

Managing Human Resources & Training and Development

Human Resources Management (Managing Human Resources)

Human Resources Management (HRM)

- HRM is concerned with the 'people' dimension in management.
- Since every organization is made up of people,
 - acquiring their services,
 - developing their skills,
 - motivating them to high levels of performance, and
 - ensuring that they continue to maintain their commitment to the organizationare essential for achieving organizational objectives.

HRM is the process of

- **acquisition**
 - (recruitment, selection & socialization of employees),
- **development**
 - (training – both skill development & changing attitudes,
 - MDP and career development),
- **motivation**
 - (job satisfaction, performance appraisal, rewards, compensation and benefits),
- **maintenance**
 - (providing good working conditions, safety, health, welfare and social security) and
- **integration**
 - (grievance handling, discipline, unions, collective bargaining and industrial relations)

of human resources.

Human Resources Operational Functions

Procure	Develop	Compensate	Integrate	Maintain
Job Analysis Recruitment Selection Placement Onboarding Transfer Promotion	Performance Appraisal Training Career Planning Development Transition Planning	Evaluation Wages & Salary Bonus & Incentives Payroll	Labor Relations Motivation Grievance Discipline	Health & Safety Risk Management Social Security Welfare Record Keeping

Interrelation of HRM with other functions

HRM as a central subsystem



Strategic HRM

Strategic HRM is an approach to manage human resources for achieving competitive advantage for the organization's products and services by aligning HR philosophies, policies and practices with organizational philosophies, policies and practices.

Alignment of policies ensures that organization is not pulled in different directions and there is a commonality of goal attainment.

on page 144

Case Study on How this global airline used analytics to improve hiring

Training and Development

Importance of Training at Workplace

There are many challenges and opportunities in the workplace today

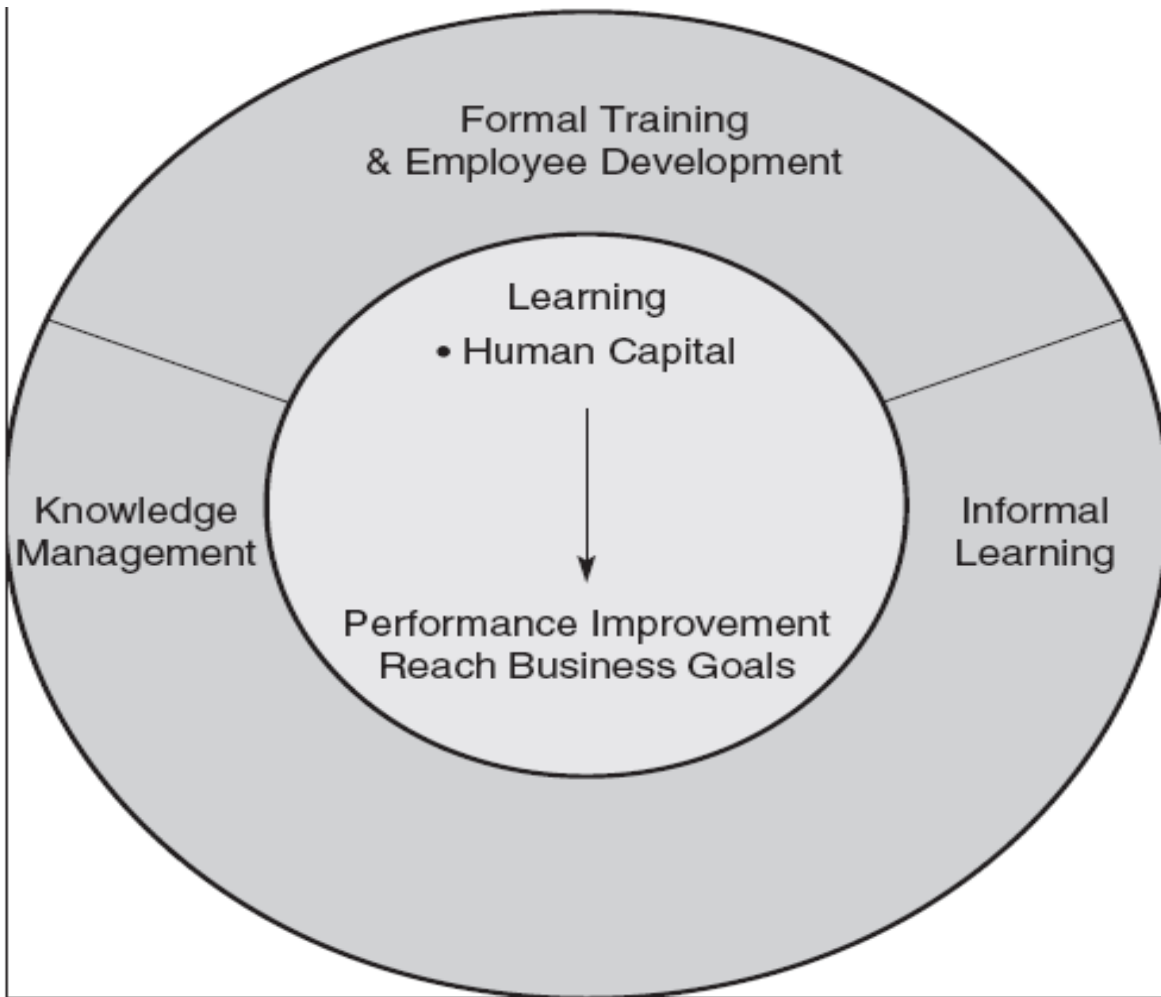
Training equips individuals with necessary knowledge, skills, and abilities

