creativity training, diversity training, and literacy training.
- In order to have effective training programmes, the systems approach is recommended. The systems approach consists of three phases: needs assessment, implementation and evaluation.
- Needs assessment covers: organisation analysis, task and performance analysis and manpower analysis.
- Formal training methods include (i) on-the-job training covering job instruction training, coaching, mentoring, job rotation, apprenticeship training, committee assignments and (ii) off-the-job training includes lectures, conferences, simulation exercises and programmed instruction.
- Training can be evaluated at five levels: reaction, learning, behaviour, organisation and results.

Introduction

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

The Concept

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

table 10.1

Training Versus Development

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

Definition

Executive or management development is a planned, systematic and continuous process of learning and growth by which managers develop their conceptual and analytical abilities to manage. It is the result of not only participation in formal courses of instruction but also of actual job experience. It is primarily concerned with improving the performance of managers by giving them stimulating opportunities for growth and development.[1]

Box 10.1: Features of Executive Development

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

Importance

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

- For any business, Executive Development is an invaluable investment in the long run. It helps managers to acquire knowledge, skills and abilities (KSAs) required to grapple with complex changes in environment, technology and processes quite successfully. They can have a better grip over market forces and get ahead of others in the race in a confident manner.
- Developmental efforts help executives to realise their own career goals and aspirations in a planned way.
- Executives can show superior performance on the job. By handling varied jobs of increasing difficulty and scope, they become more useful, versatile and productive. The rich experience that they gain over a period of time would help them step into the shoes of their superiors easily.
- Executive Development programmes help managers to broader their outlook, look into various problems dispassionately, examine the consequences carefully, appreciate how others would react to a particular solution and discharge their responsibilities taking a holistic view of the entire organisation.
- The special courses, projects, committee assignments, job rotation and other exercises help managers to have a feel of how to discharge their duties without rubbing people (subordinates, peers, superiors, competitors, customers, etc.) the wrong way.

Steps in the Organisation of a Management Development Programme

The following are the important steps in the organisation of a management development programme:[2]

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

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

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

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

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

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

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

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

Methods/Techniques of Management Development Programmes

Management development programmes help in acquiring and developing different types of managerial skills and knowledge. Different types of techniques are used to acquire and develop various types of managerial skills and knowledge. They are (See Table 10.2):

table 10.2

Methods of Developing Managers

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

Decision-making Skills

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

a. ***In-basket:*** In this method, the participant is given a number of business papers such as memoranda, reports and telephone messages that would typically cross a manager's desk. The papers, presented in no particular sequence, call for actions ranging from urgent to routine handling. The participant is required to act on the information contained in these papers. Assigning a priority to each particular matter is initially required.[3]

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

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

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

table 10.3

Merits and Demerits of the Case Study Method

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

The success of this method is closely linked to the maturity and experience of the trainer who should facilitate the group's learning, keep participants on track and help them see the underlying management concepts in the case clearly. Further, it is also necessary to come up with good case material based on real life situations and present the same before trainees in an interesting manner. When cases are meaningful and are similar to work related situations, trainees can certainly improve their decision-making skills and problem-solving abilities.[4]

Box 10.2 When using case studies

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

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

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

table 10.4

Merits and Demerits of the Business Game Method

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

Interpersonal Skills

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

a. ***Role play:*** This is a technique in which some problem – real or imaginary – involving human interaction is presented and then spontaneously acted out. Participants may assume the roles of specific organisational members in a given situation and then act out their roles. For example, a trainee might be asked to play the role of a supervisor who is required to discipline an employee smoking in the plant in violation of the rules. Another participant would assume the role of the employee. The individual playing the supervisory role would then proceed to take whatever action he deems appropriate. This action then provides the basis for discussion and comments by the groups.[6]

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

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

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

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

In sensitivity training, the actual technique employed is T-group (T stands for training). It is a small group of ten to twelve people assisted by a professional behavioural scientist who acts as a catalyst and trainer for the group. There is no specified agenda. He merely creates the opportunity for group members to express their ideas and feelings freely. Since the trainer has no leadership role to play, the group must work out its own methods of proceeding. A leaderless and agendum-free group session is on. They can discuss anything they like. Individuals are allowed to focus on behaviour rather than on duties. As members engage in the dialogue, they are encouraged to learn about themselves as they interact with others.[7]

Box 10.3: Features of T-Group Training

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

Benefit and Costs

The benefits and costs of sensitivity training have been summarised through Table 10.5.

table 10.5

Sensitivity – A Balance Sheet

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

Job Knowledge

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

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

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

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

- *Learning points:* At the beginning, the essential goals and objectives of the programme are stated. In some cases the learning points are a sequence of behaviours that are to be taught.
- *Modelling:* Trainees watch films or viedotapes in which a model manager is portrayed dealing with an employee in an effort to improve his performance. The model shows specifically how to deal with the situation and demonstrates the learning points.
- *Role playing:* Trainees participate in extensive rehearsal of the behaviours shown by the models.

