

Trends and Practices of Training in Haryana Financial Corporation (HFC) from 1967-1997

Abstract

Training is the most significant constituent for any organization which wants to be successful. With the development of high technology, training has become a central figure. HFC has resorted to different types of training and an attempt has been made to study the selection of trainees, expenses incurred, job analysis, performance appraisal, and respondents reaction with regard to the process of training being imparted to them. Evaluation of training being the integral feature of any training programme has been analyzed critically and appropriate suggestions have also been made.

Keywords: Job Analysis, Performance Appraisal, Training Function, Selection of Trainees, Evaluation.

Introduction

Every organization needs to have well trained and experienced people to perform the activities that help the organization to achieve its objectives. In a rapidly changing society, training is not only an activity that is desirable but also an activity that an organization must commit resources to, if it is to maintain its successful existence. Training is the cornerstone of successful management which makes the employees more effective and productive. With the development of high technology, training has become a central figure. And no organization can take advantage of latest technology without well trained personnel. Well trained personnel is always more efficient and productive than untrained one. This is because training orients employees in the right direction i.e. aligns the moves and motives of the employees with those of the organization. Thus if an organization goals are aimed at increased efficiency, training does precisely the same. In face no one choose whether or not to train the employees....the only choice left to the management is whether training shall be haphazard, casual and possibly misdirected or whether it shall be made a carefully planned part of an integrated programme of sound administration. Hence the success of an organization depends largely on sound training. Training is the act of increasing the knowledge and skills of an employee for doing a particular job.

It is a planned process to modify attitude, knowledge skill behavior etc. through learning to acquire effective performance in an activity or range of activities. The purpose is to bring out a permanent change in the behavior of an individual and to learn such techniques as are required for the better performance of define task as well as taking higher responsibilities.

Training is thus, a continuous learning process which can contribute to higher production fewer mistakes, possible great job satisfaction, lower turnover and the ability to cope with organization's social and technological changes. Effective training therefore is an investment in the human resources of an organization with immediate and long range returns.

Training Process in HFC.

Haryana Financial Corporation (HFC) was set up in 1967 with only 35 staff members occupying different layers. HFC's main activity is to provide loans to eligible industrial units.

Prior to 1987, HFC management didn't evince much interest in imparting training to its employees. In the past number of activities as well as staff strength was limited. The management on their part also lacked experience and acumen; resulting staff training was not only overlooked but also sidelined.



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In view of staff training to enhance and ensure organizational effectiveness and on the other hand the complacent attitude of the state financial corporation towards staff training, the industrial development bank of India (IDBI) evolved a strategy to promote staff training activities amongst various financial corporations, including Haryana Financial Corporation. Initially the process was slow with little impact but gradually the training activities picked up, as can be seen from data presented in table-I

Table I
Total Employees Trained

Sr.No	Year	Total
1	1987	13
2	1988	6
3	1989	8
4	1990	11
5	1991	53
6	1992	139
7	1993	134
8	1994	178
9	1995	100
10	1996	87
11	1997	79

Source: HFC Records

The data in table I clearly indicates that with effect from 1991 the number of employees trained each year increased progressively. During a span of just few years viz. from 1991 to 1994 there has been an increase of 30%. It may therefore be said that training activities in HFC were streamlined and spread over a number of years. However, during the next few years there has been a considerable fall in number of employees trained. The downward trend existed from 1994 to 1997 has been to the extent of 44.4%.

Frequent transfers of the chief executives during this period, cancellations of the nominated employees at the last stage due to the personal reasons or official compulsions, strict adherence to the training rules and norms etc., were some of the significant reasons for the decline in the number of staff trained during these years, as is evident table II

Table II
Total amount Spent on Training Courses
Amount is Rs.

