

Do Employee Development programs really affect employee growth and business success?

Working Paper
Author: Meeta Kanhere
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[Author:- Program Manager at Chatur Knowledge Networking Pvt. Ltd, an HR Consulting firm in Pune, Specializing in Psychometric Assessments, Leadership Development and Executive Coaching. Handled several projects in training (from concept to delivery. Focus: - enhancing the spread, usage and sale of various products and services that Chatur offers. Responsible for planning, organizing and execution of the flagship knowledge sharing initiative under the aegis of 'Muktasamwad'. Also a certified consultant on the Workplace Big Five, a psychometric test based on the Five Factor Model of Personality].

Abstract:

Employee development has surged to the forefront on concerns for HR departments. It is sponsored by an organization for its workers and focuses on identifying, assuring, and helping evoke new insights through planned learning. Very few organizations are able to map quantitatively, how these programs affect the employee growth in an organization and the impact they have on organization success.

The focus of this paper is to analyze the significance of employee development programs on employee growth and business success. The study is a qualitative collation of data from a survey conducted on participants working in different sectors. These participants attended training programs designed by Chatur Knowledge Networking on Leadership, Coaching, and Self-awareness and team-building and Result Orientation and Execution Excellence.

All these training programs are aimed at leveraging the employee's potential, thereby impacting organizational success. The study investigates the value employees place on development programs, how the organizations utilize employee's potential and the benefits these programs will have on the organizations.

Key words: Employee growth, Business success, Employee development programs

Introduction:

What Is Employee Development?

Employee development is a joint, on-going effort on the part of an employee and the organization for which he or she works to upgrade the employee's knowledge, skills, and abilities. Successful employee development requires a balance between an individual's career needs and the organization's need to get work done.

Why Should Employee Skills and Abilities Be Developed?

A recent review of research literature showed retaining an employee saves the organization a great deal of money. One method of retention is to provide opportunities to develop new skills. In a research conducted to assess what retained employees, development was one of the top three retention items. A strong internal employee development program can lead to an external reputation that provides an enticement for new potential candidates to join a firm. An employee development program must be well-thought-out, train for skills that are important to the company's strategic objectives and provide for a successive and progressive skill base.

Should employee development programs be evaluated?

Human resource practitioners, OD consultants and training managers realize that any training and development activities should eventually show a positive return and improve the bottom line. Otherwise, why even bother to have a training and development process? Therefore, a portion of the program must focus on evaluating outcomes.

What are the current training practices across industries?

Some companies across sectors that have not only managed to develop robust training programs but have also been able to quantify the results in some form are shared below.

1. Philips worked with management experts and academicians at ISB, Hyderabad to tailor-make programs for its top-line management. The emphasis is on experiential learning, especially for the mid- and senior-level employees where the tracking methodology is simple and effective — reporting back the progress through feedback and actually tracking business results to determine the result of a program. Training has reduced attrition rate at Philips by roughly 50 per cent in the last two years.

2. The multiplex **PVR Cinemas, in Baroda**, in question was on the verge of shutting down. The overhead costs were high, the front-end staff was ill-equipped to provide customer satisfaction and the manager was rather unenthusiastic given the poor footfalls. With just three months to script a turnaround, the training team realized that the front-end staff needed a training module that not only emphasized grooming, behavioral etiquette but also offered detailed knowledge of the food and beverages offered. Thanks to the customised modules, the mid and senior staff figured that they could reduce manpower and bring down electricity bills by simple measures like shutting two exits and continue working with just two. A management call was taken and despite the multiplex's poor performance, salaries of the employees across the board were increased to give them a boost. Gradual increase in footfalls, a decline in the number of complaints and successful third party mystery audits were some of the methodologies that helped the management team to track the success of the training modules. Now PVR increases its training budget by 10 per cent annually.

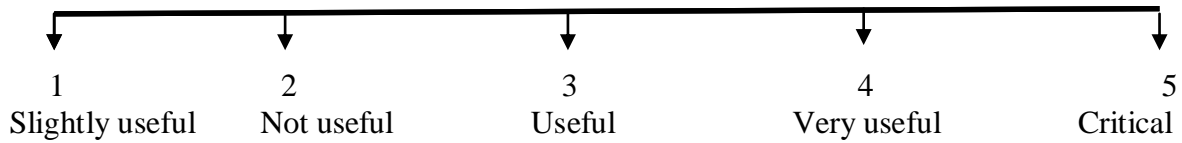
(Abhilasha Ojha , Dec 2012, Measuring training effectiveness, Business Standard, December 30, 2012)

Methodology:

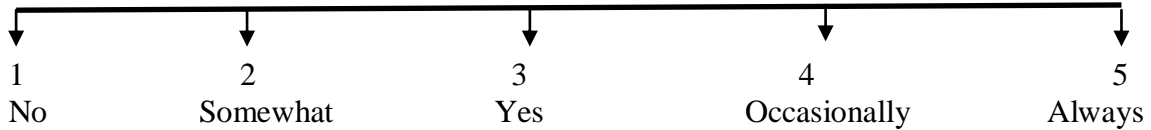
The paper is based on both the types of data viz; primary as well secondary. The primary data is collected through a questionnaire based on the Donald Kirkpatrick's model of evaluating training effectiveness. This was administered on HR Officers/Managers who responded on behalf of participants who have gone through Chatur Knowledge Networking's training programs. These programs focused on Leadership, Coaching, Result Orientation and Execution Excellence, Self awareness and Team-building. The questionnaire which was designed for the survey is shared below:

Evaluating Training Effectiveness

1. How useful did the participant feel the training program was?



2. Does the participant use what was learned in training back on the job?



3. Were there any pre- and post-test scores? Did the participants write any action plan post program basis these assessments?

4. Did the organization organize any focus group sessions with participants after the program?

5. Were there on-the-job assessments post training? How did the organization use these to utilize the employee's potential?

6. Was there any on-the-job observation regarding increase in production output, cost reduction, managing time, reduction in conflicts, any other?

7. Were there any reports from customers (eg: reduced complaints), peers and others?

8. Is the organization more efficient, more profitable, or better able to serve its clients as a result of the training program?

The data collected from some companies where survey was conducted on evaluating training effectiveness shows a trend like this:

LEAD L-earn E-nable A-dapt D-velop (Leadership Development program)

This experiential program is designed for middle-level management and the objectives were:

- helping the new manager transition from the individual contributor to a managers' role,
- moving from “doing” to “getting it done” and
- plan, organize, coach, motivate, delegate and communicate in order to be an effective new manager.

This program found lot of acceptability and popularity because people across all levels of the organization were involved right from the design phase. When the program was launched, there would be some senior manager who came to introduce the impact of this program. One- page action plan was written by participants after the program and they shared this with their managers, proving that this is not a ‘run of the mill’ program but that their organization was interested in their growth and development. This program had impactful pre-work pieces with one personality tool (Workplace Big Five Profile) and the other a 360-degree instrument (Chatur InSights). The personality tool gave self-awareness on the Five Factor Model of personality and how their traits were useful in the workplace context. The 360 degree instrument (Chatur InSights) threw lot of powerful data because here the participants could see a gap in self and others (peers, bosses, customers, others) ratings. How to bridge the gap between self and others ratings was a big insight for most of the participants. The program enables introspection and makes the manager think as to what has been working for him and what he needs to do differently, going forward. This organization has also designed a post-training evaluation form and will be rolling-out this form soon to measure the impact of this program. *See Appendix 1.*

C4E (Coaching for Excellence program):

This program is designed for developing the talent pipeline in an organization. The objectives of this program were: self awareness, enhancing “Executive Effectiveness”, practicing and learning to be a Manager – Coach. The program was found to be very useful by the participants and they are applying the learning back on the job. There was an exceptional case of a participant who despite being from a ‘non-technical’ background was able to handle a ‘technical’ team and deliver within a week to the client by using ‘coaching’ techniques and skills– like ‘SMART’ goals and ‘GROW’ model.

Self-awareness and Team- building program:

This program was designed to address specific issues in the client organization viz- building trust, increasing interpersonal sensitivity and improving cohesiveness in a team. The objective of this program was to build essential leadership lessons among team-members. A personality tool (Workplace Big Five Profile) and a 360 degree instrument (Chatur InSights) were the pre-work for the program. Both these instruments threw up lot of impactful data which focused on identifying

interpersonal differences and further building interpersonal sensitivity. The participants wrote learnings post the program. Eg: do not focus on people, focus on issues. The organization organized focus group discussion with teams and also one-on-one basis to develop cohesive leadership teams. There has been a marked change in attitude in terms of discussing conflicting issues and the needle is just moving as far as better approach, interpersonal sensitivity, better bonding etc is concerned. The teams are becoming more cohesive. Team members meet as a peer group and do candid discussions every month over coffee.

Result Orientation and Execution Excellence (ROEE): This program is designed for middle management and the objectives are facilitating introspection, building sensitivity, and driving individuals to create specific action plans for enhancing individual and team outcomes. The participants are able to apply learning back on the job. Some of the prominent takeaways for most of the participants are as follows: Appropriate communication, focusing on reducing assumptions, seeking feedback from others, better planning and execution, time management, continuous learning, initiative, re-checking, visualizing and executing work to achieve targets by having a customer perspective.

