

Training of Trainers.
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Lecture-07.
Methods of Training Needs Assessment-II.

We have discussed in earlier modules about the job evaluation and then how the job evaluation can be a method for the purpose of identifying the training needs. Because for any organisation, this becomes very-very important, that is when they have to decide the training calendar for the whole year, how the training needs are to be identified. And here in this particular module, that is another method for identifying the training needs, that is for performance appraisal and that we will be discussing.

So, in the last module I have discussed about, that is whenever we talk about the job evaluation, job evaluation is evaluation of a particular job and not of a person. But when we talk about the performance appraisal, the performance appraisal that is to be appraised of an individual. For example, when we talk about the faculties in academic institutes. So, according to me there are the five pillars on basis of which the performance of the faculty will be appraised. That is about the teaching, training, MBP, industry connect and training, that the research, then project and consultancy, then administration.

So, Teaching, Training, Research, Project and Consultancy and Administration, these are the 5 pillars. And on these particular pillars, that is what type of the contribution is there of a faculty and there difference of dimensions are there in these particular 5 major attributes. So, those dimensions will be appraised. Now, for example the performance appraisal, what is to be done and how it is to be done and what are the common methods are there in performance appraisal that we will be discussing.

And if, like in Ballarpur industries we have seen there are certain points of weightage are there and if the total target, total score or total weightage is not there of a particular employee, then we have to identify where the employee is lacking. If the employee is lacking in a particular knowledge level, or particular skill level or a particular behavioural level, then we can identify those particular gaps and then we can provide him the training. So, and with the help of performance appraisal.

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The slide is titled "Performance Appraisal" in a large, black, sans-serif font. Below the title, the text "Meaning of Performance Appraisal :" is displayed in a smaller, bold, black font. There are two paragraphs of text. The first paragraph states: "Performance appraisal is the step where the management finds out how effective it has been at hiring and placing employees." The second paragraph states: "Performance appraisal is a systematic and objective way of evaluating both work related behaviour and potential of employees." The phrases "work related behaviour" and "potential of employees" are underlined in red. At the bottom of the slide, there is a dark blue footer bar containing the IIT ROORKEE logo, the text "NPTEL ONLINE CERTIFICATION COURSE", and a small number "2" on the right.

So what is a performance appraisal? Performance appraisal is the step where Management finds out how effective it has been at hiring and placing employees, right. So, it is a method wherein, when we talk about the management, how the management uses it, it should not be a threat basically. Performance appraisal is not a threat, it is the facilitation, it is a support, that is how the gaps to identify, where an employee can improve upon? , where an employee can perform better or where he is not able to perform?

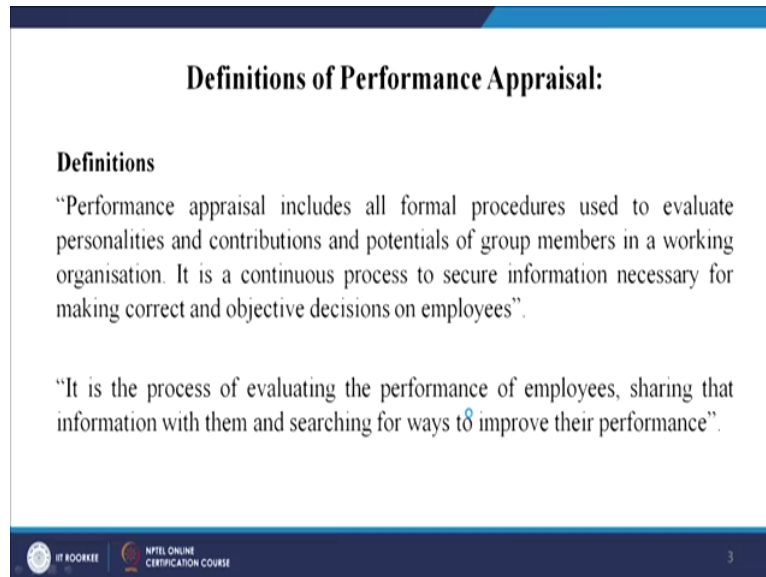
So, if it has been hiring and placing the employees on a particular place, so during performance appraisal, somebody is found very good in case of the interpersonal dynamics. If he is very good in interpersonal dynamics, then definitely the person will be able to be taken the care of such jobs where more and more interactions with the internal and external stakeholders is required. Performance appraisal is a systematic and objective way of evaluating both work related behaviour and potential of employees.