Training attracts employees to companies, engages them, and promotes retention

Training helps to create and sustain a competitive advantage

Key Components of Learning

- [Overall goal of training is learning](#)
- Learning refers to employees acquiring knowledge, skills, competencies, attitudes, or behaviors.
- [When employees learn, it leads to the development of human capital.](#)
- Human capital refers to knowledge, advanced skills, system understanding and creativity, and motivation to deliver high-quality products and services.



Learning enhances human capital

Learning

- The process of acquiring knowledge, skills, competencies, attitudes, or behaviors

Human Capital

- The knowledge, advanced skills, understanding, creativity, and motivation to deliver high-quality products and services

How do training and development differ?

Training

- Employee training & development may sound similar but both have different meanings and roles.
- An Employee training refers to a short-term activity that focuses on the specific role of the employee. It focuses on the immediate need or requirement of the role.
- Employee training is the process of providing the required skills to an employee for a specific task.

Development

- Employee development has a broader scope. It is a long-term activity that focuses on the development of an individual.
- Employee development can be defined as the process of [employees honing](#), developing, and learning new skills
- Development refers to training, formal education, job experiences, relationships, and assessments of personality, skills, and abilities that help employees prepare for future jobs or positions.

Informal learning is also important

While formal training (training and development programs, courses, and events that are developed and organized by the company) is important, much of what is learned occurs through informal learning

There are several characteristics of *informal learning*

- Learner initiated
- Occurs without a trainer or instructor
- Motivated by an intent to develop
- Does not occur in a formal learning setting
- Breadth, depth, and timing are controlled by the employee

Examples of informal training

- Workplace mentoring.
- Social media engagement.
- Team building activities.
- Company sports teams or interest groups.
- Podcasts.
- Online discussion groups or forums.
- Rotational assignments.
- Workshops.