Conclusion:

For a strategic employee development programme,

- 1) HR will have to be agile enough to utilize employees' potential that can fuel the fire in employees and propel them to create business success.
- 2) HR should focus on evaluating training effectiveness which will give them a measure of employee growth and business success.

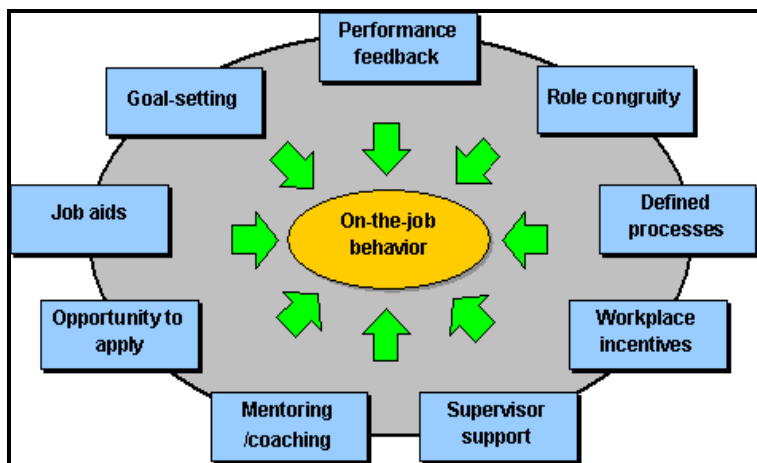
The following are some of the common findings across all the organizations where Chatur's training programs were conducted: On the Kirkpatrick's model of training evaluation, almost all organizations have reached only till Level 2 (i.e. Reaction and planned action and learning). None of the organizations have reached Level 3 (behavior change) and Level 4 (results) where transfer of learning and results has shown any manifestation.

Recommendations:

1. Focus on linking the business and cultural strategy to the training design.
2. Decide whether the measures to evaluate training should be "one shot" or long term.
3. Think on using any measurements of training activities that can be converted to rupees—the most effective way to measure ROI.

Current research indicates that the extent to which training is transferred back in the workplace is dependent on individual attributes, training design and delivery and workplace climate. The direction and extent of behavior change is not only a function of the training event. It depends at least as much on the organizational history, structure and culture in which the trainers, managers and participants find themselves. The model below illustrates some of the most important of those workplace environment factors affecting training transfer.

Figure 1 – Workplace factors affecting employee behavior following training



For effective training, organizations need to ensure that the above influences are working towards integrating the training with the workplace. Employee behavior following training is a complex interplay of a variety of forces within an organization. How often, though, is the training "event" seen divorced from the organizational setting in which it takes place? Systems thinking arose after the Second World War and became especially prominent in the 1970's, yet how many organizations are still thinking with one-dimensional linear models of causation?

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December 30, 2012

Training Effectiveness Form

Appendix 1

Name of the Employee: _____ Line HR: _____

Name of Reporting Manager: _____ Manager's Contact No.: _____

Training Program Attended: _____ Date of Training: _____

Program Objective:

Section 1: To be filled by Training Participant:

Learning	Q1) List down the specific "Skills" and "Knowledge" gained as a result of the training you underwent? (Eg. Tools , Techniques, Methodology, etc)				

Transfer	Q2) List down the Skills and Knowledge learnt from the training that you were able to apply to your everyday job and to what extent.				
	_____	Rarely	Sometimes	Often	All the time
	_____	Rarely	Sometimes	Often	All the time
	_____	Rarely	Sometimes	Often	All the time

Section 2: To be filled by Reporting Manager:

	Q3) To what extent did your reportee show improvement in the skills and knowledge gained as a result of the training?				
Result	Not At All	Slightly	Moderately	Greatly	
	Q4) Does your reportee use / display the learning gained during the training regularly on the job?				
	Never	Sometimes	Often	All the time	

Q5). How you think that the organization/department has benefitted from the training?

- a) Increase in Productivity b) Increase in Efficiency c) Increase in Customer Satisfaction d) Increase in Quality
- e) Reduction in Cost f) Increase in Employee Engagement g) Reductions in Time Overrun
- h) Reduction in Cost Overrun i) Reduction in Rework
- j) Any Other, please specify _____

Please give supporting statements/ figures elaborating on the benefits of the training to the department / organization.

If you think your reportee done well with respect to on-the job application of training attended, kindly nominate him/her for the

'WELL DONE AWARD'. Would you like to nominate him/her for Well Done Award?

Yes No