So, therefore when we are making the appraisal of a particular person, on one side it is making the behaviour aspect also, that whether the behaviour is excellent or there is a need of the, there is a need to facilitate him in conflict management, there is a need for the stress management, there is a need for the emotional intelligence development, there is a need for the spirituality development and then simultaneously at the work, technical jobs, job efficiency.

So, that is the potential of the employees wherever is required and that we can enhance. So, performance appraisal is the how and where the person is to be placed, how and where the

person is to be hired and where the person is required training? In the case of these related behaviour or in the case of the increasing the performance of the employee.

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Definitions of Performance Appraisal:

Definitions

“Performance appraisal includes all formal procedures used to evaluate personalities and contributions and potentials of group members in a working organisation. It is a continuous process to secure information necessary for making correct and objective decisions on employees”.

“It is the process of evaluating the performance of employees, sharing that information with them and searching for ways to improve their performance”.

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So, definitions of performance appraisal includes all formal procedures used to evaluate personalities and contributions. So, why there is a need of the formal procedure in performance appraisal? There is a need for the performance appraisal to identify with a particular systematic way in procedure, so employee knows how he will be appraised.

Employee will also know on the left side columns that what are the expectations from him? What are the benchmarking practices are there and accordingly he will develop those particular personalities and contribution towards that particular job. So, it becomes very-very important that is there should be a formal procedure. There should not be informal procedure. Informal procedures many times may lead by mistake, may not be intentionally, and may lead biases and prejudices.

Therefore a scientific, systematic, formal procedure of appraisal is very-very important. It is a continuous process to secure information necessary for making correct and objective decisions on employees. Now, if it is not a formal procedure, what will happen? There is the subjectivity will be more, the person on his own perception, he will appraise the person. The person on the limited time of interaction, he will appraise the person. So, to avoid these, it is required a secure information.

Secure information means the information which is having the support, which is proven, which is having documented and then making the correct and objective decisions on

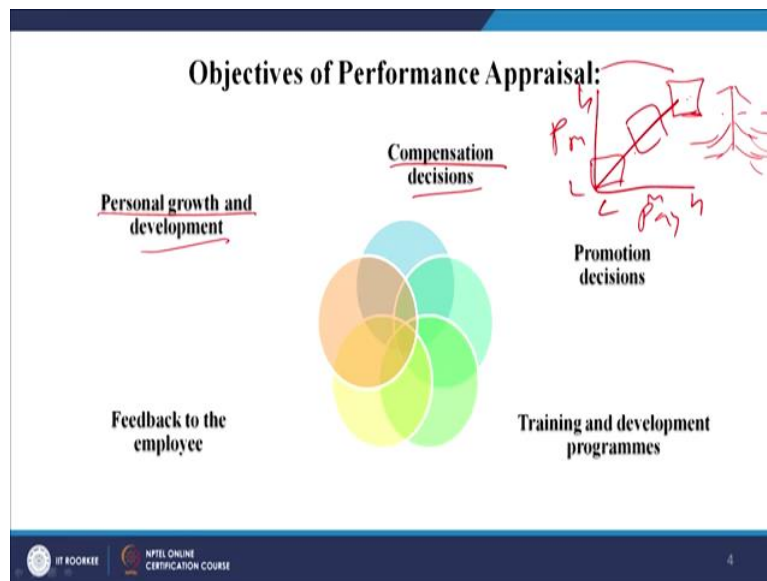
employees. And on basis of those particular results, that we can make the correct and objective decisions or they can be made. But if it is not a formal procedure, then there might be chances, there might be errors in judging others, shortcuts in judging others, the perceptions. It can be halo effect, if there is halo effect, then there might be the chances that is the person may not be judged properly or there is a similarity effect or the contrast is there.

