



# UNIT-9

## Human Resources Management

### Learning Outcomes

**By the end of this unit the learner will be able to:**

- ✓ Understanding the objectives of HRM
- ✓ Discussing the Scope of HRM
- ✓ Learning what Strategic Human Resources Management entails
- ✓ Recognising and identifying the functions of HRM
- ✓ Discover the benefits of employee training and development
- ✓ Evaluate& identify the assessment of training and training needs

## Unit 9

### The Basics of HR Management

Human Resource Management was originally known as personnel or people management. In the past, its role was quite limited. Within any company or organisation, HRM is a formal way of managing people. It is a fundamental part of any organisation and its management.

The main responsibilities of the personnel department include hiring, evaluating, training, and compensation of employees. The human resources department deals with any issues facing the staff in their working capacity within an organisation. HR is concerned with specific work practices and how they affect the organisation's performance.

Today, Human Resources Management deals with:

- Anything related to managing people within a company or organisation. This means decisions, strategies, principles, operations, practices, functions, activities, and the methods used to manage employees.
- The type of relationships people have in their places of employment and anything that affects those relationships in a positive or negative way.
- Ensuring that employees are satisfied with the conditions of their employment. This leads to better services and production of goods and helps the company's success.

When we talk about human resources in a business situation it means the workforce, i.e., the employees of a company and what skills and energy they bring. This includes any ideas, creativity, knowledge, and talents that employees bring with them and use to help the organisation be successful. In other words, the resources a person has or the knowledge and experience developed over the years.

HRM focuses on bringing in (recruiting) new employees with new talents for the company and managing employees. Another function is to guide and help said employees by providing direction when necessary. In a large organisation, with a lot of people, it is important to have a department that specifically focuses on staff issues. These issues are things like hiring, performance management, organisational development, training, occupational health and safety, motivation incentives, communication, workplace culture, and environment.

Human Resource Management is now a vital part of any organisation. Every company or organisation is required to have this department. It helps with increasing the morale of workers by working on relations between employees and their employers and constantly striving to make them better. The HR department also provides any support employees need to assist them improve their performance.

The HRM function extends to assessing the productivity and/or success of every department in an organisation or business. It assists each department and helps them improve their work. It also intervenes

when necessary to help solve any problems that might arise with regards to employees' work. Getting better results from the company's workers is another job of HRM.

When a business has valuable, rare, and/or unique human resources it will always have a competitive advantage over other similar organisations.

Below are the criteria used in Human Resource Management - when using these effectively, a company can make an impact in its particular field.

- **Value Building** People who try hard to decrease costs and to provide a service or product unique to customers, can increase their own value as employees and that of the company. Organisations also use empowerment programs, quality initiatives, and strive for continual improvement in order to increase the value that employees bring to the company.
- **Rarity** When the skills, knowledge, and abilities of employees are not equally available to all companies in the same field, the company that has these people, has a very strong advantage. This is why top companies endeavour to hire and train the best and the brightest employees. This way they gain advantage over their competitors. In some cases companies will even go to court to stop other organisations from taking away their valued employees. This proves that some companies have clearly identified the value and the uniqueness of certain employees.
- **Incomparability** Employees give their companies competitive advantage when their capabilities and contributions cannot be reproduced by others. That is, the knowledge and skills that they bring to the organisation are unique and not easily found elsewhere. Certain corporations such as Disney, Southwest Airlines, and Whole Foods have, over the years, developed very distinctive cultures that get the most from employees. These cultures are difficult for other organisations to imitate. Southwest Airlines, for example, rewards the employees who perform well. It is also able to maintain employees' loyalty through offering free airfares and profit sharing in the company.
- **Organised work force** People with unique talents can help a company achieve a competitive advantage when they can easily be reassigned to work on new projects without much notice. In order for this to happen teamwork and co-operation are needed and the creation of an organised system.

The criteria above show the importance of people power and also the link between human resources management and performance management. Many high-functioning organisations now know that their success depends on the knowledge and skills of their employees, or, their human capital.

Human capital is aligned with the economic value of employees with the right knowledge, skills, and abilities. Their knowledge and skills have economic value. Managing human capital properly is imperative for any organisation wanting to maintain a competitive advantage. In some ways it is the most important part of an organisation's human resource function.

## The Objectives of HRM

The objectives of HRM are the goals of an organisation. Individual or group activities are then organised in such a way so as to achieve those objectives or goals. Organisations and companies aim to secure and manage certain resources, including human resources, to achieve the specified goals.

Human resources must therefore be managed in a way that uses their resources to achieve the organisational objectives/goals. Basically the objectives of HRM come from and contribute to achieving organisational objectives.

### Objectives of HRM:

1. To establish and use a workforce that is able and motivated, in order to achieve the goals of an organisation.
2. To create the desirable organisational structure and working relationships among all the members of the organisation.
3. To integrate individuals and/or groups within the company by matching their goals with those of the company.
4. To ensure individuals and groups have the right opportunities to develop and grow with the organisation.
5. To use what human resources a company has in the most effective way to achieve organisational goals.
6. To ensure wages are fair and adequate and provide incentives and benefits thereby satisfying both individuals and groups. Also to ensure ways of allowing recognition for challenging work, prestige, security and status.
7. To have continual high employee morale and good human relations by establishing and improving conditions and facilities within the organisation.
8. To improve the human assets by providing appropriate training programmes on a continual basis.
9. To try to effect socio-economic change in areas such as unemployment, under-employment and inequality by distributing income and wealth. This way society can benefit. Added employment opportunities for women and the disadvantaged will also be impacted in a positive way.
10. To offer opportunities for expression.
11. To ensure that the organisational leadership works in a fair, acceptable and efficient manner.
12. To ensure a good working atmosphere and employment stability by having proper facilities and working conditions.

### Primary Objectives

HRM's primary objectives are to guarantee the availability of a competent workforce. However, there are other objectives too. The main objectives fall into four categories: societal, organisational, functional, and personal.

