

Training & Development, Need, Nature, Scope

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Training and development is vital part of the human resource development. It is assuming ever important role in wake of the advancement of technology which has resulted in ever increasing competition, rise in customer's expectation of quality and service and a subsequent need to lower costs. It is also become more important globally in order to prepare workers for new jobs. In the current write up, we will focus more on the emerging need of training and development, its implications upon individuals and the employers.



Noted management author Peter Drucker said that the fastest growing industry would be training and development as a result of replacement of industrial workers with knowledge workers. In United States, for example, according to one estimate technology is de-skilling 75 % of the population. This is true for the developing nations and for those who are on the threshold of development. In Japan for example, with increasing number of women joining traditionally male jobs, training is required not only to impart necessary job skills but also for preparing them for the physically demanding jobs. They are trained in everything from sexual harassment policies to the necessary job skills.

Need for Training and Development

Before we say that technology is responsible for increased need of training inputs to employees, it is important to understand that there are other factors too that contribute to the latter. Training is also necessary for the individual development and progress of the employee, which motivates him to work for a certain organisation apart from just money. We also require training update employees of the market trends, the change in the employment policies and other things.

The following are the two biggest factors that contribute to the increased need to training and development in organisations:

Change: The word change encapsulates almost everything. It is one of the biggest factors that contribute to the need of training and development. There is in fact a direct relationship between the two. Change leads to the need for training and development and training and development leads to individual and organisational change, and the cycle goes on and on. More specifically it is the technology that is driving the need; changing the way how businesses function, compete and deliver.

Development: It is again one the strong reasons for training and development becoming all the more important. Money is not the sole motivator at work and this is especially very true for the 21st century. People who work with organisations seek more than just employment out of their work; they look at holistic development of self. Spirituality and self awareness for example are gaining momentum world over. People seek happiness at jobs which may not be possible unless an individual is aware of the self. At ford, for example, an individual can enrol himself / herself in a course on 'self awareness', which apparently seems inconsequential to ones performance at work but contributes to the spiritual well being of an individual which is all the more important.

The critical question however remains the implications and the contribution of training and development to the bottom line of organisations performance. To assume a leadership position in the market space, an organisation will need to emphasise on the kind of programs they use to improvise performance and productivity and not just how much they simply spend on learning.

Nature of Training

1. Training is a must in every organization. The alternative to systematic training is training through 'trial and error', which is more costly, time-consuming and nerve-racking.
2. Expenditure on training is not an expense but an investment in human resource development. It yields attractive returns in the form of higher productivity and employee satisfaction.
3. Training has become more important these days because of rapid changes in technologies, environment, working ways, and employees' aspirations from their jobs, and management styles. Further, effective training can result in increased competitiveness of the organization, and greater employee satisfaction and career development.
4. Training matches individual's abilities with job and organizational requirements. It turns new employees into productive insiders, contributing their best efforts towards higher productivity and profitability, quicker organizational growth and change.
5. Training involves learning and learning follows a learning curve. It takes place in bursts and plateaus. In the beginning trainees take time to pick up, then pick up learning with zeal and then plateau (relax) for sometime, and then sees a sudden spurt and again a plateau and sudden spurt.

Scope of training:

The scope of training depends upon the categories of employees to be trained. As we all know that training is a continuous process and not only needed for the newly selected personnel but also for the existing personnel at all levels of the organisation.

Prof. Yoder listed the following five groups of employees who need continuous training:

1. **Rank And File:** employees who have no administrative or supervising work.
2. **Supervisory Employees:**, the first line foreman, supervisor and their immediate supervisors.
3. **Staff:** specialised personnel such as technical and professional persons attached to the line organisation as advisors.
4. **Middle Management:** all the managerial personnel holding positions between line supervisors and the top management.
5. **Top Executives:** all executives who hold major responsibility for the overall planning and control.

Key differences between Training and Development

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Training

Training is a systematic process aimed at enhancing the skills, knowledge, and competencies of employees to improve their performance and productivity in their current roles. It involves structured programs, workshops, or hands-on learning experiences designed to teach specific job-related tasks, technical abilities, or soft skills. Training ensures that employees are equipped with the necessary tools and understanding to perform their duties effectively and adapt to new technologies, processes, or changes within the organization. By investing in training, organizations foster a culture of continuous learning and development, leading to increased job satisfaction, higher employee retention, and overall organizational success. Training can be delivered through various methods, including on-the-job training, e-learning, seminars, and classroom instruction.

| Characteristics of Training:

Structured Approach:

Training programs are typically organized and structured, with clear objectives, content, and timelines. They follow a systematic process to ensure that learning outcomes are achieved efficiently.

Goal-Oriented:

Training programs are designed to achieve specific learning objectives related to improving job performance, acquiring new skills, or enhancing knowledge in a particular area.

Practical and Hands-On:

Training often involves practical, hands-on learning experiences that allow participants to apply new knowledge and skills in real-world situations. This experiential learning approach enhances retention and skill transfer.

Targeted Audience:

Training programs are tailored to meet the needs of a specific audience, such as employees in a particular department, role, or skill level. They are designed to address the unique learning needs and objectives of the target audience.

Instructor-Led or Facilitated:

Training programs may be delivered by instructors, trainers, or facilitators who guide participants through the learning process. They provide instruction, feedback, and support to help participants achieve their learning goals.

Interactive and Engaging:

Effective training programs incorporate interactive elements, such as group discussions, case studies, simulations, and role-playing exercises, to engage participants and promote active learning.

Feedback and Assessment:

Training programs include mechanisms for providing feedback and assessing participants' progress and performance. This may involve quizzes, tests, evaluations, or feedback from instructors or peers to gauge learning effectiveness.

Continuous Improvement:

Training programs are subject to continuous evaluation and improvement to ensure their relevance, effectiveness, and alignment with organizational goals and learner needs. Feedback from participants and stakeholders is used to refine and enhance future training initiatives.

Flexible Delivery Methods:

Training programs may be delivered through various delivery methods, including in-person sessions, online courses, webinars, workshops, and self-paced modules. This flexibility allows organizations to accommodate diverse learning preferences and logistical constraints.

Measureable Outcomes:

Training programs are designed with measurable learning outcomes or performance indicators that allow organizations to assess the effectiveness of the training and its impact on employee performance, productivity, and organizational goals.

Development

Development refers to the ongoing process of enhancing an employee's skills, knowledge, and abilities to prepare them for future roles and responsibilities within an organization. Unlike training, which focuses on immediate job-related skills, development aims at long-term growth and career progression. It includes activities such as mentoring, coaching, leadership development programs, and continuing education. Development helps employees broaden their competencies, adapt to changing job requirements, and achieve their professional goals. By investing in development, organizations foster a motivated and capable workforce, ensure a pipeline of future leaders, and enhance overall organizational performance and innovation. This commitment to employee growth ultimately contributes to higher job satisfaction and retention.

| Characteristics of Development:

Long-Term Focus:

Development initiatives have a long-term perspective, focusing on enhancing employees' skills, knowledge, and capabilities over time to prepare them for future roles and responsibilities within the organization.

Career Growth and Advancement:

Development initiatives are aimed at supporting employees' career growth and advancement within the organization by providing opportunities for skill enhancement, career planning, and professional development.