Then in that case there might be not be the chances of correct objective-based appraisal. So, to make the correct and objective-based appraisal, a formal procedure is needed. It is a process of evaluating the performance of employees sharing the information with them and searching for ways to improve their performance. So, earlier it was CR, confidential report but not now. Now, here is whatever the appraisal is done? That information will be shared with the employees himself and for ways to improve their performance.

Why we have to share with them, so there can be discussion. For example, an employee is not able to achieve the targets, but if it has not been discussed with him, what will happen? That is the one-sided decision will be taken, that is he is lacking in his performance. But there might be the reasons, there might be the organisational reasons. Organisation may be responsible for not getting him to achieve his targets and then that is to be known. For simple example is delay in process of approval.

So, if the delay in employee is waiting, waiting for approval and unless and until the approval is not there, he cannot perform. If this is a situation, then there will be need that is the management should know that in the system there should be introduction of technology is required. So, that the process can be speedy, it can be fast, if it is speedy and fast, then only in that case there will be the evaluation of the employees will be done.

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What are the objectives of the performance appraisal? Now, here you see the first and foremost is, that is whenever we talk about the personal growth and development of the employee is very-very important outcome. Because unless and until the person will not develop, the organisation cannot develop. Organisation has to understand that is if they want to enhance the performance of their employees, then they have to support them with different ways so that there can be the task which he is performing and they are rooted and they have given a particular support and then as a result of which the personal growth and development will be there.

And to what type of the personal growth and development is to be there, that information will come from performance appraisal and the trainer will use this particular information for training the employees. Second is compensation decisions. As, I mentioned, that is in the job evaluation, in the job evaluation we understand how important is the job in the hierarchy, in the organisational structure where the job is sustaining and if the job is sustaining at the higher level, the compensation that has to be higher.

So, when we are talking about the equity of compensations and then during appraisal, that is employee, employee, his performance, this is the performance and this is the pay. If the performance is high performance, then definitely the pay is to be also high. So, in this case it becomes very-very important, that is whenever we talk about the compensation decisions, then we have to understand, that is what the level of the performance of the employees is? And these levels will be decided on the basis of the appraisal.

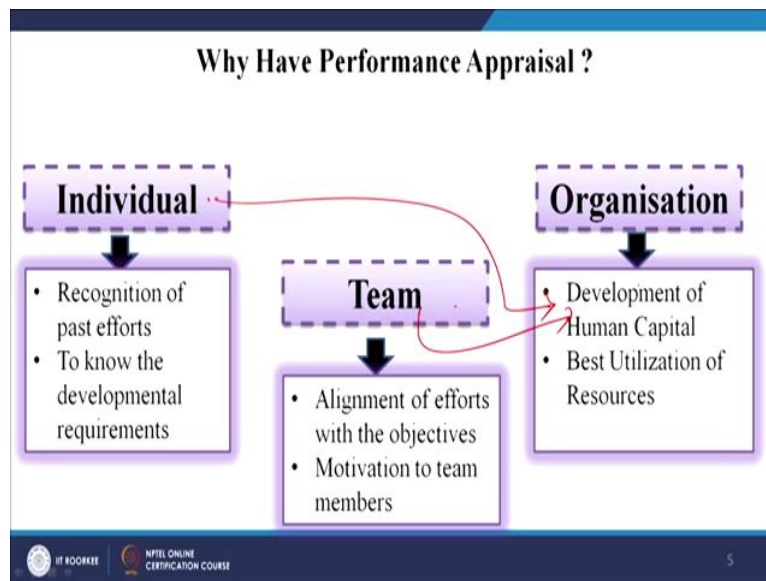
It is, whether it is low or it is moderate or it is low or moderate or it is high. So, therefore, in that case these compensation decisions, the performance appraisal will help, that is what will be the compensation decisions are there. And this compensation decision is also a sort of support to employees in case of the development. And the development means through training. Then promotion decisions are there, so development of an employee himself in the hierarchy, that depends on the basis of performance appraisal reports.