### Societal Objectives

The societal objectives are there to attach some ethical responsibility for certain societal challenges. This has to be done in such a way that does not negatively impact the organisation. These objectives would include fair deals for workers, supply of quality goods, fair returns to investors, keeping noise levels low, and the like. If organisations fail to use their resources to assist society it may affect human resource decisions and limit them to laws that affect hiring and discrimination, safety, or other such areas.

### Organisational Objectives

The organisational objectives must be formed so as to recognise the role of human resources management and how it can achieve organisational effectiveness. Human resource management is a means of assisting the organisations with their key objectives.

### Functional Objectives

Functional objectives are set for every department and are made to suit the organisational needs. Human resources need to be looked at and modified to suit the demands of the organisation. The department’s service level must be adapted to suit the organisation it serves.

### Personal Objectives

Personal objectives contribute to employees achieving their personal work goals which in turn contribute to the organisation and its success. It is important for employees’ personal objectives to be met if the employees are to be retained and motivated. If this doesn’t occur, employees’ satisfaction and performance may deteriorate leading to high employee turnover.

HRM objectives	Supporting functions
<b>1. Societal Objectives</b>	1. Legal Compliances 2. Benefits 3. Union-management Relations
<b>2. Organizational Objectives</b>	1. Human Resource Planning 2. Employee Relations 3. Selection 4. Training and Development 5. Appraisal 6. Placement 7. Assessment
<b>3. Functional Objectives</b>	1. Appraisal 2. Placement 3. Assessment
<b>4. Personal Objectives</b>	1. Training and Development 2. Appraisal 3. Placement 4. Assessment

## The Scope of HRM

The Scope of Human Resource Management has expanded enormously since its beginning. HRM activities were originally limited to administration and arranging company parties. The range of management and personnel's responsibilities has changed a lot. It now covers more areas. HRM can include many different things. Each organisation will decide on what are the most important areas. American Society for Training and Development (ASTD) has identified nine broad areas of HRM activities.

- Human Resource Planning
- Design of the Organisation and Job
- Selection and Staffing
- Training and Development
- Organisational Development
- Compensation and Benefits
- Employee Assistance
- Union/Labour Relations
- Personnel Research and Information System.

## What is Strategic Human Resource Management?

The word 'strategic' is now often used with the term 'human resource management.' So what is Strategic Human Resources Management? It is a term used to describe the process of identifying current and future human resource needs for an organisation.

The word 'strategic' is used firstly in relation to the human resource management practices with regards to employees. The second way in which the term 'strategic' has been applied to human resource management concerns the organizational level at which key, relevant decisions are made. It is at the organisational level that the major decisions are made.

There is a difference between three major factors.

These are:

1. The strategic area of management which focuses on making policies and setting goals for the organisation;
2. The managerial level which concentrates on how the organisation can obtain appropriate resources and distribute them accordingly to achieve its strategic objectives; and
3. The operational level, which is focused on the daily job of managing the organisation.

About twenty years ago, the focus turned to strategy and the importance of HR systems as a major factor in business. Many kinds of HR models are used today. They are strategic assets on different levels.

**The personnel perspective:** The company hires and pays people but doesn't concentrate on hiring the very best or training outstanding employees.

**The compensation perspective:** Companies use methods that include incentives, and meaningful bonuses in pay to reward high and low performers accordingly. This is one way of using employees as a source of competitive advantage. However, it doesn't fully make use of the advantages of HR as a strategic asset.

**The alignment perspective:** Senior managers may view employees as strategic assets, but they sometimes don't devote time and resources in changing HR's role. Therefore, the HR system can't make full use of management's perspective.

**The high-performance perspective:** High performance work practices are carefully planned procedures. They are specifically aimed at enhancing employee, and therefore, organisational performance.

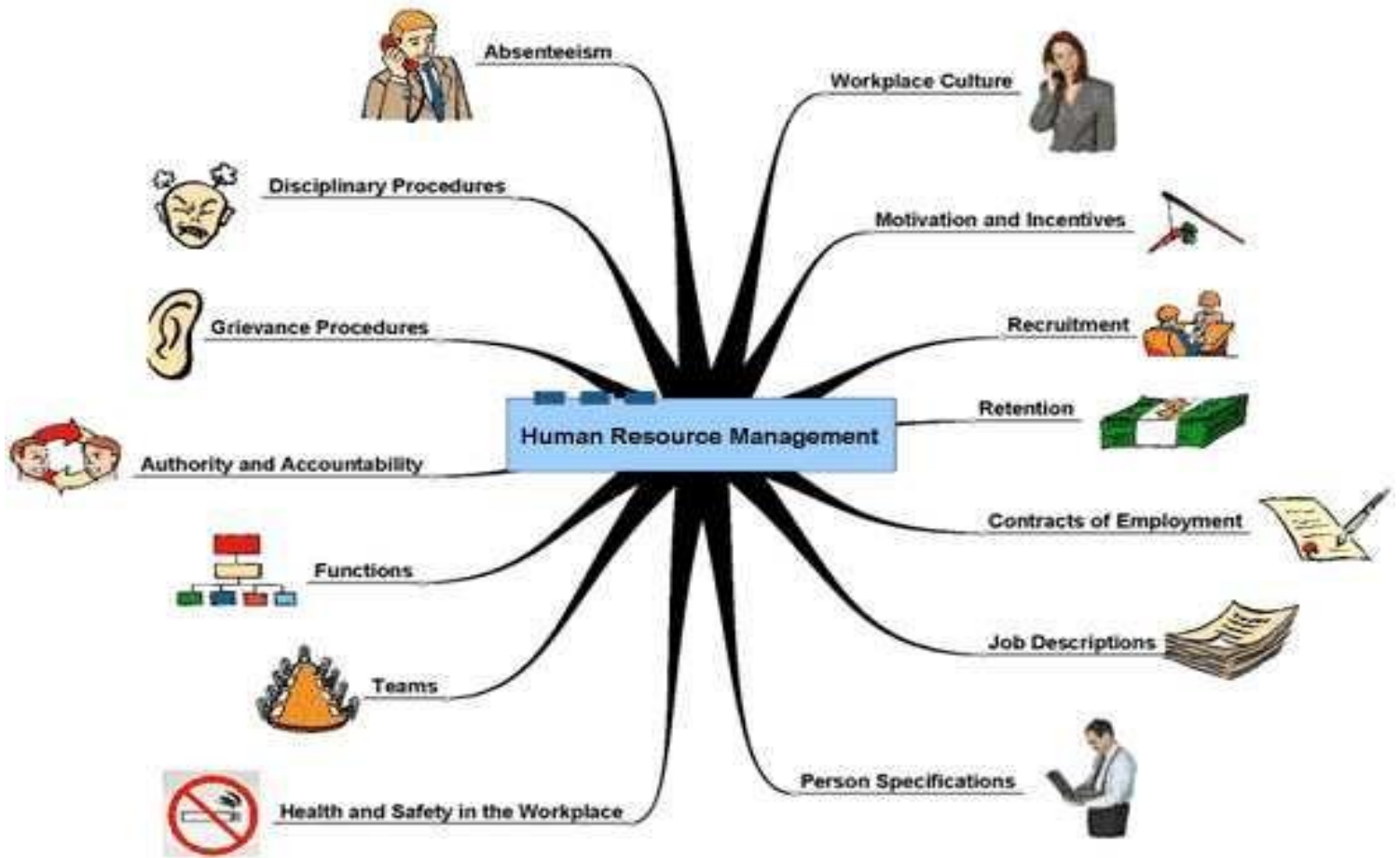
More and more companies are aiming for combining strategic HRM with national, social, economic and environmental demands. Many factors play into this such as changes in the demographics and the global marketplace, fast technological innovation, as well as the changing role women play in modern industrial society. This has forced a rethink by managers of their individual organisation's practices and policies. For this reason the role of HRM has moved towards a more strategic function. The rise of information technology means that there have been changes to what skills employees now need. This, as well as an increased participation of women in the work place, has required many organisations to restructure and adapt their practices. Resource planning and work related programmes have become a major focus of HRM. With this improvement, corporate productivity and employee enterprise can be achieved.