Year	Total
1987	31,000
1988	18,788
1989	10,527
1990	17,500
1991	1,29,345
1992	2,83,080
1993	20,051
1994	3,10,240
1995	3,40,813
1996	4,61,631
1997	4,76,565

Source: HFC Records

During the last more than ten years, training expenditure has increased from about Rs. 31,000/ to Rs. 4,76,565 showing an increase of 65.2%. The increase in expenditure is an evidence of

management's growing interest in the employee's training as well as due to increase* in cost of training courses. Training expenditure therefore, should be considered as a productive investment and not as a wasteful or luxury head of expenses. It has been found that progressive organizations tend to earmark higher budgets for imparting training to their employees. While making an interesting observation in this regard, "Virmani said that in most of the organization, the budget was decided first and the selection of trainees was done later while need should have been identified first, based on which the budget should have been prepared and this is very much applicable to the HFC management also.

The office record further reveals that prior to 1991 mostly junior level employees were deputed for various types of training courses, but in the subsequent years training for senior level employees and managers were also given adequate importance as may be seen from table III

Table III
Various Categories of Employees trained

Year	Officers	Middle level Management	Total
1992	35	104	139
1993	31	103	134
1994	36	142	178
1995	25	75	100
1996	21	66	87
1997	19	63	79

Source: HFC Records

The data however don't represent any fixed trends vis a vis the ratio of officers to staff trained over the years. Employees need training at all levels. The lower level employees like typists; stenographers, accountants, clerks etc. need training in their day to day office routine. The training programme for such employees needs to be tailor made to help them to improve their job performance. It is in this context rightly said that development of executives assumes greater significance and importance than the development of all employees.

Expressing similar opinions Arjun Sen Gupta Committee Report observed, 'Personnel policy of an organization must regularly provide for management training at regular intervals for each of its executives.' During discussions it was found that HFC was neither maintaining a proper cell for executive's development nor having a separate executive development budget. A common budget for types of employees from top to bottom is earmarked every year.

On the other hand HFC resorts to the practice of induction training to its newly appointed employees. The senior managers and above are generally not deputed for induction courses. Such practices don't reflect uniform training policy. In fact induction training programme should not be limited to certain levels of management; rather it should be imperative for all categories of employees. As far as HFC is concerned employees starting from the level of managers undergo induction training programme. A beautifully printed handbook and certain manuals of HFC are usually handed over to the new entrants. A perusal of these manuals indicates that they only

reflect information pertaining to the activities to the various divisions of HFC. Casico however pointed out that new employee should also be acquainted with the history of the organization.

Training Types

On the Job Training

HFC management has not formulated any concrete policy in this regard; virtually each employee from assistant to higher management level gets on the job training. During personal discussion it was found that majority of the employees in HFC have learnt their job by hit and trial method. It was further found that due to lack of interest on the part of superiors the latter couldn't provide proper guidelines to the fresh appointees at the initial stages. The effectiveness of the on the job training depends primarily upon the qualified trainers; without them Pigors and Mayors rightly pointed out ,it is simply the old hands who may have neither the inclination nor the ability to teach the new comer properly. Moreover HFC is a fast growing financial institution and on the job training alone can't cope up with the emerging dimensions of professional management. Therefore it is essential to supplement on the job training with institutional training.

Institutional Training

It was observed during discussion that HFC management has been sending its employees to the training programmes organized from time to time by various training institutes all over India. In HFC institutional training can be imparted in two parts:

1. In-house training
2. External training

The Training Function

The training is seen as a function which can be managed by anyone in the organization. As a result people who are brought to manage training activities may not have the necessary professional skills which training managers would require.HFC is no exception to it. The period under study shows that training activities were looked after by Computer division, staffed by people who had no professional knowledge pertaining to training.