In the performance appraisal reports, if the employee is able to develop that particular sense, that is what type of these development is possible and how the promotions are to be, promotion is to be provided or not to be provided, so all these decisions will be taken care by this particular on the basis of the performance appraisal are there.

Now, foremost important is this appraisal will give us the gap and if the gap is there, then we can design the training and development programs. So, when we talk about the training need and assessments, in training need and assessments, many organisations, they used these performance appraisals to identify what type of the training and development programs data to be structured designed. And most of the time it has been discussed with the employee also. That is whether he is having that particular, discussing with him that this is the, is there and on basis of the performance appraisal, this gap has been observed, do you agree?

So, sometimes he may agree, sometimes he may say “no, this is not that I am not capable, it is because of the XYZ reasons of the organisation that I could not deliver.” So, then that discussion will be there and on the basis of which the training and development programs will be designed. And naturally the feedback to the employee will be given that these are the areas where the gap is there and he is required to develop. So, objectives of performance appraisal is also, to one of the objectives of performance appraisal is to design and develop and explore where the employee requires training and development program and what type of the training and development programs are required by the employee?

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Now, in the case of this analysis job evaluation, we have talked about the organisation analysis, person analysis and the task analysis. In case of the appraisal, we will talk about the individual, team and organisation. That is the organisation, individual and the, what sort of team is there? So, on basis, if the, there are the champions, HR champions, exceptional performers. If there are the exceptional performers, then in that case we will have the recognition of their past efforts. On basis of that we say that yes he is a champion, he knows his job very well.

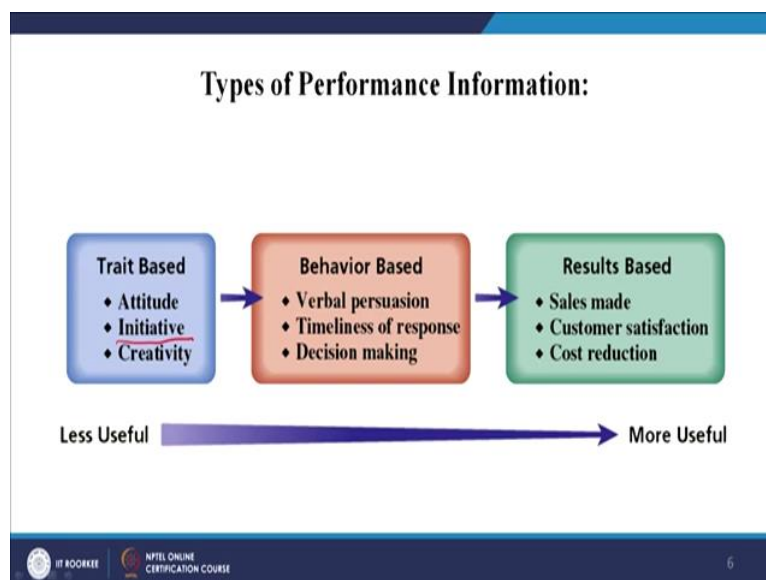
And if this job is to be done, only the X is the person who can do this particular job and that is about the individual's recognition of the past efforts. To know the developmental requirements. Now it is also not only the recognition but for future also, that what sort of development is required. Then we will talk about, that is what is the team, the team is the, now every individual's performance as I mentioned in the organisation depends on the performance of others. It is linking with the other employees. If the linking with the other employees is in ease with the connecting in such a way that it is not a group, it is a team.

There is a coordination amongst the members, there is a synergy among the members and then in that case we will see that there is a team is there. And then alignment of efforts with the objective is, all are working towards the common objectives and goals and then that will be performed. On the other side is motivation to team members. So, appraisal like special in IT industries, the project work.

The project work will be providing the motivation to team members because they are making the alignment, they are working together and in appraisal they come to know that where they are good, where they are bad, what are their strengths, what are their weaknesses and on basis of this they will decide that is how they are working and then they will get motivated. So, appraisal also helps in case of the motivation and to develop the organisational performance.