HR planning is applied in order to acquire, use, improve, preserve and make proper use of an organisation's human resources. It is used to specify job requirements or what qualities are needed for the jobs. It is also used to determine the number of people an organisation needs and to discover the sources of manpower supplies. The goals of HR planning are to ensure the organisation can achieve its goals by developing ways to increase the contributions of human resources in the foreseeable future. Other considerations need to be taken into account including a demand for a specific type of manpower. It may need manpower for the different market situations. The human resources strategy must be constantly revised and adapted to the changing environment in the marketplace.

## Functions of Human Resource Management (HRM)

Human resource management must plan, develop, and administer policies and programmes that can make the best use of an organisation's human resources. This is the part of management's role which deals with people at work and their relationships within the organisation. Its aims are:

1. To use human resources as effectively as possible;
2. To ensure the best possible working relationships among all members of the organisation; and
3. To assist individuals to reach their highest potential.



In Human Resource Management, there are four major areas:

- 1) Planning
- 2) Staffing
- 3) Employee development, and
- 4) Employee maintenance.

These four areas and any associated functions share a common aim. That is to have enough competent employees with the skills, abilities, knowledge, and experience needed to achieve further organisational objectives. Each human resource function (above) can be appointed to one of the four areas of personnel responsibility but there are also other functions that are designed for different purposes. For example, performance evaluation processes provide a stimulus and guide employee development. They are valuable for salary administration purposes also. The purpose of the compensation function is as a stimulus to keep valuable employees and also to attract potential employees. Below is a description of the typical human resource functions

## Human Resource Planning

The human resource planning function serves to determine the number and type of employees needed to achieve the company's goals. Research is performed in this function because planning requires information to be collected and analysed for the forecasting of human resource supplies and the prediction of future human resource needs. Staffing and employee development are key human resource planning strategies.

## Job Analysis

Job analysis is deciding on the job description and the human requirements that are needed for said job. The job description should include the skills and experience needed to perform the job. A job description clearly sets out work duties and activities that employees will be expected to perform. Job descriptions are essential because the information they provide to employees, managers, and personnel people influences personnel programmes and practices.

## Staffing

Recruitment and selection of human resources (people) is what staffing is mostly concerned with. Human resource planning and recruiting is done before selecting people for positions. Recruiting is the personnel function of finding and hiring the best qualified applicants to fill job vacancies.

The selection function is used to choose the most qualified applicants for hiring from those attracted to the organisation by the recruiting function. During the selection process, human resource staff are involved in assisting managers to decide which applicants to select for the given jobs and which ones to reject.

## Orientation

Orientation is done in order to introduce a new employee to the new job and the employer. It is a way for new employees to get to know more intimate aspects of their job, including pay and benefits, working hours, and company policies and expectations.

## Training and Development

Training and development is used as a means of providing employees with the skills and knowledge to do their jobs well. It must be provided to all employees. In addition to providing training for new or inexperienced employees, organisations often provide training for experienced employees as well. This may be because their jobs are undergoing change or the company needs them to work more effectively. Development programmes are also done to equip employees for higher level responsibilities. Training and development programmes are ways of making sure that employees can handle the stresses of their jobs and perform well.

## Performance Appraisal

Performance appraisal is an evaluation of an employee and his/her performance to make sure that said employee is working well and at acceptable levels. Human resource personnel are usually responsible for developing appraisal systems. The actual assessment of employee performance is done by supervisors and managers. Performance appraisal is necessary because the results of the appraisal can be used to motivate and guide employees' performance. It also provides a basis for pay, promotions, and any disciplinary action if necessary.

## Career Planning

Career planning is a process where an employee explores his/her interests and abilities and strategically works towards job goals. It has come about partly because many employees' feel the need to grow in their jobs and to advance in their careers.

## Compensation

It is the HR department that determines how much employees should be paid for certain jobs using a system of assessment. Compensation costs companies a lot so it is something that needs serious attention in the human resource planning stage. Compensation affects staffing because people generally want to work for an organisation that offers more pay in exchange for the work done. It provides an important motivation for employees to achieve more in their jobs and reach higher levels. As such, it is related to employee development.