Individualized Approach:

Development initiatives are often tailored to meet the unique needs and aspirations of individual employees. They take into account employees' strengths, weaknesses, interests, and career goals to create personalized development plans.

Holistic Development:

Development initiatives encompass a broad range of learning experiences and activities beyond job-specific skills, including leadership development, interpersonal skills, strategic thinking, and emotional intelligence.

Self-Directed Learning:

Development encourages employees to take ownership of their learning and development by actively seeking out opportunities for growth, acquiring new skills, and pursuing professional development activities outside of formal training programs.

Mentoring and Coaching:

Development initiatives often include mentoring and coaching relationships, where more experienced employees or leaders provide guidance, support, and feedback to less experienced individuals to help them grow and develop professionally.

Experiential Learning:

Development emphasizes experiential learning opportunities that allow employees to learn and grow through hands-on experiences, challenging assignments, stretch projects, and cross-functional collaborations.

Feedback and Reflection:

Development encourages employees to seek feedback from others, reflect on their experiences, and learn from both successes and failures. Feedback and reflection are integral to the learning process and contribute to continuous improvement.

Organizational Support:

Development initiatives receive support and endorsement from organizational leaders and stakeholders, who recognize the importance of investing in employee development to build a skilled and capable workforce.

Continuous Learning Culture:

Development initiatives foster a culture of continuous learning and growth within the organization, where employees are encouraged to continually expand their knowledge, skills, and capabilities to adapt to changing business needs and stay competitive.

Key difference between Training and Development

Aspect	Training	Development
Focus	Short-term	Long-term
Purpose	Improve job skills	Foster career growth
Timeframe	Immediate	Ongoing
Scope	Specific skills/tasks	Broad skill enhancement
Audience	Group-oriented	Individualized
Method	Structured instruction	Self-directed learning
Feedback	Performance evaluation	Personal reflection
Outcome	Enhanced performance	Career advancement
Mentorship	Limited	Commonly involved
Experiential	Less emphasis	Emphasized
Organizational	Skill acquisition focus	Talent development focus
Leadership focus	Less prominent	Emphasized

Overview of Training Concept, Scope, Importance, Objectives, features, Need

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Training is an organised activity for increasing the technical skills of the employees to enable them to do particular jobs efficiently.

“Training is the act of increasing the knowledge and skills of an employee for doing a particular job.”: Edwin B. Flippo

Training provides the workers with facility to gain technical knowledge and to learn new skills to do specific jobs. Training is equally important for the existing and as well as new employees. It enables the new employees to get acquainted with their jobs and also increase the job-related knowledge and skills.

Training means imparting the knowledge, skills and aptitudes necessary to undertake the required jobs efficiently with a view to developing the worker to his fullest potential. As an organised activity, training is designed to create a change in the thinking and behaviour of people. Training is a two-way and continuous process because there is no end to learning and secondly, a person gets to learn new technology, new patterns etc., continuously.

Scope

1. **Rank and File:** i.e., employees who have no administrative or supervising work.
 2. **Supervisory Employees:** i.e., the first line foreman, supervisor and their immediate supervisors.
 3. **Staff:** i.e. specialised personnel such as technical and professional persons attached to the line organisation as advisors.
 4. **Middle Management:** i.e., all the managerial personnel holding positions between line supervisors and the top management.
 5. **Top Executives:** i.e., all executives who hold major responsibility for the overall planning and control.
- Offering the employees' performance counselling and performance interviews from the superiors.
 - Career planning and development programmes for the employees.
 - Development of employees through succession planning.
 - Workers' participation and formation of quality circles.
 - Employee learning through group dynamics and empowerment.
 - Learning through job rotation and job enrichment.
 - Learning through social and religious interactions and programmes.
 - Development of employees through managerial and behavioural skills.

Importance

Reduce Employee Turnover:

A well trained employee will take more interest in his job and will be a more efficient worker. He will get more job satisfaction. People who love their jobs are more loyal towards the organization.

Better Managerial Skills:

Training and development programmes inspire the employees to think, plan, solve problems and take important decisions. This hones up their managerial skills.

Improve Employee Morale:

When employees are trained to become better performers, they feel a sense of accomplishment. They realize that they are effectively contributing towards organizational goals and thus get a morale boost.

Healthy Work Environment:

Training and development programmes help to modify the thought and behaviour process of the employees in such a way that is conducive to building a healthy work environment.

Build Team Spirit:

Training often takes place in groups where the trainees are encouraged to interact with each other and discuss organizational issues. This helps to create team spirit among the employees.

Increase Productivity:

Knowledge about usage of sophisticated machinery and new technology is imparted to employees which will enable them to use the equipment more efficiently and thereby increase productivity.

Creating a Highly Skilled, Motivated and Enthusiastic Workforce:

The existing workforce is trained to increase their productivity, and motivated to contribute their best towards the organization. The employees will be more confident about themselves and enthusiastic about their job. They will adapt to technological changes and innovations more readily.

Objectives

The overall objective of the training programme is designed to solve the problem. For example, Wyeth, pharmaceutical company, focuses its training on separate sets of companies for sales employees, and for managers. Training is the application of the knowledge. It makes people aware of the rules and procedures for guiding their behaviour.

To Facilitate Organisational Changes:

Organisations need to be dynamic to cope with, adjust and adapt to the changes in technology and other environmental forces. The personnel have to be conditioned to learn new skills and capabilities to enable them to be receptive to required changes and to assimilate them.

To Prepare for Higher Responsibilities:

The personnel need to have opportunities for advancement in their careers. Concurrently, they should also be striving for assuming higher responsibilities and performing more complex tasks with competence. For this purpose, an organisation may design a system whereby opportunities are made available to personnel for their career advancement and simultaneously preparing them through training for higher positions.

To Develop Proper Job-Related Attitudes:

The employees have to be trained to develop positive and helpful attitudes towards their jobs, superiors, colleagues and juniors, the goals, policies and procedures of the organisation and to the environment of the work place.

To improve Job Related Skills:

Some employees are not able to perform their jobs well. They possess inadequate skills and knowledge of their assignments with the result that they produce poor quality and volume of output, waste resources, damage equipment and tools, respond insufficiently to the supervisor's instructions and so on. They need a training course for the purpose of removing their deficiencies and fitting them to their jobs.

To Enhance Knowledge of Employees:

Organisations need to help their employees to keep up their knowledge in tune with the contemporary trends. This is especially so in these days of explosive improvements and innovations in science and technology. Organisations should support their personnel in the battle against obsolescence. Personnel are to be exposed to refresher courses and developmental programs with a view to improve their utility to the organisation.

Features

- **Relatively permanent change in employee behaviour:** Training is actually a learning experience that seeks a relatively permanent change in individuals that will improve their ability to perform on the job.
- **Narrow focus:** Tends to be more narrowly focused and oriented toward short-term performance concerns. It tries to fix current skill deficit. The goal of training is a fairly quick improvement in workers' performance. It is a job specific and individual-oriented effort aimed at improving short term performance fairly quickly.
- **Increases knowledge and skills for doing a particular job:** Training bridges the gap between job needs and employee skills, knowledge and behaviours.

- **Concentrates on individual employees:** Training lays emphasis on changing what employees know, how they work, their attitudes toward their work or their interactions with their co-workers or supervisors.
- **Focuses attention on the current job:** It is job specific and provides employees with specific skills. Training helps employees' correct deficiencies in their performance.