Next is the organisation. Organisation is the development of human capital, services through the training and development only. So, therefore in the organisation, these individuals, those who are there and then they are developed. And if they are developed, you got a team, teams are developed. If the teams are developed, then the human capital is created for the organisation and that is making the best utilisation of resources. If there are the best utilisation of resources, the organisation will work accordingly.

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So, question arises that is for the training and development, what types of the performance information is required? So, it will be based on the trait-based. The performance appraisal form has to be designed in such a way that is the what type of the attitude, what type of initiative, what type of creativity has been designed. If the attitude and initiatives are there, if there is a gap in the attitude, it has been formed like the team orientation. Team orientation attitude, there is a, then definitely training programs with the exercises, business games, we can create that type of attitude, that is the trait-based can be developed.

Initiatives, like certain employees they are very good performers but they are not taking any initiatives from their own site. So, one has to identify, one has to train that these are the

games in which you are supposed to develop yourself, you have to take the initiative. It is untold, many times it is untold to take the initiative but it is expected, it is always expected but not always told, that is the beauty.

And therefore the many bosses are not happy with their subordinates because they are not taking initiatives. They are performing well, the subordinates understands I am doing good but then what is the reason that I have not been appreciated. The reason is the expectation of the supervisor is that of the initiative and therefore this has to be communicated to you and then that is these type of initiatives are expected. Because initiatives are many times are more than what is expected, it is plus. And then those who are able to give more, then definitely in that case they will take initiative.

But those who wants to give less, or those who want to give equally, then in that case they will not take initiative. And therefore this appraisal information will provide that as this is very-very interesting point and this is to be learned. That is at our workplace we are supposed to take initiative. And initiatives from, how to take initiatives, what initiatives, from the surrounding. That is what type of problem is there, okay, I should solve this particular problem, and then that initiative is required.

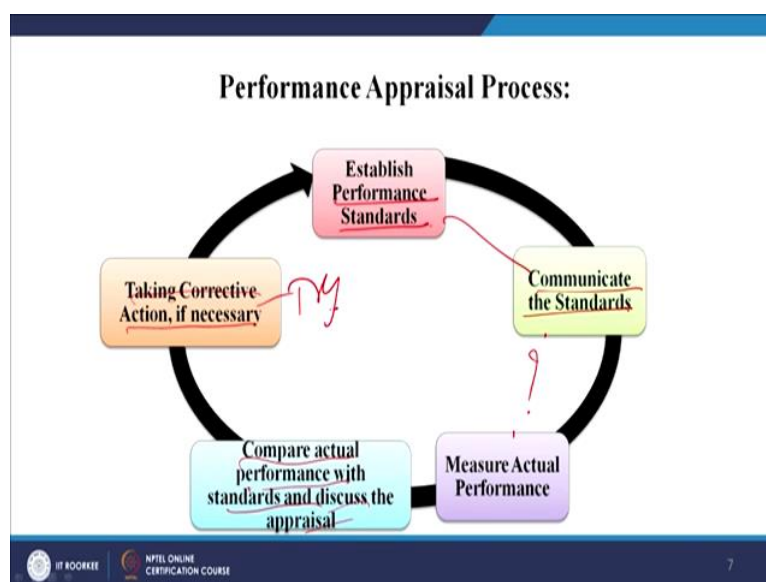
The third type of information which is very-very important that is the creativity. That is, is there any creativity or not. If the creativity is there, then definitely the person is more and in a better way he has been appraised. This particular trait, then it will be behaviour-based. What is a behaviour-based? Verbal persuasion. So, if there is any gap and then you find that is, then the bosses are to be trained, that is how they make the verbal persuasion, it should not be negative, it should be positive.

In a positive way if the superior, they are able to train their subordinates, then that will be verbal persuasion is there. Then timeliness of the response, it becomes very important that is whatever the personal information of appraisal is there, now it should not be communicated after 6 months again when next appraisal will be likely to start. So, therefore timeliness of the response is there, otherwise there will be no change. If the person is not communicated timely, then there will be no change and as a result of which, the timeliness of the response is very-very important to communicate to the employee that no, this is the time you should improve upon this.