Introduction

After an employee has been selected for a job, has been trained to do it and has worked on it for a period of time, his performance should be evaluated. Performance Evaluation or Appraisal is the process of deciding how employees do their jobs. Performance here refers to the degree of accomplishment of the tasks that make up an individual's job. It indicates how well an individual is fulfilling the job requirements. Often the term is confused with efforts, which means energy expended and used in a wrong sense. Performance is always measured in terms of results. A bank employee, for example, may exert a great deal of effort while preparing for the CAIIB examination but manages to get a poor grade. In this case the effort expended is high but performance is low.[1]

Definition

Performance appraisal is a method of evaluating the behaviour of employees in the workspot, normally including both the quantitative and qualitative aspects of job performance. It is a systematic and objective way of evaluating both work-related behaviour and potential of employees. It is a process that involves determining and communicating to an employee how he or she is performing the job and ideally, establishing a plan of improvement.[2]

Box 15.1: What is Performance appraisal?

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

Features

The main characteristics of performance appraisal may be listed thus:

- The appraised is *a systematic process* involving three steps:
  a. Setting work standards.
  b. Assessing employee's actual performance relative to these standards.
  c. Offering feedback to the employee so that he can eliminate deficiencies and improve performance in course of time.
- It tries to find out how well the employee is performing the job and tries to establish a plan for further improvement.
- The appraisal is carried out periodically, according to a definite plan. It is certainly *not a one shot deal.*
- Performance appraisal is *not a past-oriented activity*, with the intention of putting poor performers in a spot. Rather, it is a future oriented activity showing employees where things have gone wrong, how to set everything in order, and deliver results using their potential in a proper way.
- Performance appraisal is *not job evaluation*. Performance appraisal refers to how well someone is doing an assigned job. Job evaluation, on the other hand, determines how much a job is worth to the organisation and therefore, what range of pay should be assigned to the job.
- Performance appraisal is *not limited to 'calling the fouls'*. Its focus is on employee development. It forces managers to become coaches rather then judges. The appraisal process provides an opportunity to identify issues for discussion, eliminate any potential problems, and set new goals for achieving high performance.

Performance appraisal may be *formal or informal*. The informal evaluation is more likely to be subjective and influenced by personal factors. Some employees are liked better than others and have, for that reason only, better chances of receiving various kinds of rewards than others. The formal system is likely to be more fair and objective, since it is carried out in a systematic manner, using printed appraisal forms.

Objectives

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

Appraisal of employees serves several useful purposes:[3]

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

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

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

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

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

Box 15.2: The Benefits of Performance Appraisal

Employer perspective [Administrative uses]

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

Employee perspective [developmental purposes]

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

What is to be Appraised?

Every organisation has to decide upon the content to be appraised before the programme is approved. Generally, the content to be appraised is determined on the basis of job analysis. The content to be appraised may be in the form of contribution to organisational objectives (measures) like production, savings in terms of cost, return on capital, etc. Other measures are based on: (1) behaviours which measure observable physical actions, movements, (2) objectives which measure job related results like amount of deposits mobilised, and (3) traits which are measured in terms of personal characteristics

19. Comment about your originality and resourcefulness.
20. Identify the areas of work to which you are best suited.
21. Comment about the level and nature of your judgement skills.
22. Do you have skills of integrity?
23. Do you have the ability to accept responsibility?
24. List out your achievements during the present year.
25. Would you like to develop yourself? If yes, specify the areas of technical, marginal and human relations' areas.
26. Are you interested in specialised jobs or generalised jobs?
27. Indicate their improvements in your work performance.
28. To what extent have you availed the leave facility?
29. Specify your participation in extra curricular activities.
30. Provide any other related information.

Signature of the Employee

Date

Comments of Immediate Superior

Signature

Users of services: Employees' performance in service organisations relating to behaviours, promptness, speed in doing the job and accuracy can be better judged by the customers or users of services. For example, a teacher's performance is better judged by students and the performance of a conductor of a bus is better judged by passengers.

Consultants: Sometimes, consultants may be engaged for appraisal when employees or employers do not trust the supervisory appraisal and management does not trust the self-appraisal or peer appraisal or subordinate appraisal. In this situation, consultants are trained and they observe the employee at work for sufficiently long periods for the purpose of appraisal.