## Benefits

Work benefits are also referred to as fringe benefits. They are non-wage compensation that employees get in addition to their usual wages. Benefits are legally required items but employers can also more at their discretion. The cost of benefits is so high that they have become a huge consideration in human resources planning. Benefits are mostly related to the maintenance area because they provide for many basic employee needs.

## Labour Relations

Labour relations relates to the practice of managing employees who are members of a union. Unions provide employees with strength in numbers and have representatives who can advocate on their behalf if necessary, to deal with any discrepancies in pay, benefits, working conditions, and other work aspects. HR personnel are responsible for negotiating with unions and resolving any disputes.

## Record-keeping

Record-keeping is essential and the most basic function of HR. Recording, maintaining and retrieving employee information when needed is done by the HR personnel. The type of records kept are related to the employees and include employment history, CVs, medical records, promotions, transfers, working hours, and lateness, etc. Keeping records up-to-date is a vital HR function. Employees today want to know what is in their personnel records and why certain things are there or not there.

Personnel records provide the following:

- i) Up-to-date information about employees.
- ii) Procedures for comparing employees and their work to other employees.
- iii) Procedures for recruiting new employees, e.g. by showing the rates of pay.
- iv) Record of previous action taken regarding employees.
- v) Statistics which check and guide personnel policies.
- vi) Information regarding legal requirements and how to comply with them.

## Personnel Research

Research activities are an essential function of HR personnel. Research is done with the aim of obtaining personnel specific information in order to develop programmes that work for an organisation. Planning and reviewing is vital. Areas, such as recruitment, employee turnover, training, and terminations are all important areas to be researched. Employee opinions are also very important and can be obtained through surveys about wages, promotions, welfare services, conditions, job security and the like.

Even though research is so important, many companies neglect it because personnel people are too busy dealing with other more immediate problems.

Research is not done to deal with problems but to prevent them from occurring in the first place. The responsibility for research lies initially with the HR department but line supervisors and executives at all levels of management should assist. Trade unions and other organisations can give some assistance also and it should be made use of.

HR functions also include managing change, introducing new technology, innovation and diversity. Regular social audits of HR functions are necessary because of the large role HR plays within any organisation. HR's ultimate goal is to provide a link between the organisation and the employees because the organisation needs employees' commitment. Employees need to be made aware of things like sales growth, restructuring plans, sharp price movements and any challenges facing the country and their organisation in particular. This can be done by videos, films, lectures and booklets.

The main responsibilities of a human resource manager are:

- To fully develop knowledge of corporate culture, plans and policies.
- To initiate change where necessary and act as a facilitator.

- To actively participate in formulating company strategy.
- To be a consultant to change.
- To ensure communication remains open between the HR department and individuals and groups inside and outside the organisation.
- To identify and advance HR strategies that match the company's business strategy.
- To develop particular organisational teams and assist in the effective working relationships between the teams and individuals.
- To ensure the organisation's goals are achieved by effective co-operation of employees.
- To identify any problems, particularly in the HR area, and to find effective solutions.
- To contribute to the co-ordination and support services for HRD programmes.
- To assess the effectiveness of HRD programmes and to do research in order to find out how the HRD has affected (improved or otherwise) individual or organisational performance.

Pat McLagan is an award winning author, speaker and coach of leadership development and management. She has identified nine new roles of HR.

- 1) To bring the issues and trends concerning an organisation's external and internal people to the attention of decision-makers, and to recommend long-term strategies to support organisational excellence and endurance.
- 2) To design and prepare HR systems and actions for implementation so that they can produce maximum impact on organisational performance and development.
- 3) To facilitate the development and implementation of strategies for transforming one's own organisation by pursuing values and visions.
- 4) To create the smoothest flow of products and services to customers; to ensure the best and most flexible use of resources and competencies; and to create commitment among the people who help us to meet customers' needs whether those people work directly for the organisation or not.
- 5) To identify learning needs and then design and develop structured learning programmes and materials to help accelerate learning for individuals and groups.
- 6) To help individuals and groups work in new situations and to expand and change their views so that people in power can participate in leadership.
- 7) To help people assess their competencies, values, and goals so that they can identify, plan, and implement development actions.
- 8) To assist individuals to add value in the workplace and to focus on the interventions and interpersonal skills for helping people change and sustain change.
- 9) To assess HRD practices and programmes and their impact and to communicate results so that the organisation and its people accelerate their change and development.

In recent years, Human Resource Management has received increasing attention. Its importance has been recognised and its role has changed from the traditional personnel management role to a more human resource management role.

## The Code of Ethics of Human Resources

Another responsibility of HR is to add value to the organisations and effectively contribute to their ethical success.

The ethical success lies with the decisions and actions taken by HR personnel. HR professionals should only engage in activities that improve an organisation's credibility and value. In this way they also promote their profession.

- HR professionals must maintain the highest levels of competence and continually work to strengthen competencies.
- HR people must maintain the highest standards of effective leadership.
- HR personnel must work in the most ethical ways and make proper decisions that exhibit fairness and justice for everyone in the organisation.
- Stakeholders must feel that HR people are trustworthy and that their interests are protected. HR personnel must never engage in any activities that can be viewed as a conflict of interest.
- The personnel must always protect the rights of individuals especially with regards to employees' private information. They must be honest in all their dealings and make informed decisions in all situations.

## Training and Development

### What is Training?

Training is the teaching and/or learning activities undertaken for the purpose of helping employees of an organisation acquire and reproduce new or developed knowledge, skills, abilities and attitudes needed by that organisation. It is aimed at increasing the knowledge and skills of employees. With this, the organisation will also benefit.

Training is one of the best ways of helping employees work more effectively. It is a vital task in people management and organisations must undertake this.

Training encompasses any activities that relate to teaching or learning that assist employees attain more skills, knowledge and abilities in order to perform their jobs more effectively. It also encompasses attitudinal training.