Need

Effective Management:

Training can be used as an effective tool of planning and control. It develops skills among workers and prepares them for handling present and future jobs. It helps in reducing the costs of supervision, wastages and industrial accidents. It also helps increase productivity and quality which are the cherished goals of any modern organization.

Reduction of Turnover and Absenteeism:

Training creates a feeling of confidence in the minds of the workers. It gives them a security at the workplace. As a result, labour turnover and absenteeism rates are reduced.

Industrial Safety:

Trained workers can handle the machines safely. They also know the use of various safety devices in the factory. Thus, they are less prone to industrial accidents.

Technology Update:

Technology is changing at a fast pace. The workers must learn new techniques to make use of advance technology. Thus, training should be treated as a continuous process to update the employees in the new methods and procedures.

Reduction of Learning Time:

Systematic training through trained instructors is essential to reduce the training period. If the workers learn through trial and error, they will take a longer time and even may not be able to learn right methods of doing work.

Quality Improvement:

The customers have become quality conscious and their requirement keep on changing. To satisfy the customers, quality of products must be continuously improved through training of workers.

Training & Development Process

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Training development is a five-step process in which company train their employees in specific skills and further monitor their performance constantly to help them develop overall personality.

The training and development activity starts with a question about why the training is required. While end with the evaluation of output of training and development program.



Training needs of an organization are identified by any of the following analysis.

- **Organizational analysis:** It is basically a systematic study of the organization's objectives, resources, resource allocation and utilization, growth potential and its environment. Its purpose is to determine where the emphasis for training is to be placed in the organization so that effectiveness of the organization increases.
- **Task analysis:** In task analysis the main focus is on the job. It requires the study of various types of skills and training required to perform the job effectively. It is systematic analysis of jobs to identify job contents, knowledge, skills and aptitudes needed to perform the job. The important aspects are the tasks to be performed, the methods to be used, the way the employees learn these methods as well as the performance standards required from the employees.
- **Manpower analysis:** Both the internal and external environments influence the quality of manpower needed by an organization. The quality of manpower also depends upon the social, economical, political and technological environments in which the organization operates. The manpower analysis is done taking into considerations these factors to determine the quality of manpower needed. Specific training needs for the manpower are determined for meeting the quality standards needed as per the manpower analysis. These needs include (i) specific areas where employees need training, (ii) the capability of present employees to learn new skills and behaviour, (iii) the time frame for imparting training, and (iv) designing and redesigning of jobs with introduction of new work methods and technologies.

Steps involved in Training and Development Process

1. Need of training and development
2. Goals and Objectives
3. Method of Training
4. Implementation of program
5. Evaluation and constant monitoring

Step I: Need of Training and Development program

Companies often take a decision to roll out a training and development program after identifying a specific need in the organization. The need could be introduction of new skill or to update the existing skills of the employee. In the case of employees working on higher level the training and development program is introduced to improve the behavior skills and ensure team work in the organization.

Step II: Goals and Objectives of Training and Development

Here are different goals and objectives the companies can set before implementation of training and development program:

- **To impart skills:** Under this objective the employees are trained to operate the equipment and machinery correctly. The goals are set to improve work efficiency and to reduce wastage of time.

- **To Educate:** The objective is linked with providing information about theoretical concepts and provides hands-on experience of the task. The goal is to improve reasoning power and judgment skills of employees.
- **To Enhance Knowledge:** The objective here is to improve behavioral knowledge of the employee. The goal is to enhance understanding of human relations, management and business environment among employees.
- **Ethics:** The objective is to provide knowledge about ethical conduct in the organization. The goal is to regulate the conduct of the employee in the organization.
- **Change in attitude:** The objective of the training is to change the attitude of the employees in terms outlook, reaction, feelings and work beliefs. The goal is to improve commitment and satisfaction of the employee by providing required motivation.
- **Extraordinary Skills:** To impart extraordinary skills such as critical decision making, problem-solving and industrial research. The goal is make employee ready to face future challenges.
- **Literacy:** Objective is to improve corporate language proficiency and increase awareness about corporate culture. The goal is to make sure employees are able to handle the international clients and customer in a decent way.

Step III: Training Methods

There exist different types of training methods used by the organization based on the goals and objectives of the training and development program. Here are few commonly used training methods in corporate world:

- **Orientations:** It is generally used to introduce the newly joined employee to the organizational work culture. It includes few lecture sessions, meetings with supervisor and information regarding the history of the organization. This training is used to make sure the newcomer feels welcomed in the organization and become aware about their work profile, goals and objectives of organization, policies as well as rules and regulations to be followed.
- **Lectures:** This is a one-way communication method, mostly used when important information has to be conveyed to large number of employees. The information can be related to new updates in policies or any change management action in the organization.
- **Case Study:** Here the participants are given a situation in terms of case study and they have to provide solutions on the stated problem in the provided case. It is a best way to impart decision making skill and sharpen the judgment skills of the employee.
- **Role Playing:** A scenario is created and each participant is assigned a particular role to play out. The participant can practice their actual job work using role play method. The facilitator provides immediate feedback to the participant which helps them to improve their performance. These kinds of scenario are very effective while providing marketing and management training.

- **Simulations:** It can be used as a kind of games created from real-life scenarios. The benefits of this simulations is that employee gets better understanding of whole organizational structure and can study actual day-to-day problems to get a relevant solutions on it.
- **Computer-Based Training:** The employees are provided study material and instruction on the computer. It allows employees to learn on their own pace and time.
- **Self-Instruction:** Individualized instruction, programmed learning, personalized systems of instruction, correspondence study and learner-controlled instruction are different types of self-instruction training. Here employees are responsible for their own learning.
- **Audiovisual Training:** In this type of training films, television and videotapes are used to expose employees to the real-life situation. The presentation includes the situation and how the problem stated in the situation is resolved. It helps employee to gain knowledge about diverse corporate situations and provide them an appropriate direction to take decisions.
- **Team-Building Exercises:** The training is associated with the human behavior. It includes activities which can improve group dynamics and worker-management relations. It can be in the form of outdoor exercise or brainstorming sessions in the office.
- **Apprenticeships and Internships:** It is a kind of on-the-job training in which the newly joined employee works with experienced employee and learns work related skills while performing the actual job.
- **Job Rotation:** In order to enhance the understanding about the whole organization and to add skills the job rotation method of training is used. Here employees do different types of job on rotational basis and gain knowledge of different work profile.

Step IV: Implementation of program

The management and HRM department takes a meeting with different supervisors to decide the time period of implementation of the training and development program. The implementation of orientation programs and other newcomer training programs is carried out right after joining of the employee. The specific skills training programs are launched based on the workload and free time span available to the employee. The on-the-job training program is an ongoing process and employees should be informed about it in advance.

Step V: Evaluation and constant monitoring

The evaluation of training and development program is generally carried out at the time of performance appraisal. The changes in performance and attitude are noted based on the performance review. The increase in productivity and accuracy of work indicates the success of training and development program. Improved work harmony and organizational citizenship behavior indicates the well being created by development programs. The constant monitoring of the behavior of the employee is achieved based on

the monthly goal attainment and team work of the employee. Additional training programs are launched in the case of absence of any positive results in terms of improved employee performance.