Training Issues

Identification of Training Needs

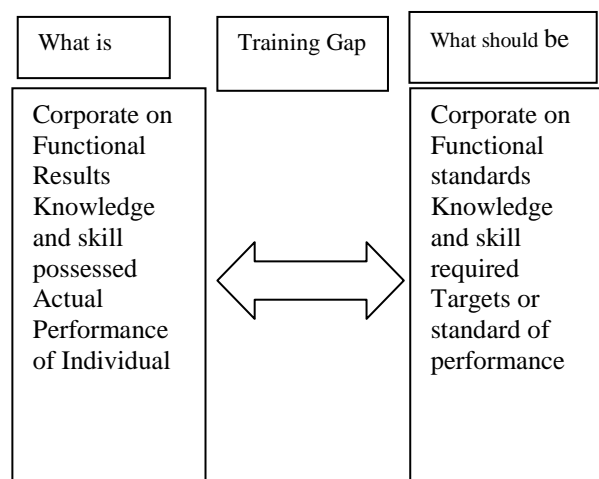
It is the stepping stone to an appropriate management training system in which the entire edifice of training programme is built. It attempts to take a specialized and individualistic view of the training needs of different categories of employees performing more or less similar jobs in similar organization. In HFC, management has been regularly deputing its employees for various types of courses but without identifying the training needs of the employees. It has yet not awaken to the requirement of identifying training needs. As many as 83% respondents* agreed that the management is deputing employees without identifying their training needs. The absence of identification can well make or mar the success of any training programme. Hari Mohan Mathur has rightly opined in regard to training in general that 'programmes mounted with no maneuverability to adjust to the changing

requirements will fail in realizing their objective of being useful to the participants and their organization.' During discussion with senior executives, it emerged that there was an immediate requirement to undertake identification of training needs. In the past proposal was mooted to recruit training specialist but it couldn't get the sanction of the BOD'S, thus proposal died its own death, for reasons best known to the management.

The identification of training needs aims to define the gap between what is happening and what should happen. This gap can be filled by way of training. The whole process can be depicted with the help of figure 4.1

Figure 4.1

The Training Gap



In order to bridge this gap HFC may endeavour to find out systematically:

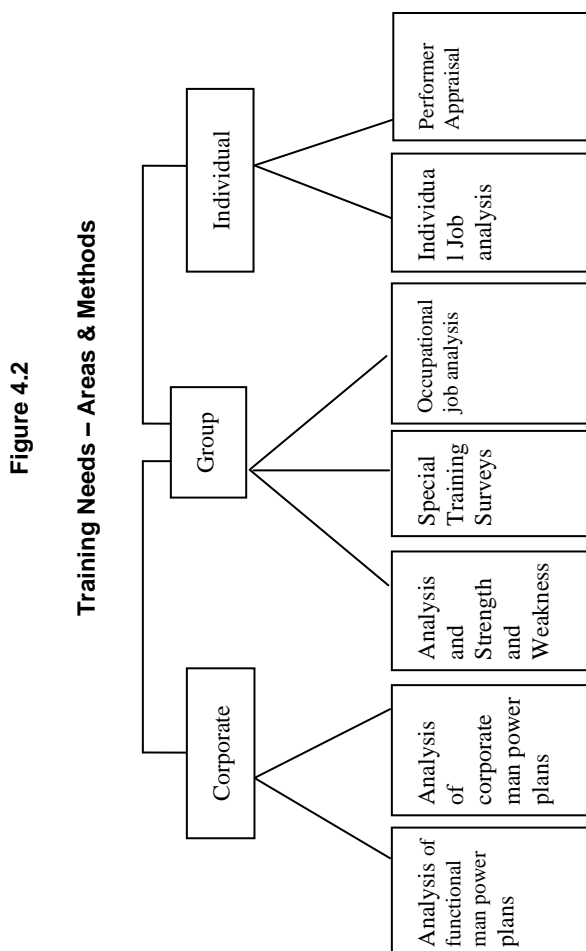
1. How each function within the organization is performed and how it should be performed?
2. What the employees know about these functions and what they should know?
3. What the employees actually do and what they should do?

It is suggested that training needs be first analyzed for the organization as a whole (Corporate needs), secondly for departments/divisions (group needs), thirdly for individual employees (individual needs) these three areas are inter connected as has been shown in the figure 4.2. The analysis of the corporate needs will lead to the identification of training needs in different divisions. The sum of individual and group needs corporate needs. As the needs of individual employees are analyzed separately, common needs that emerge can only be dealt with on a group basis. The following methods can be employed for the identification of the training needs;

Job Analysis

Job analysis is perhaps the most important stage in the whole systematic training process. It is the process of studying and collecting information relating to the operations and responsibilities of a

specific job. It helps to discern the levels of skill necessary to do a job primarily for the purpose of creating pay structure. HFC management however doesn't resort to job analysis. It is suggested that unless proper study of job analysis is not done in detail; the management will not be in a position to select the right kind of employees for undertaking the right kind of training.