Training equips employees with the proper skills and knowledge which will contribute to organisational

efficiency and how to cope with any changes in the work environment. Managers must also be properly trained to deal with environmental changes. In some cases technology moves so fast that skills can become outdated and new training is necessary.

## Objectives of Training

The aim of training all employees is to help the organisation meet its objectives by increasing the value of its major resource - its employees. Armstrong (2001) mentions three particular training objectives:

- *To develop the competences of employees and improve their performance.*
- *To help people grow within the organisation in order that, as far as possible, its future needs for human resources can be met from within the organisation.*
- *To reduce the learning time for employees starting in new jobs on appointment, transfer or promotion, and ensure that they become fully competent as quickly and economically as possible.*

Cost-effective training can be achieved through clear objectives for employee training. These objectives should describe precisely what the employees must demonstrate after the training. This is what will show the trainers if their methods work or not. Without this criterion, which is used to judge the effectiveness of the training, it is not possible to know for sure if the training was effective or not.

Learning objectives should meet the following criteria:

- 1) They must be expressed in learner-oriented ways. This can be done by explaining what the learners should be able to do after the training, including certain knowledge and skills.
- 2) Be as specific and clear as possible about what performance is expected, what standards are required and the conditions of attendance.
- 3) Try to achieve the training in the time specified and allow the correct amount of time for the achievement of the training goals for both the trainer and the learner.
- 4) The language used must be clear and explicitly describe what the trainees must do.

Certain learning objectives can still be found in published training manuals. For example, an objective for a management training course may go like this: 'To familiarise employees with the principles of effective management.' It would be pretty much impossible for this type of criterion to be a basis for effective measurement of this learning activity. It is way too broad a description.

A better way to phrase the objective would be something like this: 'In this training programme employees will be able to identify and define principles of effective management and be able to use real examples from practice and personal experience.' With the clear and explicit wording of this objective it would be possible for effective learning to take place.

Despite what is mentioned above, it is in fact, easier to formulate objectives that can be easily assessed for some subjects as opposed to others. For certain activities such as computer skills, driving, carpentry, cooking, and the like, it is much easier to define objectives in measurable terms. With training programmes such as management, it is a more difficult task, even though things like interviewing and chairing meetings are two of the simpler ones. For more complex topics it is better to break them down into separate

objectives. Only after the training objectives have been outlined, can the next stages of the process be addressed. Then certain questions will need to be asked such as: what form will the training take? Who will do any particular training? What exactly will the contents be? What methods should be used?

## Benefits of Employee Training and Development

Transformation of organisations can be achieved with proper training and professional development courses for all employees. This will give employees extra skills which will assist in increasing productivity and achieve higher job satisfaction, which will cause better performance in the organisation, as a whole.

Situational training is also necessary as it allows employees to learn skills to make informed decisions in a timely manner that benefit customers and the organisation. This situational training may be given by a number of people, such as a supervisor, employee – to - employee training, or the HR department itself.

There are a number of reasons why supervisors conduct training for employees. These include:

- Increased levels of morale and job satisfaction among employees.
- Increase in (employee) motivation.
- More efficient processes which will ultimately result in financial gain.
- Innovation in strategies and products.
- Reduction of employee turnover.
- A higher ability to adapt to new technologies and systems.
- An improved image for the company.
- Risk management training which will include things like non-discrimination, sexual harassment, etc.

## Assessment of Training Needs

### What, Why, Where, and How?

A training needs assessment must come before any training programmes are developed. In this way, the optimising of benefits to employees will be achieved and the costs can be kept down. The person doing the training, be it a manager, supervisor or another trainer, must ensure a needs assessment is done before anything else.

### What Is a Training Needs Assessment?

Training needs assessments are a means of identifying what educational programmes or activities must be provided to ensure employee productivity is improved.

### Why Have a Training Needs Assessment?

- To determine the specific needs of the employees in order to make their work faster and better.
- To determine if the training will have the desired effect on productivity and cost.
- To distinguish between training and organisational issues.

### How Is a Training Needs Assessment Performed?

Training needs assessments can be done individually or combined with one another. Several methods

should be contemplated in order to ensure the big picture is being looked at. The ultimate decision of which method to use is made by the organisation.

Things that must be done are:

**Step 1:** Think about what employees' needs are.

**Step 2:** Create surveys that employees must fill out with both open-ended and close-ended questions. Also make sure there are some statements that they must think very carefully about. For example: I could perform better and more efficiently if.....

**Step 3:** Organise focus groups.

**Step 4:** Have a second meeting (or more, if needed) with the employer to evaluate the feedback from the surveys and the focus groups.

**Step 5:** Create a customised training plan that suits the organisational and employee needs.

**Step 6:** Implement the training.

- 1) **Management Meetings:** Supervisors and managers are more intimately involved with planning projects and have more awareness of the future of the company. Because of this, they know what is needed. Their knowledge of their employees' abilities, strengths and weaknesses is essential in knowing what is needed to get them to the next level or to equip them with the skills for new projects that may be coming.
- 2) **Meetings with Employees:** It is important for supervisors to get information from employees regarding what issues they are facing and how they feel their jobs could be made easier and more efficient. During this process it is important for supervisors to make sure employees express what they need instead of what they may want.
- 3) **Conduct Surveys:** Surveys are an efficient way of obtaining information quickly as many people can be surveyed in a short period of time. Getting employees to express their needs on paper can also be more informative as sometimes people are embarrassed to admit certain things in front of others.
- 4) The surveys should be done as a questionnaire. This can include questions that are closed – ended (only a Yes or No is needed) or open-ended (employees must give reasons and more details for their answers). The close-ended questions are usually very easy to organise as the answers are limited. The open-ended answers will allow employees to provide more information that could include new ideas or concepts that management may not have originally considered. It is usually best practice to include both types of questions.
- 5) **Focus Groups:** Focus groups are good for small group communication. Because of the size it is easier for the supervisor or assessor to find out more details about the people in the group. Brainstorming is a good way to get new ideas including ideas about what type of training might be needed. The timing is

also important. A good time frame is about 90 minutes long thus enabling the participants to get comfortable with each other and the assessor and begin to feel free to express themselves. These focus groups can be held only one time or more regularly depending on the time allowance. **Review of Organisational Goals And Mission Statement:** Looking back at the organisation and its past is valuable as is looking to where the future might be going. This may reveal information that is important for scheduling training. The company needs to look at how the employees are currently working and what they might need to learn or to know as the company grows and changes. There are six steps to identifying organisational training needs. These are:

## Identifying Training Needs

The training needs assessment below is best done in small to mid-sized companies. It will give management a clear idea of what programmes to implement for groups of employees as it will give a quick assessment of the training needs.