Explicit and tacit knowledge

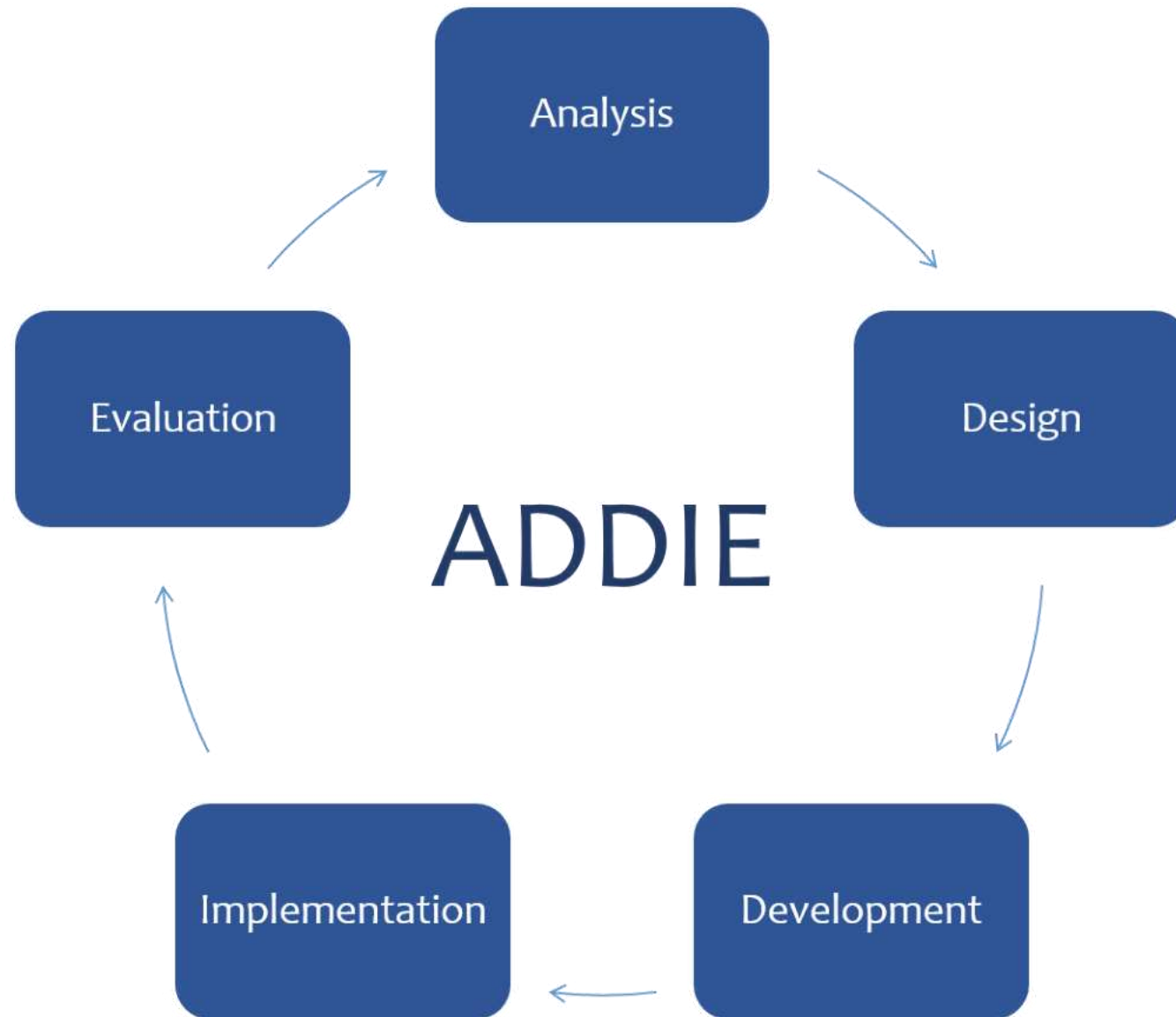
Explicit Knowledge

- Well documented, easily articulated, and easily transferred from person-to-person
- Primary focus of **formal training**

Tacit Knowledge

- Personal knowledge based on experience that is difficult to codify
- Facilitated by **informal learning**

The training design process sometimes is referred to as the *ADDIE* model because it includes analysis, design, development, implementation, and evaluation.



Needs Assessment

- Refers to the process used to determine if training is necessary.
- Because needs assessment is the first step in the instructional design process:
 - If it is poorly conducted, training will not achieve the outcomes or financial benefits the company expects.

A small activity

- A few years back, a Fortune 500 durable goods manufacturer decided to increase its design engineer complement by about 40 employees.
- They wanted to get these new hires up to speed as quickly as possible, so they called Bill, president of Performance technology Group,
 - to assist in the development of an appropriate training package.

Activity – page2

- On arrival at the company, Bill learned that the company had already decided that the training should consist of a series of lectures and seminars and other formal learning processes.
- However, Bill suggested that before deciding to use a particular type of training, it would be useful to do a TNA.
- The company was initially reluctant to do a TNA because they wanted to get the training set up as quickly as possible.
- However, Bill was able to convince them that it would be a useful step.

Activity – page3

- The TNA, when completed, indicated that much of the required learning could be completed without any formal classroom training.
- Instead, job aids (task-specific job instructions) and supplementary self-help information was put online for access by the new hires at their convenience.
 - Much of it was related to
 - What the person needed to do
 - How to do it (self-help instructions were provided)
 - Where to go for help if you needed it

Activity – page4

- The results were that
 - new hires got up to the speed faster,
 - made fewer mistakes than in prior years, and
 - did not have to spend any time in the classroom
- How much did the company save? And any other benefits?
 - Well, first of all, they saved approximately 50 percent of what they had originally budgeted for the training. But there was more.
 - Learning of the material was faster. Management expected it to take about 90 days for a new engineer to be up the speed; it only took an average about 45 days.
- Without TNA, traditional training clearly would have been less efficient. So, as Bill would say: **‘Training is not always the answer, do a TNA first’**

TNA has 3 parts

- Organizational analysis
- Task Analysis
- Person Analysis

Organizational Analysis

- Organizational goals and strategy
- Organizational resources (financial, facilities, resources)
- Organizational culture/climate
- Environmental constraints
- **In short:**
 - the appropriateness of training, given the business strategy
 - resources available for training
 - support by managers and peers for training