Third is what the decision-making is? The performance appraisal is also helping, that is what type of decision-making style is there. And if the proper decision-making style is there, then definitely they will be able to perform. What will be the result-based? Result-based will be sales made. Sales made means that is the whatever the job has been done, then accordingly it will be sold to the right customer, customers satisfaction will be there and there will be cost reduction is there.

Because the verbal persuasion is there, trait is developed, behaviour is like a positive behaviour, attitude is there, there is a behaviour is supportive behaviour and as a result of which the clients, the customers, they will be satisfied and there will be the cost reduction. On basis of this you will find that there is we can go for the personal performance information from time to time.

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Now, here you will find that is the performance appraisal process, that has to be very-very important point here, the performance standards. What I can do, what an employee can achieve, how he can contribute and that has to be communicated to him, communicate the standards. This is very-very important, though not failure, but low aim is crime. And that is the how to keep a very high aim in the life, how at the workplace, how one can do the best and the person who can get a very right time, a very right training, that is the, this is the particular process which he should follow, he is lacking because of these gaps in his behaviour.

These are the gaps in his trait. So identify those particular traits and behaviour-based gaps and then communicate the standards. And believe me, many times people are not aware. People are not aware that is what traits they are lacking to do this particular job or what type of the behaviour they are lacking to do this particular job. It is their natural behaviour, it is not trained behaviour, it is not match behaviour, so sometimes it is mismatching with the results.

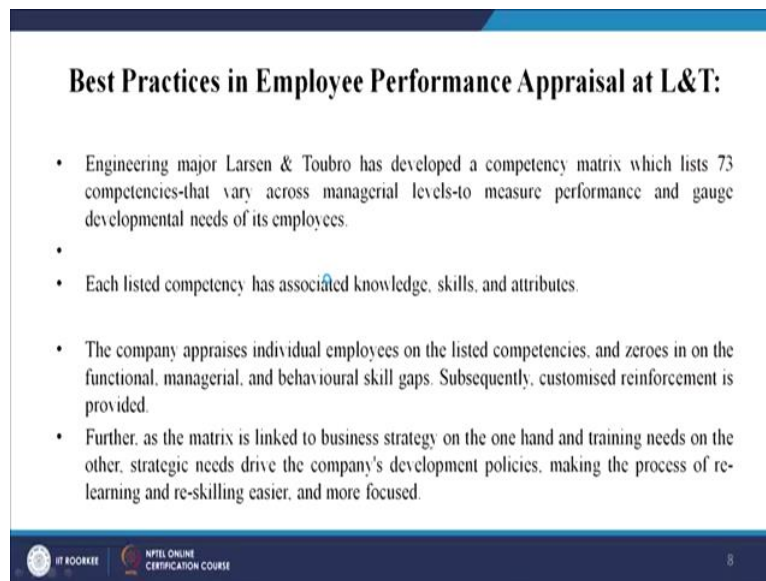
But if it has been communicated and told to them that is yes this is the standard, you can achieve that standard by these means that is a training program basically. And then in that case the person can give miracle results are there. We have to find out the actual performance gap, gap between the standards and the gap between this. So, therefore in that case what is the difference is there in the standards and the actual performance. If there is a gap between the standard and the actual performance, then we can identify the areas and compare the actual performance with the standards and discuss the appraisal that is this is expected, this is missing and therefore in that case this is to be done.

And that taking the corrective action if necessary and that is a training. So, in the training need basis, it becomes very important that is the employees, they are aware about the performance standards. And then here submission is, it is not totally unrealistic, it should be realistic, it should be flexible but it should be achievable. The most important point is these standards are achievable standards. These are not unrealistic standards.

And therefore, in that case once we decide the standards, we communicate the standards, we compare the actual and this performance, actual performance with the standard performance and then these gaps, that is the gap, the corrective action will be providing the training and this will be the wonderful concept for identifying the training needs for a particular individual. Now, this can be also applicable for the group performance. The team is working and team is working, team standards are there, communicate the team, measure actual performance of the team and then compare the actual performance with the standards and discuss the appraisal.