1. The facilitator brings in all employees who do the same type of job to a conference room. A white board or charts are needed for the training.
2. Each employee must then write ten of (what they believe to be) their most important training needs. Ask them to be as specific as they can.
3. Understand that there might be a need to do more training as team building and effective communication are quite broad topics. Topics that are more specific may include how to give clear feedback or methods to resolve conflicts with a co-worker.
4. The facilitator writes the employees training needs on the board as they mention them. It may be necessary to double check that needs are not duplicated with further questioning.
5. The process then will be for the employees to vote for the most immediate needs and perhaps to place them in order of priority. By writing down the number of votes per need mentioned you can then decide which ones are the most important. You can use sticky dots or just write the numbers next to each need.
6. Make sure someone is taking notes of the meeting so that any and all important points are kept on record.
7. Scheduling another session is necessary to assess and evaluate the information.
8. Schedule another session to brainstorm the needed outcomes from the first few training sessions that have identified the needs.
9. Training needs assessment is usually more complicated than what is mentioned above but it is quite useful for a simple training needs assessment.
10. Make sure you keep the commitments made by the training needs assessment process.

Long-term profitability of an organisation depends on the quality of employee training and putting that training to good use. Investing in proper training for employees is a sound investment as is the hire and maintenance of quality people. Training should be done across all departments and for all employees, not just new ones. Those already employed need training to assist them in adjusting to changing work

environments and changing job requirements. In this way productivity and effectiveness is increased and benefits the organisation.

## Training Designers and Providers

Training does indeed concern all staff members of an organisation, as it is a vital part of work and needs the collaboration of everyone in the company. Managers or management advisors and supervisors are responsible for the supervision of many training systems. On-the-job training, coaching or delivering distance learning, are all aspects of their jobs. Management development advisors can be relied upon to give presentations, facilitate learning or assist supervisors in the process of training in the workplace.

It is usually the permanent higher level employees that are charged with training others in an organisation. More and more it is managers, both HR managers and other managerial staff, who will do the training of other employees. If this is the case, then these staff members need to be properly trained. It is important to understand that, just because someone knows a job, it doesn't mean they know how to teach it. This is why it is essential to train managers if they are the ones chosen to train other employees. The only way that incorporated work and training systems can be effective is if everyone in an organisation uses the same philosophy and the same practicing principles.

## The Training Process

Training process steps are:

- Working toward the organisational objectives
- Doing a needs assessment analysis
- Detecting gaps
- Agreement on the training objectives
- Choosing the trainees
- Choosing training methods
- Deciding on the evaluation means
- Administering the training
- Evaluating the training

Ask these questions before deciding on what training strategy should be used:

- Who are the company's customers?
- Why do customers buy from the company?
- Who are the competitors?
- How do the other competitors serve the market?
- What competitive advantages do the competitors enjoy?
- What parts of the market have the competitors ignored?
- What strengths and weaknesses does the company have?
- What social trends are arising that will affect the organisation?

Formulating a training strategy is necessary in order to answer a couple of critical questions:

1. What is your business?
2. What should your business be?

Answering these questions as clearly as possible will make it easier for a company to identify its mission and company vision, which will, therefore, identify the training needs.

Assessment of training needs can be done through the analysing of three human resource areas.

Assessments must be done for:

- The organisation as a whole,
- The features of the jobs, and
- The needs of all the individuals within the organisation.

Analysing these will offer answers to the following questions:

- Where specifically is training needed?
- What exactly must an employee learn in order to be more productive?
- Who needs to be trained?

To begin with, it is important to analyse the current position of the organisation and how it works. It is also necessary to assess the abilities of all employees in their specific roles. The company must have a five year plan and know what it wants to achieve in that time. When all of the above are done it will be easier to identify what training programmes will be needed.

It is necessary for the company to commit the finances necessary to put these training programmes in place and ensure they are done. Without this commitment the company will most likely not achieve its five year goals. Concentrate resources where they are needed and an audit will uncover specific areas for which training is needed. This audit will identify what skills are available to the company at this moment and what skills will be needed to achieve future objectives. Whatever inconsistencies are found between the skills available now and the anticipated skills is where training will be needed.

## Selecting Trainees

When the decision is made as to what training is needed, the next step is to choose who will be trained. This is an important decision for all businesses but especially so for small businesses. The selection of employees to be trained should be made very carefully because it costs money, especially if the people trained leave for another job.

It is important to select training programmes that consider the capacity for employees to be motivated by the training and to use what they learn as effectively as possible. Efficient use of resources is a must. If any employee fails in the selected programmes it will cost the company both time and money and will be detrimental to the employee. This is where the right selection comes into play as mentioned above.

## Training Goals

The training programme goals must match the needs identified by the assessment process. These goals must be clear about the behaviour and skills that are to be changed through training. They must also correlate to the mission statement of the company and address the strategic plan. It is a good idea to allow employees to contribute to setting the goals as it often increases the likelihood of success. It will also help if the goals incorporate milestones to give the employees an idea of where they are and to get them to where the company wants them to go in the future.

## Training Methods

Types of training methods include on-the-job and off-the-job practices. Answering the questions of who to train, what programmes should be used, and the reasons why it is important to train, will give you the answers as to what training methods to use.

**On-the-Job Training** is done while employees go about their regular jobs. This is a good way to ensure that time is not lost while they are learning and include things such as, job instructions, apprenticeships, orientation, and coaching, etc. The contents and plan of the training programme must be given to the employees. A time-table must be set which includes evaluation times to let employees know how they are progressing.