Employee orientation is the procedure by which new employees learn important organizational process, qualities and standards, set up working relationship and figure out how to work inside their employments. Skills and technical training programs are organized to teach the new employee a particular skill or area of knowledge.

One of the main objectives of training is to provide learning in order to improve the performance on the present job i.e. how skillfully the individual handles the job and the level of outcomes/ result achieved.

There are various steps in training and development in order to be effective and bring about the desired results in terms of enhanced knowledge, skills and attitude.

Training Needs Assessment

Identification of the training needs of the target group which is to be exposed to training can be done in 2 ways:

- Training needs assessment at organization level
- Training needs assessment at individual or employee level.
- Training need assessment at department / functional level

Once the target group is identified, analysis the gap which needs to be bridged through training. Develop specific training objectives and targets for bringing about measurable improvement in their performance levels and enhancement in job related knowledge

Program design

- Develop the program contents, training methods to be used, the speakers / faculty/ subject experts to be involved, the mode of instruments to be used, training aids to make the training program more result oriented.
- Identify all training aids which are required for the desired training technique
- Prepare the background material like write up on case, role play, incident method. Also ensure that qualitatively and quantitatively the background reading material meets the norms of delivery of the training objective

Critical preview of program

Administration and detailed physical fragments

Validation

Introduce and validate training before a representative audience. Pilot test all training aids, equipment etc. to ensure perfect delivery on the D day

Program implement action

Conduct the program as planned, which each activity going as per schedule

Evaluation and Follow Up

Assess program success according to:

- **Reaction:** Notify the document the learner's immediate reaction to the training
- **Learning:** use feedback devices or pre and post tests to measure what learners have actually learnt
- **Behavior:** in consultation with the supervisor, observe the behavioural changes in the training. This is one way to measure the degree to which learners may apply new skills and knowledge to their jobs.

Training & Development Methods

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Many methods of training are available each has certain advantages and disadvantages. Here we list the different methods of training...you can comment on the pros and cons and make the examples concrete by imagining how they could be applied in training truck drivers.

1. Technology Based Learning

Common methods of learning via technology include:

- Basic PC-based programs
- Interactive multimedia: using a PC-based CD-ROM
- Interactive video: using a computer in conjunction with a VCR
- Web-based training programs

The forms of training with technology are almost unlimited. A trainer also gets more of the learner's involvement than in any other environment and trainees have the benefit of learning at their own pace.

Example: In the trucking industry one can imagine interactive multimedia training on tractor-trailers followed by a proficiency test to see how well the employee knows the truck.

2. Simulators

Simulators are used to imitate real work experiences.

Most simulators are very expensive but for certain jobs, like learning to fly a 747, they are indispensable. Astronauts also train extensively using simulators to imitate the challenges and micro-gravity experienced on a space mission. The military also uses video games (similar to the "shoot-em-up" ones your 14-year old plays) to train soldiers.

Example: Truck drivers could use simulators to practice responding to dangerous driving situations.

3. On-The-Job Training

Jumping right into work from day one can sometimes be the most effective type of training.

Here are a few examples of on-the-job training:

- Read the manual a rather boring, but thorough way of gaining knowledge of about a task.
- A combination of observation, explanation and practice.
- Trainers go through the job description to explain duties and answer questions.

- Use the intranet so trainees can post questions concerning their jobs and experts within the company can answer them.

On-the-job training gives employees motivation to start the job. Some reports indicate that people learn more efficiently if they learn hands-on, rather than listening to an instructor. However, this method might not be for everyone, as it could be very stressful.

Example: New trucking employees could ride with experienced drivers. They could ask questions about truck weigh stations, proper highway speeds, picking up hitchhikers, or any other issues that may arise.

4. Coaching/Mentoring

Coaching/mentoring gives employees a chance to receive training one-on-one from an experienced professional. This usually takes place after another more formal process has taken place to expand on what trainees have already learned.

Here are three examples of coaching/mentoring:

- Hire professional coaches for managers.
- Set up a formal mentoring program between senior and junior managers
- Implement less formal coaching/mentoring to encourage the more experienced employees to coach the less experienced.

Coaching/mentoring gives trainees the chance to ask questions and receive thorough and honest answers; something they might not receive in a classroom with a group of people.

Example: Again, truck drivers could gain valuable knowledge from more experienced drivers using this method.

5. Lectures

Lectures usually take place in a classroom-format.

It seems the only advantage to a lecture is the ability to get a huge amount of information to a lot of people in a short amount of time. It has been said to be the least effective of all training methods. In many cases, lectures contain no form of interaction from the trainer to the trainee and can be quite boring. Studies show that people only retain 20 percent of what they are taught in a lecture.

Example: Truck drivers could receive lectures on issues such as company policies and safety.

6. Group Discussions & Tutorials

These most likely take place in a classroom where a group of people discuss issues.

For example, if an unfamiliar program is to be implemented, a group discussion on the new program would allow employees to ask questions and provide ideas on how the program would work best.

A better form of training than lectures, it allows all trainees to discuss issues concerning the new program. It also enables every attendee to voice different ideas and bounce them off one another.

Example: Truck drivers could have group discussions and tutorials on safety issues they face on the road. This is a good way to gain feedback and suggestions from other drivers.

7. Role Playing

Role playing allows employees to act out issues that could occur in the workplace. Key skills often touched upon are negotiating and teamwork.

A role play could take place between two people simulating an issue that could arise in the workplace. This could occur with a group of people split into pairs, or whereby two people role play in front of the classroom.

Role playing can be effective in connecting theory and practice, but may not be popular with people who don't feel comfortable performing in front of a group of people.

Example: Truck drivers could role play an issue such as a large line-up of trucks is found at the weighing station and one driver tells another that he might as well go ahead and skip the whole thing. Or role play a driver who gets pulled over by a police officer and doesn't agree with the speeding charge.

8. Management Games

Management games simulate real-life issues faced in the workplace. They attract all types of trainees including active, practical and reflective employees.

Some examples of management games could include:

- Computer simulations of business situations that managers 'play'.
- Board games that simulate a business situation.
- Games surrounding thought and creativity to help managers find creative ways to solve problems in the workplace, or to implement innovative ideas.

Example: In a trucking business, managers could create games that teach truckers the impact of late deliveries, poor customer service or unsafe driving.

9. Outdoor Training

A nice break from regular classroom or computer-based training, the usual purpose of outdoor training is to develop teamwork skills.

Some examples include:

- Wilderness or adventure training: participants live outdoors and engage in activities like whitewater rafting, sailing, and mountain climbing.
- Low-impact programming: equipment can include simple props or a permanently installed “low ropes” course.
- High-impact programming: Could include navigating a 40-foot “high ropes” course, rock climbing, or rappelling.

Outgoing and active participants may get the most out of this form of training. One risk trainers might encounter is distraction, or people who don't like outdoor activities.

Example: As truck drivers are often on the road alone, they could participate in a nature-training course along with depot personnel to build esprit de corps.

10. Films & Videos

Films and videos can be used on their own or in conjunction with other training methods.

To be truly effective, training films and videos should be geared towards a specific objective. Only if they are produced effectively, will they keep the trainees attention. They are also effective in stimulating discussion on specific issues after the film or video is finished.

Films and videos are good training tools, but have some of the same disadvantages as a lecture i.e., no interaction from the trainees.