So, therefore in that case the employees will come to know where they are lacking and then where they can develop on the basis of these particular training programs. Now, I would like to take an example of this particular case study that is the best practices in employee performance appraisal at L & T that is how L & T has taken.

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Best Practices in Employee Performance Appraisal at L&T:

- Engineering major Larsen & Toubro has developed a competency matrix which lists 73 competencies that vary across managerial levels to measure performance and gauge developmental needs of its employees.
- Each listed competency has associated knowledge, skills, and attributes.
- The company appraises individual employees on the listed competencies, and zeroes in on the functional, managerial, and behavioural skill gaps. Subsequently, customised reinforcement is provided.
- Further, as the matrix is linked to business strategy on the one hand and training needs on the other, strategic needs drive the company's development policies, making the process of re-learning and re-skilling easier, and more focused.

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Engineering major Larsen and Toubro has developed a competency matrix which lists up to 73 competencies that vary across managerial levels to measure performance and gauge developmental needs of its employees. And this list of the 73 competencies is based on the whatever the expectations from a particular job on the basis of that job evaluation, basis of the task which is to be performed by this particular position and then they are having these entries of 73 competencies that have been developed. Each listed competency has associated knowledge, skill and attributes.

As I mentioned trait-based, behaviour-based and then these are the buzzwords, that is the knowledge and skills and attributes. If you want to measure the performance appraisal, identify whether the employee is having that particular level of knowledge or not, that particular skills or not and that particular attribute or not is there. The company appraises individual employees on the listed competencies and zeroes in on the functional, managerial and behavioural skill gaps. So, whatever has been the company appraises individual implies on the listed competencies are there and then they are making on the, whatever functional, managerial and behavioural skill gaps are there.

So, if there is a functional gap, then functional type of training will be given. If there is a managerial gap, managerial type of training is given and behavioural skill gaps, then that type of training has been provided. So, subsequently customised reinforcement is provided. That is the, whatever all the 3 or anyone of them, whenever there is a lacking, then there will be customised reinforcement that will be provided. Further as the matrix is linked to the business

strategy on the one hand, and training needs on the other, strategic needs drive the company's development policies.

So, therefore this particular matrix which has been linked to the business strategies, this is the important. I talked about this linking of these personality traits, attributes with the business strategies, individual goals with the organisational goals, business strategies are to be connected, both have to be connected. On the one hand and training needs on the other hand. So, but there is a gap, gap is in the actual expectation, actual and whatever is expectation is there. And if this particular gap is there, that will identify the training needs on the other strategic needs, the needs have to be there.

So, all this training needs are to be identified on the basis of this particular, whatever the business strategy and that matrix is created, matrix is the relationship between the competencies and individual performance and they will drive the company's development policies that yes these are the areas where we are lacking, we are required to improve upon. Making the process of the relearning and rescaling easier.

So, whenever the gap is there, and there is a need for the relearning, then the training needs have to be identified and then learning and re-skilling will be done and again and again with the period of time the employees, they will be motivated to develop themselves and accordingly they will develop.

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Best Practices in employee performance appraisal (cntd.)

- The Japanese white-goods major has developed a performance-assessment system driven by Key Result Areas (KRAs).
- KRAs describe performance goals-business, functional, and behavioural ones-with defined time-frames and are decided jointly by the employee and his manager at the beginning of the year.
- It is a structured exercise using a written format. These KRAs are then used to map the employee's progress and, based on the results, the company decides to plug performance gaps with the help of relevant training inputs.
- National Panasonic puts a great deal of emphasis on this process for re-skilling its employees as it believes in growing its own timber rather than opting for expensive mid-career hires.

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The Japanese White goods Major has developed a performance assessment system driven by the KRAs, key result areas are there. So, in some organisations, not the traditional style of the

performance appraisal, rather than that they are going for the specific KRAs, that is the key result areas and then they will identify, that is how they are making these best practices in the employer performance appraisal. KRAs describe performance global business key result areas, goals business, performance goals business, functional and behavioural ones with defined timeframes and are decided jointly by the employee and his manager at the beginning of the year.