In view of the limitations associated with each and every method discussed above, several organisations follow a multiple rating system wherein several superiors separately fill out rating forms on the same subordinate. The results are then tabulated.

When to Appraise?

Informal appraisals are conducted whenever the supervisor or personnel managers feel it is necessary. However, systematic appraisals are conducted on a regular basis, say, for example, every six months or annually. One study of 244 firms found that appraisals were most often conducted once a year. According to another Indian study, eight organisations appraised their supervisory personnel at their anniversary date of joining Recent research suggests, however, that more frequent feedback correlates positively with improved performance. Research has also indicated that appraisals for development purpose should be separated from those for salary administration.[5]

The Performance Appraisal Process

Performance appraisal is planned, developed and implemented through a series of steps.[6]

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

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

Box 15.4: Yearly Performance Review

Name of the Employee:	Mr Raju
Date:	31.12.1999

Use the following scale to rate the employee
(1 poor 2 below average 3 average 4 good 5 excellent)

a. Absenteeism	1 2 3 4 5
b. Quality of work	1 2 3 4 5
c. Quantity of work	1 2 3 4 5
d. Attitude toward the job	1 2 3 4 5
e. Personality-related factors	1 2 3 4 5
f. Interpersonal relations	1 2 3 4 5

(Bold letters indicate the actual rating by the manager as on 31.12.1999)

Supervisor________ Employee________

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

To avoid embarrassments of this kind, performance standards must be clear to both the appraiser and the appraisee. The performance standards or goals must be developed after a thorough analysis of the job. Goals must be written down. Just talking about them is not enough. They must be measurable within certain time and cost considerations. For example, the regional sales officer may be asked: "The sales of colour television sets in Ghaziabad must increase by 1000 per month in the next 6 months and the budget toward promotional expenses would Rs 5,000 per month."

Box 15.5: Criteria for Identifying and Writing Good Performance Goals

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

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

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

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

Box 15.6: Measurement of Performance of a Telephone Operator

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

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

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

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

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

Methods of Performance Appraisal

The performance appraisal methods may be classified into three categories, as shown in Figure 15.1:[7]

figure 15.1

Performance Appraisal Methods

Performance Appraisal Methods

Individual evaluation methods
1. Confidential report
2. Essay evaluation
3. Critical incidents
4. Checklists
5. Graphic rating scale
6. Behaviourally anchored rating scales
7. Forced choice method
8. MBO

Multiple-person evaluation methods
9. Ranking
10. Paired comparison
11. Forced distribution

Other methods
12. Group Appraisal
13. HRA
14. Assessment centre
15. Field review

Individual Evaluation Methods

Under the individual evaluation methods of merit rating, employees are evaluated one at a time without comparing them with other employees in the organisation.

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

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

4. ***Checklists and weighted checklists:*** Another simple type of individual evaluation method is the checklist. A checklist represents, in its simplest form, a set of objectives or descriptive statements about the employee and his behaviour. If the rater believes strongly that the employee possesses a particular listed trait, he checks the item; otherwise, he leaves the item blank. A more recent variation of the checklist method is the weighted list. Under this, the value of each question may be weighted equally or certain questions may be weighted more heavily than others. The following are some of the sample questions in the checklist.

- *Is the employee really interested in the task assigned?* Yes/No
- *Is he respected by his colleagues (co-workers)* Yes/No
- *Does he respect his superiors?* Yes/No
- *Does he follow instructions properly?* Yes/No
- *Does he make mistakes frequently?* Yes/No

A rating score from the checklist helps the manager in evaluation of the performance of the employee. The checklist method has a serious limitation. The rater may be biased in distinguishing the positive and negative questions. He may assign biased weights to the questions. Another limitation could be that this method is expensive and time consuming. Finally, it becomes difficult for the manager to assemble, analyse and weigh a number of statements about the employee's characteristics, contributions and behaviours.

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

Box 15.7: Typical Graphic Rating Scale

Employee Name....................
Department.........................
Data.................................

Job title ....
Rate ....

	Unsatisfactory	Fair	Satisfactory	Good	Outstanding
• **Quantity of work** Volume of work under normal working conditions					
• **Quality of work** neatness, thoroughness and accuracy of work					
• **Knowledge of job** A clear understanding of the factors connected with the job					
• **Attitude** Exhibits enthusiasm and cooperativeness on the job					

Contd.

with respect to attendance, reliefs, lunch breaks, etc.

- **Cooperation** Willingness and ability to work with others to produce desired goals.