A few risks to think about showing a film or video from an outside source may not touch on issues directly affecting a specific company. Trainees may find the information very interesting but irrelevant to their position in the company.

Some trainers like to show videos as a break from another training method, i.e. as a break from a lecture instead of a coffee break.

This is not a good idea for two reasons. One: after a long lecture, trainees will usually want a break from any training material, so a training film wouldn't be too popular. Two: using films and videos solely for the purpose of a break could get expensive.

Example: Videos for truckers could show the proper way to interact with customers or illustrate preventive maintenance techniques.

11. Case Studies

Case studies provide trainees with a chance to analyze and discuss real workplace issues. They develop analytical and problem-solving skills, and provide practical illustrations of principle or theory. They can also build a strong sense of teamwork as teams struggle together to make sense of a case.

All types of issues could be covered i.e. how to handle a new product launch.

Example: Truck drivers could use case studies to learn what issues have been faced in the trucking industry in the past and what they could do if a similar situation were to occur.

12. Planned Reading

Basically planned reading is pre-stage preparation to more formal methods of training. Some trainees need to grasp specific issues before heading into the classroom or the team-building session.

Planned reading will provide employees with a better idea of what the issues are, giving them a chance to think of any questions beforehand.

Example: Here we may be stretching if we think that truckers are going to read through a lot of material the training department sends them.

Management Development

December 6, 2022

Developing the executives and managers is the most important positive feature of the human resources development. Executives and managers play an imperative role in organizations so their development is very precious to organization. It has been well standard now that well skilled executives and managers considered necessary in the industry. Good organizations always select the talented employees and trained them to have sufficient catalog of management skill for use so that the desire objectives of an organization might be achieved. The process by which the executives attain not only the skills and experience in their current job position but also capability for the future decision making tasks of increasing difficulty and scope is known as the executive development. We can say that this development is the premeditated attempt to get better the current performs as well as the future managerial performance of employees. Executive development includes the actions by which executives learn to develop their behavior and the level of working. Development means not to provide the basic knowledge to the employees of the work but to provide the necessary conditions and environment for their improvement. Development is the basic design to pick up the success of the managers in their existing jobs and to develop them for the difficult and advanced jobs in future.

Importance of Executive development

The importance of the executive development can be analyzed by the following points.

(i) Technological changes: Now a days the technology is getting change very rapidly. Many advanced and automatic machines have been bringing in present organization. So the managers should have high-quality working knowledge of the use of modern technological machines and equipment. It can be possible by developing the managers for the use of new opened machines

(ii) Increase in size of organizations: The size of the organizations is increasing day by day. With the increase in size the complexity is also increasing. So the executives or managers need to be developed to deal with the troubles of the bulky and complex organizations.

(iii) Lack of trained managers: There is scarcity of the trained managers and it is quite difficult to recruit the experienced and qualified managers. As a result it is very important to develop the brilliant employees by a disciplined development process.

(iv) Social and cultural changes: The social and cultural environment is getting changed rapidly. The managers must have brought up to date the knowledge of the sociology-cultural background to understand the people intentions and actions towards you.

Features of Executive development

- Executive development is the well designed and systematic process of learning. In this process the executives not only gain the knowledge about the working skills of the work related to them but also get training for future work and upcoming technological machines etc.
- Development is infinite process because knowledge is the endless and very vast so it continues throughout the executives whole specialized carrier.
- This process is a long term course because no one can develop the managerial skills over a night. It takes time to become a professional. Experience is required to develop the executive nature or behavior in a person and it increases with the work.
- Executive development is that process in which the executives or managers has to accomplish themselves. But the executive can do this more sufficiently under the guidance and when the occasion comes to him by the company.
- To get ready the managers to the better presentation and serving them to give their full potentials, the development is very imperative process.

Techniques

On-The-Job Techniques of Executive Development

Coaching:

Coaching is an activity of guiding a manager by a senior one. A senior manager must play an active role in guiding and teaching skills. He tells him how to do a job and corrects the errors. A senior manager is referred to as a coach. So coach makes an analysis of trainee's work performance and tries to improve it with suitable guidance. He renders advice, criticizes, makes necessary suggestions and gives directions to the trainee executive for his growth and development. This is a method of learning by doing.

A feedback is also taken by the coach. The coach must be a good teacher. The coach may divert the trainee executive from routine work and assign him to handle some complex problem and observe his performance. This technique suffers from limitations that there is heavy dependence on the coach and there developed a tendency to make present executive styles as central. This will not give way to new and developed managerial styles and practices in the organisation. The trainee executive acquires the skills and knowledge to perform a job and also acquire the teaching or coaching ability.

Job Rotation:

The job rotation is a very good method of transforming a functional specialist into a generalist executive. The job rotation refers to transfer of managers from one job to another or from one department to another or from one section to another in a planned manner. The transferred executive to new job has to assume the full responsibility and duty. The object is to broaden the outlook and acquire the diverse skills and knowledge needed to perform the various jobs in the organisation. The manager will learn new ideas and gain new information underlying various jobs.

It will motivate him and help him acquire comprehensive knowledge and skills. He will understand others difficulties and realize the circumstances under which his colleagues are working. It will free him from the monotony of working in the same position. Job rotation may be horizontal or vertical. The horizontal job rotation is a lateral transfer while vertical is a promotion. Many organisations in India use job rotation technique to impart multiple skills to their executives.

The job rotation imparts multiple skills and broadens the outlook of trainee executive. It increases the knowledge and skills of performing various jobs in the organisation and aids executive to gain in experience. This technique is not cost effective. On the new assignment the manager may commit mistakes which add to costs.

Understudy:

It is a development technique to prepare a manager for taking over the charge of his senior after his retirement, transfer, promotion or death. This technique provides an equally competent successor to a senior manager who is currently holding the post. The executive who is understudy acts as assistant to the superior executive whom he will succeed.

The senior executive teaches him all the skills and imparts complete knowledge for the performance of the job and gives him a feel of what his job is. The understudy is developed in all respects such as decision making, leading, problem solving etc.

The senior managers realize that unless they develop their subordinates, they would not get promotion. Under these circumstances they prepare their subordinates for taking over their charge. The understudy is given an opportunity to see the job in toto in absence of senior manager who is on leave. Only a care is taken by the under study that the decision making in critical matter is delayed and is left to the manager currently holding the post.

Multiple Management:

Multiple management is also known as committee management, under this technique a committee consisting of some managers is formed and given an assignment to study the company problems and to make advice or give recommendations to the top management.

These committees are usually formed with the junior executives. They study the problem and find out alternate solutions, discuss them and arrive at a final decision. The appointment of managers to the committees facilitates their exposure to the organisation and widens their outlook and provides them with an excellent opportunity to develop them by acquiring knowledge of different aspects relating to business and industry and to interact with the group. This method is cost effective and develops a junior executive within a short period of time.

Off-the-Job Techniques of Executive Development

Sensitivity Training:

This is the technique of bringing about a change in behaviour of the executives through group processes. According to Edwin B. Flippo the objective of this technique is the “development of awareness of and sensitivity to behavioural patterns of one self and others.”

This technique is also referred to as laboratory training. The trainee executives participate and influence each other through unstructured group interaction. The participants here are provided open environment where they discuss freely among themselves.