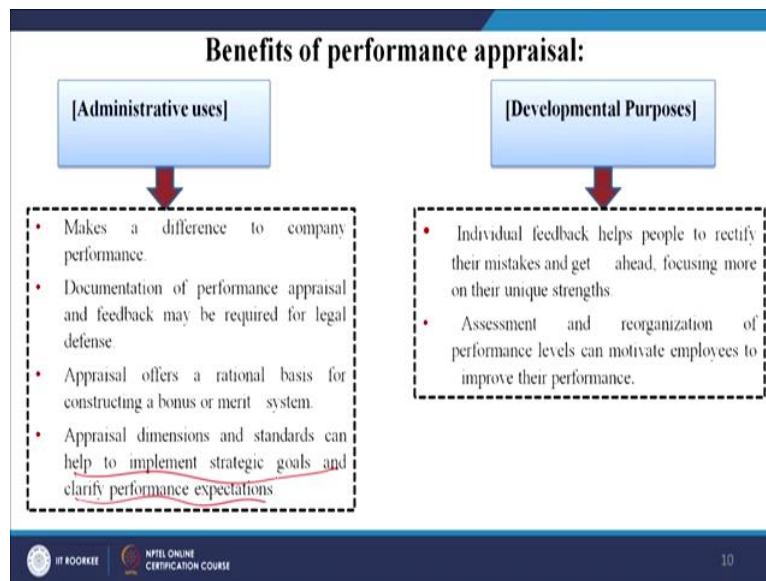
So, therefore these KRAs, key result areas, so that will be very much focused, that will be the ,whatever the goal business, whatever the functional and whatever the behavioural, these are 3 aspects are there. And they are matching or they are not matching. If they are not matching by the employees and his manager in the beginning of the year, then definitely there will be the suggestions for the tuning program. It is a structured exercise using a written format.

These KRAs are then used to make the employee's progress and based on the result the company decides to plug performance gaps with the help of relevant training inputs. So, therefore in that particular KRAs, if there is not a proper match is there, this matrix, then they used to map the employee's progress and based on the results, the company decides to plug performance gaps with the help of relevant training inputs are required.

And if the relevant training inputs are provided, then in that case that definitely the gaps will be fulfilled, these KRAs will be achieved, key result areas will be achieved on basis of this competency mapping, that competencies are there and these are the KRAs. And then if the KRAs and competency mappings are matching, then there will be the results. Then National Panasonic puts a great deal of emphasis on this process for re-skilling its employees as it believes in growing its own timber rather than opting for the expensive midcareer hires.

So, therefore what they do, right from, they hire the trainees, management trainees and then develop their KRAs, identify that is where they are able to achieve or not. If they are not able to achieve, then they create that particular style of the training programs and with the training programs they support them to develop those KRAs and strengthen their KRAs, achieve their goals and there will be better performance will be there.

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So, finally what we talk about, we talk about, that is the, there will be the administrative usage of the performance appraisals. It will make difference to company performance and documentation performance appraisal and feedback may be required for the legal defence wherever it is required. A rational basis for constructing bonus and merit system. Appraisal dimension and standards can help to implement strategic goals and Clarify performance expectations. So, these will clarify the performance expectations and this will be used for the developmental purposes.

What will be the development purposes? The performance appraisal will be used for the individual feedback helps people to rectify their mistakes and get ahead, focusing more on their unique strength. Assessment and reorganisation of performance levels can motivate employees to improve their performance. So, therefore this will be the development process will be there and when we are talking about their mistakes, more unique strengths, reorganisation of performance levels through the training programs.

Here is the role of the training programs, that is if you provide them the training, then definitely the persons, those who are lacking in this particular achievement of their targets and goals, they will be going to this particular process and then motivate employees to improve their performance. As a result of which their performance will be appraised. So, therefore to achieve organisational goals, the appraisal is done and then the appraisal and the goals, the gap is identified, with this particular gap and then particular support will be provided, as a result of which the training programs can be designed.

The improvement areas can be identified for the employees and then that can be used for the conducting the training programs and identifying the training needs. Basically training need assessment can be done with the help of the performance appraisal. So, this is all about the performance appraisal and training need assessment. Thank you.