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

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

Behaviourally anchored rating scales: Also known as the behavioural expectations scale, this method represents the latest innovation in performance appraisal. It is a combination of the rating scale and critical incident techniques of employee performance evaluation. The critical incidents serve as anchor statements on a scale and the rating form usually contains six to eight specifically defined performance dimensions. Figure 15.2 represents a BARS scale for a college professor.

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

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

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

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

Step IV: Assigning scale values to the incidents: Each incident is then rated on a one-to-seven or one-to-nine scale with respect of how well it represents performance on the appropriate dimension. A rating of one represents ineffective performance; the top scale value indicates very effective performance. The second group of participants usually assigns the scale values. Means and standard problem for supervisors doing the evaluation, who may be forced to deal with employees who are performing the activity but not accomplishing the desired goals. Further, it is time consuming and expensive to create BARS. They also demand several appraisal forms to accommodate different types of jobs in an organisation. In a college, lecturers, office clerks, library staff, technical staff and gardening staff all have different jobs; separate BARS forms would need to be developed for each. In view of the lack of compelling evidence demonstrating the superiority of BARS over traditional techniques such as graphic rating scales, decotis concluded that: "It may be time to quit hedging about the efficacy of behavioural scaling strategies and conclude that this method has no clear-cut advantages over more traditional and easier methods of performance evaluation".

Forced choice method: This method was developed to eliminate bias and the preponderance of high ratings that might occur in some organisations. The primary purpose of the forced choice method is to correct the tendency of a rater to give consistently high or low ratings to all the employees. This method makes use of several sets of pair phrases, two of which may be positive and two negative and the rater is asked to indicate which of the four phrases is the most and least descriptive of a particular worker. Actually, the statement items are grounded in such a way that the rater cannot easily judge which statements apply to the most effective employee. The following box is a classic illustration of the forced choice items in organisations.

Table 15.2

Forced Choice Items

	Least		Most
1.	A	Does not anticipate difficulties	A
	B	Grasps explanations easily and quickly	B
	C	Does not waste time	C
	D	Very easy to talk to	D
2.	A	Can be a leader	A
	B	Wastes time on unproductive things	B
	C	At all times, cool and calm	C
	D	Smart worker	D

The favourable qualities earn a plus credit and the unfavourable ones earn the reverse. The worker gets an overall plus rating, when the positive factors override the negative ones or when one of the negative phrases is checked as being insignificantly rated.

They overall objectivity is increased by using this method in evaluation of employee's performance, because the rater does not know how high or low he is evaluating the individual as he has no access to the scoring key. This method, however, has a strong limitation. In the preparation of sets of phrases trained technicians are needed and as such the method becomes very expensive. Further, managers may feel frustrated rating the employees 'in the dark'. Finally, the results of the forced choice method may not be useful for training employees because the rater himself does not know how he is evaluating the worker. In spite of these limitations, the forced choice technique is quite popular.

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

- *Set the organisation's goals:* Establish an organisationwide plan for next year and set company goals.

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

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

Multiple-person Evaluation Techniques

The above discussed methods are used to evaluate employees one at a time. In this section, let us discuss some techniques of evaluating one employee in comparison to another. Three such frequently used methods in organisations are – ranking, paired comparison and forced distribution.

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

- The 'whole man' is compared with another 'whole man' in this method. In practice, it is very difficult to compare individuals possessing varied behavioural traits.
- This method speaks only of the position where an employee stands in his group. It does not tell anything about how much better or how much worse an employee is when compared to another employee.

- When a large number of employees are working, ranking of individuals becomes a vexing issue.
- There is no systematic procedure for ranking individuals in the organisation. The ranking system does not eliminate the possibility of snap judgements.

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

10) ***Paired comparison method:*** Ranking becomes more reliable and easier under the paired comparison method. Each worker is compared with all other employees in the group; for every trait, the worker is compared with all other employees. For instance, when there are five employees to be compared, then A's performance is compared with that of B's and decision is arrived at as to whose is better or worse. Next, B is also compared with all others. Since A is already compared with B, this time B is to be compared with only C, D and E. By this method, when there are five employees, fifteen decisions are made (comparisons). The number of decisions to be made can be determined with the help of the formulae n (n-2). Ranking the employees by the paired comparison method may be illustrated as shown in the Table 15.3.