Performance Appraisal

Many organizations have a separate column in Annual Appraisal Report with regard to the training needs of the employees. It was however found that while taking training decisions the appraisal reports were rarely consulted and even if they were, not much weightage was given to them. One of the senior officers stated that a valid and reliable performance appraisal can help the management to predict the performance deficiency of the employees much before their poor performance becomes detrimental to productivity.

In spite of the importance of performance appraisal it was found that HFC management was not making use of appraisals, instead Annual Confidential Reports were used for evaluating the performance of their employees for the purpose of granting annual increments and subsequent promotions and not from the point of view of imparting training. Yet another simple method to identify training needs is to ask the

employee himself viz. self assessment, highlighting the problem areas or certain specified area in which he is interested to gain knowledge in the wider interest of the organization.

The majority of the respondents' viz. 58% favored self assessment as one of the methods of identification of training needs. Observation by seniors was rated 27% as the second best method for identifying training needs, the respondents however were of the view that personal judgment of the superiors is mostly based on extraneous considerations.

Selection of Trainees

HFC management has not evolved any priorities or criteria for the selection of participants for various types of training courses. It was observed that factors like opportunities, convenience, personal influence and other extraneous reasons were playing a dominant role in the selection.

In the context, some of the important comments made by respondents were worth mentioning;

1. No consideration was given to eligible candidates
2. The course contents were not relevant to their present or future job requirements
3. Sometimes the only qualification trainees had for being nominated was their instant availability for the training course.
4. Participants who were generally benefited from training were later withdrawn from training course on the ground of exigencies of work.
5. Sometimes one person was sent again and again for training programme

No general principle deserves more careful attention than the rule that trainees should be selected carefully. In order to derive optimum benefit from the expenses incurred on training, it is essential that selection of trainees for various training programmes is given due attention. As noted by Tripathi, training opportunities should not be passed out as a reward for a good behavior for long service or to get relief for some time for a trouble making employees.' Training in HFC is generally selected on the basis of personal likes and dislikes; whims and fancies' of controlling agencies.

The respondents' opinion was also sought in this regard by asking an appropriate question.

S. No.	How are the trainees selected?	Percentage
1	Discretion of the authorities	40
2	Relevance of the course	14
3	Availability of the official	25
4	Self Request	14
5	No opinion	07

Interestingly, only 14% of the respondents opined that selection of trainees is relevant to the course, while 79% indicated that discretion of the senior officer, availability of the staff are the main basis for the selection for trainees. Since some of the means adopted by the management for the selection of the trainees is not scientific, as a result, right type of participant is not selected for the right type of jobs. Under such circumstances, either the training course goes unattended or the substitutes are appointed.

Instances were not lacking where the substitutes were asked to attend the training programme, notwithstanding the fact that the course had already started, or the course was not relevant to the substitute's job, leading to the resentment of the substitutes.

Highlighting the importance of selecting the right type of candidates for training, Perumel observed, 'A training programme can be rendered ineffective by faulty selection of trainees. 'Such training courses may not have the desired impact on the trainees thus, leading to wastage of scarce resource. It is therefore, suggested that the relevance of the course should be ascertained before deputing a participants for some training course.

It is suggested that the procedure and norms for selecting trainees for different training programmes may be carefully devised and widely circulated to all employees. The request made by the employees for some specific training course related to their respective jobs may also considered positively.

Evaluation

A desirable characteristic of training activities is the proper evaluation of their effectiveness. Being an integral feature of training, evaluation is the penultimate stage in the training strategy. In fact evaluation of each activity is important because by evaluating one tries to judge the worth of an activity. Hamblin defines evaluation of training as "an attempt to obtain information (feed back) on the effects of a training programme and to assess the value of training in the light of that information. He further stated that this information can help the training institutes as well as sponsoring organizations to review their training policies and programmes. Evaluation therefore is as necessary as training itself and as such it may be a built – in part of the training process. The need for evaluation therefore grows out of the desire to improve the existing training programmes.