The environment is created by a professional behaviour list. They openly express their ideas, concepts, attitudes and get opportunity to know about themselves and the impact of their behaviour on their fellow participants. This technique helps in creating mutual trust and respect.

It thus develops managerial sensitivity. It develops team spirit. This technique is regularly used by some of the Indian companies. This method helps in creating a sense of respect for others and their thoughts, tolerance, improve listening skills, remove prejudices create understanding, increase awareness of their own behaviour.

Case Study:

Under this technique the cases based on actual business situations are prepared and given to the trainee managers for discussion and arriving at a proper decision. Managers are given opportunity to find out the latent problems and suggest alternatives to tackle them. The selection of the best-alternative solution trainees have to suggest. This technique helps in improving the decision-making skills by making analytical judgment. Case study was made popular at the Harvard Business School.

Simulation Exercises:

Simulations are popular techniques of management development. In this technique a duplicate work situation similar to the actual job situation is created and the trainee is given a particular role to find out solutions to the problem and take decision. He gets a feedback of his performance. It sharpens the decision making quality of the trainee. It is a costly method of management development.

Management Games:

Under these techniques the trainee executives are divided into rival groups assuming the management of simulated companies. Each rival group has to discuss a given subject relating to production, marketing, pricing etc. and arrive at a decision. The groups react to the decision of each other. They get immediate feedback on their performance. This technique helps in building team spirit among executives. This is followed in many Indian companies.

Managerial Grid:

It is a multi-phased programme ranging from three to five years. It improves managerial skills, intergroup relations and develops leadership styles.

Role Playing:

It is also a simulated exercise. The participants have to assume a role of a person in the simulated situation. They have to react to one another in the similar manner as they would be doing a job as manager in real situation. Participants are given a list of learning points which they have to use during executive subordinate encounter. They can take the help of videos for improvement in management skills. Through this technique the human relations skills, marketing and sales management, interviewing skills are acquired.

Incident Method:

Under this technique the incidents based on real situations are prepared. Each participant is asked to study the incident and make decisions. Afterward, the group of participants makes discussion and arrives at a decision. This method develops the intellectual level, judgment of the participant. This technique was developed by Paul Pigors.

In Basket Method:

Under this method a basket containing various kinds of correspondences such as reports, letters, replies, applications each involving some problems is given to the trainee and within a specified time limit he has to sort out all the correspondence by passing orders, recommendations, delegating authority to his subordinates and distributing work etc. This resembles to real life situation. Through this method trainee learns the decision-making abilities. This is less expensive method.

Conference:

Under this technique a group of executives meet as per plan and discuss a problem of common interest. The members of the group learn through others viewpoint and develop their knowledge by comparing their opinion with others. It is the most effective method when a problem is to be analyzed and tested through different angles or viewpoints.

The conference has a leader who leads the discussion and takes due care that the participating members are not moving away from the main problem under discussion. The executives learn how to motivate people through discussion. Every participant is given an opportunity to express his opinion freely. This is a very common method of developing executives.

Lectures:

It is very popular and simple method. The concepts, ideas, theories, principles are explained through lectures. The speaker is an expert who collects the material and delivers a lecture to the trainee executives. It is a direct, time saving, low in cost method of explaining and presenting a viewpoint on any problem or subject to the trainees.

Programmes by Academic Institution:

Some academic institutions and universities run management courses. They include degree as well as short term diploma courses. These institutions also hold conferences, seminars, workshops, lecture series and other related programmes which help in management development. The effectiveness of these programmes depends upon their quality, response from the companies and implementation.

Organisations can sponsor their executives to join these courses. Besides these academic institutions, All India Management Association also conducts some management courses for company executives, hold seminars and conferences regularly.

Transactional Analysis:

The transactional analysis (**TA**) is an attempt to understand and analyze the trainee's personality through the communicative interaction. The interaction between individual human being is viewed as transactions, for instance, "I will do this for you and you do that for me."

TA holds the view that the human personality is constituted by three ego states i.e., parent, child and adult. All these three ego states are reflected in his personality when he communicates with others. Parent state is reflected when he behaves and interacts like a parent and offers "do's" and "don'ts" e.g. Do this, Don't delegate authority to him etc.

Parent state reflects dominance. An individual reflects a child state when his interaction is characterized by an impulse that is natural. An individual reflects his adult mode or state when his interactions are rational.

The transactional analysis aims at liberating the adult from the parent and child state. The adult state is rational and deals with reality. It collects information and see reasons and takes decisions. Adult behaviour and interactions are expected from executives and managers who are decision makers. Transactional analysis is an important psychiatric technique for executive development of recent origin used by many organisations.

Performance Appraisal, Objectives, Advantages, Disadvantages, Process

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Performance Appraisal is defined as a systematic process, in which the personality and performance of an employee is assessed by the supervisor or manager, against predefined standards, such as knowledge of the job, quality and quantity of output, leadership abilities, attitude towards work, attendance, cooperation, judgment, versatility, health, initiative and so forth.

It is also known as performance rating, performance evaluation, employee assessment, performance review, merit rating, etc.

Performance Appraisal is carried out to identify the abilities and competencies of an employee for future growth and development. It is aimed at ascertaining the worth of the employee to the organization, in which he/she works.

Objectives of Performance Appraisal

- (i) To provide employees feedback on their performance.
- (ii) Identify employee training needs.
- (iii) Document criteria used to allocate organizational rewards.
- (iv) A basis for decisions relating to salary increases, promotions, disciplinary actions, bonuses, etc.
- (v) Provide the opportunity for organisational diagnosis and development.
- (vi) Facilitate communication between employee and employer.
- (vii) Validate selection techniques and human resource policies to meet regulatory requirements.
- (viii) To improve performance through counseling, coaching and development.
- (ix) To motivate employees through recognition and support.

Advantages of Performance Appraisal

It is said that performance appraisal is an investment for the company which can be justified by following advantages:

1. **Promotion:** Performance Appraisal helps the supervisors to chalk out the promotion programmes for efficient employees. In this regards, inefficient workers can be dismissed or demoted in case.

2. **Compensation:** Performance Appraisal helps in chalking out compensation packages for employees. Merit rating is possible through performance appraisal. Performance Appraisal tries to give worth to a performance. Compensation packages which includes bonus, high salary rates, extra benefits, allowances and pre-requisites are dependent on performance appraisal. The criteria should be merit rather than seniority.
3. **Employees Development:** The systematic procedure of performance appraisal helps the supervisors to frame training policies and programmes. It helps to analyze strengths and weaknesses of employees so that new jobs can be designed for efficient employees. It also helps in framing future development programmes.
4. **Selection Validation:** Performance Appraisal helps the supervisors to understand the validity and importance of the selection procedure. The supervisors come to know the validity and thereby the strengths and weaknesses of selection procedure. Future changes in selection methods can be made in this regard.
5. **Communication:** For an organization, effective communication between employees and employers is very important. Through performance appraisal, communication can be sought for in the following ways:
 - Through performance appraisal, the employers can understand and accept skills of subordinates.
 - The subordinates can also understand and create a trust and confidence in superiors.
 - It also helps in maintaining cordial and congenial labour management relationship.
 - It develops the spirit of work and boosts the morale of employees.

All the above factors ensure effective communication.