**Off-the-Job Techniques** are things like conferences, case studies, lectures, laboratory training (if appropriate) and films. These can be expensive so small business in particular must be careful about what they choose.

**Orientations** are for new employees. The first days on the job are crucial in the success of new employees. This point is made clearly if you understand the fact that 60% of employees who leave a company quit in the first ten days. During orientation training the following topics must be stressed:

- The company's history and mission.
- The central members of the organization.
- The key members in any department, and how the department helps achieve the company's mission.
- Rules and regulations of personnel.

Both written and verbal presentations are used by companies in order to stress these points. Orientations are also done on a one-to-one basis, especially in smaller businesses. Ensuring the new employee knows and understands his/her new place of employment is important and must be done.

**Lectures** are orations or verbally expressed presentations. They are the best method to use when there is a lot of material to be covered and a lot of people in the audience. This method is more cost effective than teaching or training employees individually. However, lectures are not necessarily the most effective

way of training people. It can be difficult to know if the audience understands what is being presented, and how much they understand. Some people may only understand a little and be left undertrained and others might be lost completely.

**Role - playing and simulation** are techniques used to depict realistic situations where the employees are required to make decisions and discuss the effects and possible solutions of these decisions later. Role playing can be a very effective technique. This particular method is very cost effective and, as such, is often used in marketing and management.

**Audio-Visual Methods** include films, television, and DVDs. The use of these sources is very effective as a way of learning because it can show real life situations in a very short time. The Audio - Visual Method, however, does not allow for questions or interaction with the speaker and as such is a somewhat limited method.

**Job Rotation** engages the employees in many different job areas. This allows the employees to experience the tasks associated with different jobs as he/she learns a bit about everything. It is the most common method for training people for supervisory roles and is also a good method for small businesses to use.

**Apprenticeships** are also known as “traineeships”. This includes a contract between an employer and an employee whereby the employee (or apprentice) learns skills on the job for a particular trade or occupation. The apprentice works with a senior skilled worker who oversees the training and it usually lasts for at least a year and often more.

**Internships and Assistantships** are opportunities offered to employees who are then called ‘interns.’ They work in a company for a fixed period of time ranging from one week to a year. Internships or assistantships include both classroom and on-the-job training and are usually used to train prospective managers or marketing people.

**Programmed Learning** is a method whereby information is broken into sections and the employees can learn at their own pace and test themselves. This method of teaching and learning is based on taking small steps, going at one’s own pace and getting immediate feedback. Computer instruction and interactive videos are very useful for this. The teacher or instructor only really needs to be present for the first part, the introduction, and the employees can take things at their own pace. This may not be easily available for small businesses, however.

**Laboratory Training** is done for small groups and usually for upper and middle management trainees. It enables them to foster a spirit of teamwork and a better ability to interact with management and their peers. This method can be expensive but is also used by small businesses.

## Training Administration

Following through and ensuring objectives are met is an important part of the training process. Before training starts it is important to consider certain things such as:

- Location
- Facilities
- Accessibility
- Comfort
- Equipment
- Timing

The success of the training will be aided by considering these questions carefully. A

successful training programme administrator must take these steps:

- Clearly define the organisational objectives.
- Determine the needs of the training programme.
- Define training goals.
- Develop training methods.
- Decide who is to be trained.
- Decide who will do the training.
- Run the training.
- Assess the training programme.

By doing this the administrator can develop effective training programmes and help ensure the organisation retains qualified, productive employees who are happy in their jobs. Of course, the follow on effect will be the success of the organisation.

Small businesses receive specific types of benefits from the training and advancement of their workers. These benefits include:

- Increased productivity.
- Reduced employee turnover.
- Improved efficiency resulting in financial gains.
- Less need for supervision.

By training employees to become more valuable to the organisation, they will also reap the rewards of greater self-worth, dignity and generally feel better about themselves and life. They will also receive more of the material gains, such as incentives and/or other benefits with their increase in productivity. The achievement of personal and company goals will result in further satisfaction for the employees.

Training employees and increasing their development are good management practices. It is also a good risk management tactic.

Below are several issues that may indicate a need for employee training and development:

- Employees requesting training
- Employee survey results
- Evaluation deficiencies
- Individual development plans
- Law and regulation changes
- Need to develop new leaders
- New employees
- New equipment
- New managers
- New programmes
- New technology
- Reassignment
- Safety issues

Unfortunately, many organisations are cutting costs that affect learning and training courses. This is despite the fact that the need for training employees has actually increased. The good news is that quite a few methods of training exist that are not too expensive. These methods have come out of the need for inexpensive training for organisations. One way to do this is to pay employees while they are on leave to study or train. This is one way of keeping the employees satisfied and gives them time to develop their skills which will in turn benefit the company.

There are five major benefits of this type of training. These are:

- 1) **Impact on the Bottom Line:** As mentioned above, successful employee training will benefit the company because employees' performance would be improved and business would benefit.
- 2) **Staff Retention:** The right training will ensure a higher level of staff retention and this, in turn, will save the company money because there will be no need to spend money on recruiting new people to replace the ones who leave. This also saves on management time which is also spent on recruiting. Since this is the case, it is obvious that organisations understand that employees are their number one asset and will bring increasing returns to the company if properly trained.
- 3) **Quality and Productivity Improvement:** The right training will increase the quality of an organisation's services. This is where identifying the needs and deciding on the right training are important first steps.
  - With the right training, the company will increase:
    - Accuracy and efficiency.
    - Good work safety practices.
    - Excellent customer service.