However in HFC, training is imparted without any thought of measuring or evaluating how well the objectives have been accomplished. As already explained very little attention is being given to make sure that the training contents are related to job requirement. The most frequently used tool to measure to get feedback from the participants is popularly known as comment sheets. As noted by Flippo, 'there are various methods of evaluating training effectiveness. The one most commonly found and least effective is the reaction of participants after the training has been completed.

At the end of each course, trainees are required to rate or comment on different aspects of the course materials, quality of faculty presentation, weightage to different topics. They are also asked to describe individually what specific benefits they have derived from the course, and what type of suggestion do they have to offer. At this juncture due to fresh memories the participants were in a better position to express their reactions than if they were asked after some gap.

The reaction evaluation helps the trainer to gauge the frame of mind of the trainees. If the

trainees leaves with the negative reaction towards the training, he will hardly be motivated to learn or even if something is learn the may not be committed to transfer it to job-situation.

But this system of evaluation is not an effective one because in most programmes, the opinion expressed by the trainees about the worth of the course is almost positive. Mostly their liking or disliking a course revolves around the boarding and lodging arrangements. If their stay is comfortable and meals are to their liking the trainees generally rate the course good and vice-versa. The trainees therefore, presented wide variety of impressions with regard to the same course. It is therefore suggested that trainees should be motivated to fill up the reaction forms in an impartial manner and with a positive frame of mind.

In HFC ,trainees on their return to the office after attending the course are required to submit of training activities indicating the various details of training course including course contents, methodology, faculty training material, teaching aids etc. In HFC, the trainees in the past didn't treat the submission of the resume seriously. In fact resume was hardly submitted. The management in order to make it permanent habit amongst the trainees made it compulsory to submit feedback else they would not be paid TA/DA for the said course. Non compliance of these orders shall attract disciplinary staff regulations. Highlighting the importance of feed back, Sayles and Strauss stated, to be effective ...there must be feedback or knowledge of results. Opinions of the Head of respective division can also be used in ascertaining if the training has really resulted in perceptible improvement in actual job performance after the trainees return from course, Therefore the evaluation is as necessary and important as training itself.

Aim of the Study

The main aim of the study is to highlight the training practices prevailing in the Haryana Financial Corporation .Since inception as far as my knowledge goes no detailed study has taken place on the above mentioned subject,therefore the need was felt to undertake one aspect of Human Resource Management ,which is training. HFC being a semi-Governmental organisation many implications were witnessed like, selection of trainees was not need based, there was no identification of training needs,evaluation of the training programmes was missing , lack of infrastructure available for in -house training programme,and management disinterest regarding training in the initial years were the main reasons which is why the study was undertaken.After the training analysis the appropriate changes with positive suggestions were made which could be easily implemented.

Conclusion

Haryana Financial corporation (HFC) was set up in 1967, with only 35 staff members occupying different layers, HFC's main objective is to provide loans to eligible industrial units. In the initial years, the training programme was missing on the curriculum of HFC,It is only during the year 1987, that management

took initiative and employees of all the levels were encouraged to take part in in-house and external training programmes. With the passage of time on the job training and institutional training also became popular and good no of employees were sent to attend to training programmes. But after few years it was observed that not much importance was given to the identification of training needs, they were considered for selected on the basis of availability, favorites, paid holiday (incentives), etc, therefore it also created resentment among employees. Since management didn't own the responsibility initiatitely, and consequently the focus was diverted and evaluation of training programme was ignored, there was no concrete policy even after spending good amount of money on various courses. It was suggested that opinion of the respective head of divisions should be ascertained, if the training has really resulted in perceptible, improvement in actual job performance after the trainee return from course, so that evaluation becomes as necessary and important as the training itself. A simple acknowledgement can help to build amongst trainees a feeling of belongingness to the organization and confidence in the training activities.

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