6. **Motivation:** Performance appraisal serves as a motivation tool. Through evaluating performance of employees, a person's efficiency can be determined if the targets are achieved. This very well motivates a person for better job and helps him to improve his performance in the future.

Limitations

1. Bias of Appraiser

The presence of 'Halo Effect' in evaluation of employees is the biggest weakness of this method.

A high rate is given to favoured employees whereas unfriendly employees are rated low.

2. Ambiguity in Standards

If the standards are not clear, the supervisors may follow different standards for different employees.

3. Insufficient Evidence

An employee who can impress the boss may get a positive evaluation though his impression in his own department may be very poor. In such cases, the performance appraisal will be superfluous.

4. Several Qualities Remain Without Appraisal

Through performance appraisal, only few qualities of employees can be measured. All individuals differ from each other in terms of background, values and behaviour.

5. Leniency or Strictness Tenancy

Every evaluator has his own valuation procedure which is regarded as his own standard for evaluation. For example, some teachers are strict in evaluation of answer books whereas others are lenient. The lenient tendency is known as 'Positive Leniency Error' whereas strict tendency is called as 'Negative Leniency Error'. The rating may be high or low depending upon the nature of evaluators.

6. Average Rating Problem

In order to give very low or very high rating, the top managers are required to give reasons to justify the rating. The most common error committed in performance appraisal is to give average rating to all employees. Moreover, low rating antagonizes the subordinates.

7. Influence of Man's Job

There is a tendency to give a high rating to highly paid jobs. So a senior employee may get a higher rating than a junior employee.

8. Similarity Error

The evaluator tries to look those qualities in subordinates which he himself possesses. Those who show the similar characteristics are rated high.

Process of Performance Appraisal

1. The first step in the process is the establishment of performance standards against which the output can be measured.
2. These standards are then communicated to the employees as well as to the evaluators. This step helps the employees know what is expected from them and the feedback from the employees can be used for making any required changes in these standards.
3. The next step is to measure the actual performance against these standards a suitable technique for measurement is selected and the internal and external factors that influence the performance are also identified. Information on results is gathered and four sources are most commonly used to measure the actual performance. These are personal observations, Oral reports, written reports and statistical reports.

4. The results of the appraisal are then shared with the employee so that he become aware of the deviation in performance and can also identify and analyze the cause behind this deviation. This help and employee in identifying his strengths and weaknesses and improve future performance.
5. Corrective actions is then undertaken to improve the performance of the employees the common tools for corrective action are coaching, counseling and training.

Methods of Performance Appraisal

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Each method of performance appraisal has its strengths and weaknesses may be suitable for one organization and non-suitable for another one. As such, there is no single appraisal method accepted and used by all organizations to measure their employees' performance.

<i>Traditional Methods</i>	<i>Modern Methods</i>
<ol style="list-style-type: none">1. Ranking method2. Paired comparison3. Grading4. Forced distribution method5. Forced choice method6. Checklist method7. Critical incidents method8. Graphic scale method9. Essay method10. Field review method11. Confidential report	<ol style="list-style-type: none">1. Management by Objectives (MBO)2. Behaviourally anchored rating scales3. Assessment centres4. 360-degree appraisal5. Cost accounting method

1. Traditional Methods

(i) Ranking Method

It is the oldest and simplest formal systematic method of performance appraisal in which employee is compared with all others for the purpose of placing order of worth. The employees are ranked from the highest to the lowest or from the best to the worst.

In doing this the employee who is the highest on the characteristic being measured and also the one who is L lowest, are indicated. Then, the next highest and the next lowest between next highest and lowest until all the employees to be rated have been ranked. Thus, if there are ten employees to be appraised, there will be ten ranks from 1 to 10.

(ii) Paired Comparison

In this method, each employee is compared with other employees on one- on one basis, usually based on one trait only. The rater is provided with a bunch of slips each coining pair of names, the rater puts a tick mark against the employee whom he insiders the better of the two. The number of times this employee is compared as better with others determines his or her final ranking.

$$N(N-1)/2$$

Where N = the total number of employees to be evaluated.

(iii) Grading Method

In this method, certain categories of worth are established in advance and carefully defined. There can be three categories established for employees: outstanding, satisfactory and unsatisfactory. There can be more than three grades. Employee performance is compared with grade definitions. The employee is, then, allocated to the grade that best describes his or her performance.

Such type of grading is done in Semester pattern of examinations and in the selection of a candidate in the public service sector. One of the major drawbacks of this method is that the rater may rate most of the employees on the higher side of their performance.

(iv) Forced Distribution Method

This method was evolved by Tiffen to eliminate the central tendency of rating most of the employees at a higher end of the scale. The method assumes that employees' performance level conforms to a normal statistical distribution i.e., 10,20,40,20 and 10 per cent. This is useful for rating a large number of employees' job performance and promo ability. It tends to eliminate or reduce bias.

It is also highly simple to understand and easy to apply in appraising the performance of employees in organizations. It suffers from the drawback that if one improves similarly, no single grade would rise in a rating.

(v) Forced-Choice Method

The forced-choice method is developed by J. P. Guilford. It contains a series of groups of statements, and the rater rates how effectively a statement describes each individual being evaluated. Common method of forced-choice method contains two statements, both positive and negative.

(vi) Check-List Method

The basic purpose of utilizing check-list method is to ease the evaluation burden upon the rater. In this method, a series of statements, i.e., questions with their answers in 'yes' or 'no' are prepared by the HR department. The check-list is, then, presented to the rater to tick appropriate answers relevant to the appraisee. Each question carries a weight-age in relationship to their importance.

(vii) Critical Incidents Method

In this method, the rater focuses his or her attention on those key or critical behaviours that make the difference between performing a job in a noteworthy manner (effectively or ineffectively). There are three steps involved in appraising employees using this method.

First, a list of noteworthy (good or bad) on-the-job behaviour of specific incidents is prepared. Second, a group of experts then assigns weightage or score to these incidents, depending upon their degree of desirability to perform a job. Third, finally a check-list indicating incidents that describe workers as "good" or "bad" is constructed. Then, the check-list is given to the rater for evaluating the workers.

(viii) Graphic Rating Scale Method

The graphic rating scale is one of the most popular and simplest techniques for appraising performance. It is also known as linear rating scale. In this method, the printed appraisal form is used to appraise each employee.

The form lists traits (such as quality and reliability) and a range of job performance characteristics (from unsatisfactory to outstanding) for each trait. The rating is done on the basis of points on the continuum. The common practice is to follow five points scale.

(ix) Essay Method

Essay method is the simplest one among various appraisal methods available. In this method, the rater writes a narrative description on an employee's strengths, weaknesses, past performance, potential and suggestions for improvement. Its positive point is that it is simple in use. It does not require complex formats and extensive/specific training to complete it.

(x) Field Review Method

When there is a reason to suspect rater's biasedness or his or her rating appears to be quite higher than others, these are neutralised with the help of a review process. The review process is usually conducted by the personnel officer in the HR department.

(xi) Confidential Report

It is the traditional way of appraising employees mainly in the Government Departments. Evaluation is made by the immediate boss or supervisor for giving effect to promotion and transfer. Usually a structured format is devised to collect information on employee's strength weakness, intelligence, attitude, character, attendance, discipline, etc. report.