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

Trait: 'Quantity of work'

Table 15.3

Employee Rated

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

11) ***Forced distribution method:*** Under this system, the rater is asked to appraise the employee according to a predetermined distribution scale. The rater's bias is sought to be eliminated here because workers are not placed at a higher or lower end of the scale. Normally, the two criteria used here for rating are the job performance and promotability. Further, a five-point performance scale is used without any mention of descriptive statements. Workers are placed between the two extremes of 'good' and 'bad' performances. For instance, the workers of outstanding merit may be placed at the top 10% of the scale. The rest may be placed as – 20% – good, 40% – outstanding, 20% – fair and 10% – poor. To be specific, the forced distribution method assumes that all top grade workers should go to the highest 10% grade; 20% employees should go to the next highest grade and so on.

Apart from job performance as the criterion, another equally important factor in this method is promotability. Employees may be classified according to their promotional merits. The scale for this purpose may consist of three points – namely, quite likely promotional material, may/may not be promotional material and quite unlikely promotional material.

One strong positive point in favour of the forced distribution method is that by forcing the distribution according to predetermined percentages, the problem of making use of different raters with different scales is avoided. Further, this method is appreciated on the ground that it tends to eliminate rater bias. The limitation of using this method in salary administration however, is that it may result in low morale, low productivity and high absenteeism. Employees who feel that they are productive, but find themselves placed in a grade lower than expected feel frustrated and exhibit, over a period of time, reluctance to work.

Other methods of appraising performance include: Group Appraisal, Human Resource Accounting, Assessment Centre, Field Review, etc. These are discussed in the following sections:

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

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

13. ***Human resource accounting:*** HRA is a sophisticated way to measure (in financial terms) the effectiveness of personnel management activities and the use of people in an organisation. It is the process of accounting for people as an organisational resource. It tries to place a value on organisational human resources as assets and not as expenses. The HRA process shows the investment the organisation makes in its people and how the value of these people changes over time. The acquisition cost of employees is compared to the replacement cost from time to time. The value of employees is increased by investments made by the company to improve the quality of its human resources such as training, development, and skills acquired by employees over a period of time through experience, etc. When qualified, competent people leave an organisation, the value of human assets goes down. In this method, employee performance is evaluated in terms of costs and contributions of employees. Human resource costs include expenditure incurred by the company in hiring, training, compensating and developing people. The contributions of human resources is the money value of labour productivity. The cost of human resources may be taken as the standard. Employee performance can be measured in terms of employee contribution to the organisation. Employee performance can be taken as positive when contribution is more than the cost and performance can be viewed as negative if cost is more than contribution. Positive performance can be measured in terms of percentage of excess of employee contribution over the cost of employee. Similarly negative performance can be calculated in terms of percentage of deficit in employee contribution compared to the cost of employee. These percentages can be ranked to 'Zero Level' as shown in the Table 15.4.

Table 15.4

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

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

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

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

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

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

360-Degree Feedback System

A 360-degree feedback, system collects performance information from multiple parties, including one's subordinates peers, supervisor and customers. Corporations like GE, Reliance, Crompton Greaves, Wipro, Infosys, Thermax, NTPC, Thomas Cook, SBI, Aditya Birla Group, Mafatlal Group etc., are all using this tool to discover home truths about their managers. Although originally developed (by TV Rao and others in mid-eighties at IIM, Ahmedabad) as a fact-finding and self-correction technique, the 360-degree feedback is also currently used to design promotion and reward. A major advantage of this system is that the feedback comes from multiple sources. If a manager has six subordinates, the manager does not know which subordinate said what, as the results are summarised and averaged. For example, one may criticise the boss for standing too close to people, another may comment on the boss's aggressive tone, the third may take objection to the boss's naughty ways of attending telephone calls and shuffling papers while a meeting is on. Since such feedback is offered anonymously, the subordinates may unburden themselves of negative ratings somewhat freely.[9]

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

Problems with Performance Appraisal

The problems inherent in performance appraisal may be listed thus:[10]

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

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

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

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

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

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

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

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

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

- The rating scale may be quite vague and unclear

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

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

Box 15.8: Why Performance Appraisals Fail?: Top 10 reasons

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

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

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

Essential Characteristics of an Effective Appraisal System

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

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

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

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

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

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

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

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

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

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

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

Potential Appraisal

In most Indian organisations, people earn promotions on the basis of their past performance. The past performance is considered a good indicator of future job success. This could be true, if the job to be performed by the promotee is similar. However, in actual practice, the roles that a person played in the past may not be the same as the one(s) he is expected to play if he is assigned a different job after his transfer or promotion to a new position. Past performance, therefore, may not be a good indicator of the suitability for a higher role.

To overcome this inadequacy, organisations must think of a new system called potential appraisal. The objective of potential appraisal is to identify the potential of a given employee to occupy higher position in the organisational hierarchy and undertake higher responsibilities (Pareek, p.141).