- 4) **The Flow-on Effect:** The benefits received through the right training will almost always flow through to all the other levels of a company. It will increase business success and lower costs by:
- Decreasing wasted time and materials.
  - Decreasing maintenance costs of machinery and other equipment.
  - Decrease workplace accidents, which, in turn, will lead to lower insurance premiums.
  - Decrease recruitment costs through higher retention of staff and internal promotion of skilled staff.
  - Decrease absenteeism.
  - All these lead to a generally satisfied, productive and innovative workforce. As mentioned in Unit 1, human capital i.e. the employees of an organisation, are its biggest asset. Respecting, appreciating and investing in your workforce will bring success and financial returns to your company.
- 5) **Remaining Competitive:** Remaining competitive, especially in a global market, means businesses must always look at changing their work practices and also, their infrastructures. Technology is important but not as important as the people who work for an organisation. Economies are becoming more and more service oriented and it is the human capital, the employees, who provide the long-term sustainable success of an organisation. Properly trained staff helps give them the ability to manage new business strategies, improve procedures and customer services. Obviously, this will positively affect the organisation's profits and also set the standard for future recruitment and quality assurance practices.

Other aspects that will be positively affected are:

- Staff morale and satisfaction levels.
- Inter-staff communication and leadership.
- Time management.
- Customer satisfaction.

It is crucial to understand how investing in skills for employees can benefit the business and increase profits and save money or time. It is also crucial to align all training programmes with the organisation's objectives. Without this, the success is doubtful.

### Training vs. Development

Training	Development
1. Training = learning skills and knowledge to do a particular job successfully. It increases job skill.	1. Development = the growth of an employee in all respects. It also shapes attitudes.
2. The term "Training" generally = passing on specific skills to operative workers and employees.	2. The term "development" = the overall growth of the executives.
3. Training is focused on maintaining and improving current job performances. As such it is a short-term perspective.	3. Executive development involves developing competencies and skills for future performance. As such it deals with long-term perspectives.
4. Training is job focused in nature.	4. Development is career focused in nature.
5. The role of a trainer or supervisor is crucial in training.	5. All development is "self-development." The executive must have internal motivation for self-development.

Human resource development is a vital HRM function, which entails not only training and development, but also, individual career planning and certain developmental activities. Organisational development and performance assessment and activities that stress the importance of training and development needs are also vital.

In order to develop and teach effective training programmes, it is imperative for the instructor to have an understanding of basic human learning behaviour. They must also know what learning skills the employees already have in order to learn new information effectively.

Understanding learning behaviours will enable the instructor to properly develop the training programmes and choose the right process of teaching. If the training programme has been well thought out and developed, the employees are more likely to learn well and apply that learning to their jobs.

The ADDIE Model of developing training programmes is able to expand to a wide range of learners. It provides guidelines for building effectual courses. It does this in five phases:

- Assess
- Design
- Develop
- Implement
- Evaluate

During the developmental stage of a training programme, the ADDIE System can be used and it is indeed quite effective when all the phases have been properly implemented. After the programme has been

taught it is then validated and its success assessed.

The means to tell if a programme has reached its intended goals is by evaluating and validating whatever training took place and viewing the results. This is an extremely important step in the development of any training programme. Any information used to evaluate the results of training is necessary to know if and where any changes need to take place. The correct type of training will prepare the employees with suitable skills and knowledge to contribute effectively to the organisation and any changes that might occur within the work environment.

## Standard Areas of Employee Training

- 1) **Communications:** Because of the diversity of the modern day workforce a wide variety of languages and customs will most likely be found in most workplaces.
- 2) **Computer Skills:** Computer skills are pretty much a necessity for any administrative and office tasks.
- 3) **Customer Service:** It is vital that employees understand and meet the needs of customers. This is especially true in today's global marketplace.
- 4) **Diversity:** Diversity training aims to equip employees with the understanding of how different people have different views. Methods are used to teach employees to value this diversity.
- 5) **Ethics:** In today's world, people expect corporate social responsibility. With the diversity in the workplace, employees bring with them different values to the organisation.
- 6) **Human Relations:** Misunderstandings and therefore conflicts can sometimes occur in workplaces due to increased levels of stress. Proper training to help avoid or resolve any misunderstandings that may arise is of benefit to everyone.
- 7) **Quality Initiatives:** Basic training regarding quality concepts and guidelines are essential to any organisation. Thus, training would include total quality management, quality circles and benchmarking.
- 8) **Safety:** Occupational health and safety is a major component of safe workplaces in particular where there is heavy equipment, chemicals or continuous repetitive activities. It can also be useful for avoiding other personal safety issues.
- 9) **Sexual Harassment:** Sexual harassment training is, unfortunately, necessary and includes careful descriptions of the organisation's policies especially what is inappropriate behaviour. Sexual harassment usually affects women (although, sometimes, can affect men, as well), but these policies (and laws) are there to protect everyone.

## Assessing the Cost Effectiveness of Training

The question to ask after training has been done is, "has the training had the desired effect on individual employees and the organisation as a whole that it was intended to have?"

Sometimes it can be difficult to properly assess training programmes, in particular in the management

development area. There are some principles to follow when evaluating training and development activities. Hessling (1966) explains the need to be knowledgeable about the stakeholders in the organisation and to assess the results of training in terms of goals achieved by the participants, managers, customers and any other groups involved.

Data sources include:

- questionnaires or surveys filled out by participants and their managers
- feedback before and after the events (over a 12 month period at least), showing any improvements
- surveys to find out the morale, environment and attitudes with appropriate questions (again before and after, over a one-year period)
- information on any improvements, changes to output or service quality data before and after
- testing of trainees at the end of programmes and later to evaluate learning retention
- interviews with trainees and their managers, staff and customers, to clearly assess what improvements have been achieved.

It doesn't matter whether the training is done internally or externally, receiving feedback from staff is a must. The questions to ask include:

1. To what extent has the training met the specific needs of work for which it was intended?
2. Do any changes need to be made in future training?
  - a) Was any material included that has since been identified as limited or of no value?
  - b) Was any material omitted that has now been identified as being necessary?
  - c) How suitable were the training methods for learning purposes?

Correct judgements can only be made after a certain period of time, when line managers and employees have gained some perspective about their work performance after training.

### Further Reading:

- ✓ *John Stredwick, (2013), An Introduction to Human Resource Management*
- ✓ *Nick Wilton, (2011), An Introduction to Human Resource Management.*