2. Modern Methods

(i) Management by Objectives (MBO)

Most of the traditional methods of performance appraisal are subject to the antagonistic judgments of the raters. It was to overcome this problem; Peter F. Drucker propounded a new concept, namely, management by objectives (MBO) way back in 1954 in his book.

The Practice of management. The concept of MBO as was conceived by Drucker, can be described as a "process whereby the superior and subordinate managers of an organization jointly identify its common goals, define each individual's major areas of responsibility in terms of results expected of him and use these measures as guides for operating the unit and assessing the contribution of each its members".

An MBO programme consists of four main steps: goal setting, performance standard, comparison, and periodic review. In goal-setting, goals are set which each individual, s to attain. The superior and subordinate jointly establish these goals. The goals refer to the

desired outcome to be achieved by each individual employee.

In performance standards, the standards are set for the employees as per the previously arranged time period. When the employees start performing their jobs, they come to know what is to be done, what has been done, and what remains to be done.

In the third step the actual level of goals attained are compared with the goals agreed upon. This enables the evaluator to find out the reasons variation between the actual and standard performance of the employees. Such a comparison helps devise training needs for increasing employees' performance it can also explore the conditions having their bearings on employees' performance but over which the employees have no control.

Finally, in the periodic review step, corrective measure is initiated when actual performance deviates from the standard established in the first step-goal-setting stage. Consistent with the MBO philosophy periodic progress reviews are conducted in a constructive rather than punitive manner.

(ii) Behaviourally Anchored Rating Scales (BARS)

The problem of judgmental performance evaluation inherent in the traditional methods of performance evaluation led to some organizations to go for objective evaluation by developing a technique known as "Behaviourally Anchored Rating Scales (BARS)" around 1960s. BARS are descriptions of various degrees of behaviour with regard to a specific performance dimension.

It combines the benefits of narratives, critical incidents, and quantified ratings by anchoring a quantified scale with specific behavioural examples of good or poor performance. The proponents of BARS claim that it offers better and more equitable appraisals than do the other techniques of performance appraisal we discussed so far.

(iii) Assessment Centres

The introduction of the concept of assessment centres as a method of performance method is traced back in 1930s in the Germany used to appraise its army officers. The concept gradually spread to the US and the UK in 1940s and to the Britain in 1960s.

The concept, then, traversed from the army to business arena during 1960s. The concept of assessment centre is, of course, of a recent origin in India. In India, Crompton Greaves, Eicher, Hindustan Lever and Modi Xerox have adopted this technique of performance evaluation.

In business field, assessment centres are mainly used for evaluating executive or supervisory potential. By definition, an assessment centre is a central location where managers come together to participate in well-designed simulated exercises. They are assessed by senior managers supplemented by the psychologists and the HR specialists for 2-3 days.

Assessee is asked to participate in in-basket exercises, work groups, simulations, and role playing which are essential for successful performance of actual job. Having recorded the assessee's behaviour the raters meet to discuss their pooled information and observations and, based on it, they give their assessment about the assessee. At the end of the process, feedback in terms of strengths and weaknesses is also provided to the assessee.

(iv) 360 Degree Appraisal

Yet another method used to appraise the employee's performance is 360 – degree appraisal. This method was first developed and formally used by General Electric Company of USA in 1992. Then, it travelled to other countries including India. In India, companies like Reliance Industries, Wipro Corporation, Infosys Technologies, Thermax, Thomas Cook etc., have been using this method for appraising the performance of their employees. This feedback based method is generally used for ascertaining training and development requirements, rather than for pay increases.

Under 360–degree appraisal, performance information such as employee's skills, abilities and behaviours, is collected "all around" an employee, i.e., from his/her supervisors, subordinates, peers and even customers and clients.

In other words, in 360-degree feedback appraisal system, an employee is appraised by his supervisor, subordinates, peers, and customers with whom he interacts in the course of his job performance. All these appraisers provide information or feedback on an employee by completing survey questionnaires designed for this purpose.

(v) Cost Accounting Method

This method evaluates an employee's performance from the monetary benefits the employee yields to his/her organization. This is ascertained by establishing a relationship between the costs involved in retaining the employee, and the benefits an organization derives from him/her.

Possible Errors in Appraisal Process

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Rating errors are factors that mislead or blind us in the appraisal process. Armstrong warned that “appraisers must be on guard against anything that distorts reality, either favorably or unfavorably.” These are the 10 rating errors seen most often. They’re where managers and other raters are most likely to go offtrack.

1. **Central tendency.** Clustering everyone in the middle performance categories to avoid extremes of good or bad performance; it’s easy, but it’s wrong. This isn’t fair to employees who are really making an effort, and it can be demoralizing.
2. Overlooking the flaws of favored or “**nice**” employees, especially those whom everyone likes.
3. Excusing below standard performance because it is widespread; “**Everyone does it.**”
4. **Guilt by association.** Rating someone on the basis of the company they keep, rather than on the work they do.
5. **The halo effect.** Letting one positive work factor you like affect your overall assessment of performance.
6. **Holding a grudge.** A dangerous luxury that may result in your ending up in court. Never try to make employees pay for past behavior.
7. **The horns effect.** The opposite of the halo effect letting one negative work factor or behavior you dislike color your opinion of other factors.
8. **Allowing your bias to influence the rating.** Bias can come from attitudes and opinions about race, national origin, sex, religion, age, veterans’ status, disability, hair color, weight, height, intelligence, etc.
9. **Rating only recent performance, good or bad.** Data should be representative of the entire review period. If you’re not keeping good notes, you may not remember the whole period. Armstrong noted that “you want to make sure, again, that you’re keeping records so that you can adequately describe performance over an entire performance period.”

The sunflower effect. Rating everyone high, regardless of performance, to make yourself look good or to be able to give more compensation.

Planning for Performance Improvement

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- **Listen to your employee** and give them the opportunity to respond to any of your points. The PIP is a collaborative process. Employees become disengaged when they feel they are misunderstood or when they feel as though they aren't being met half way.
- **Pare down to the cause of any issues** at work. Does the employee feel as though they don't have a future with the organization? Are they ready for a more challenging role? Or are they dealing with personal issues outside of the spectrum of the business? Issues should be specific and supported with examples to ensure the employee understands the opportunities and changes needed.
- **Focus on the positive** aspects of the employee's relationship with the company. Emphasize their valuable attributes and work with them to find ways to improve on these positives, rather than harping on the negatives.
- **Give them a clear path.** Employees need to understand their goals and the actions to take to meet expectations of performance and behavior. The more precise their goals are, the easier they will be to obtain. Vague goals can feel confusing or frustrating and can make employees feel as though they are spinning their wheels.
- **Regularly review employee progress.** Track the employee's performance and touch base with them at regular intervals to keep them motivated. Employees will appreciate being given a chance to talk about any concerns they've developed and have access to support and resources to execute the plan. We suggest formal 30-60-90 day meetings with frequent informal check-ins in between. All encounters should be focused on progress and the employee should be allowed to comment on improvements and ask questions or for clarification.

Of course, just as a PIP needs to be rewarding, there also need to be clear consequences outlined for a failure to meet goals. The PIP establishes an agreed on plan between the employee and the organization regarding the best way to improve their results. If the employee breaks this contract, there should be a transparent set of circumstances. These should be outlines at the beginning of the PIP process and employees should confirm that they understand.