Task/Operational Analysis

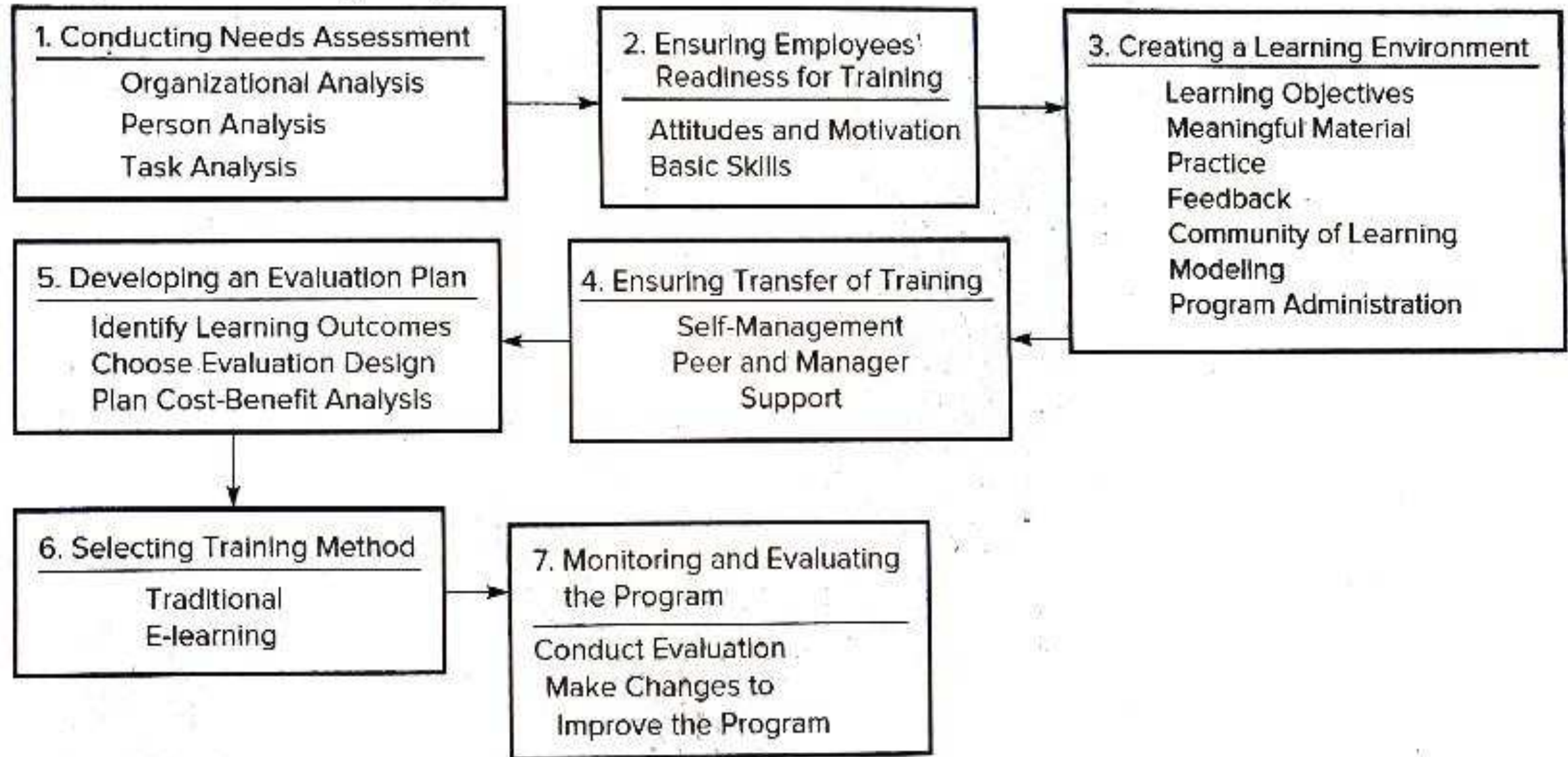
- **Task analysis** results in a description of work activities, including tasks performed by the employee and the knowledge, skills, and abilities required to complete the tasks.
- Task analysis should only be undertaken after you have determined from the organizational analysis that the company wants to devote time and money for training.

- **Person Analysis – involves:**
 - determining whether performance deficiencies result from a lack of knowledge, skill, or ability (a training issue) **or from a motivational or work design problem**
 - identifying who needs training
 - determining employees' readiness for training

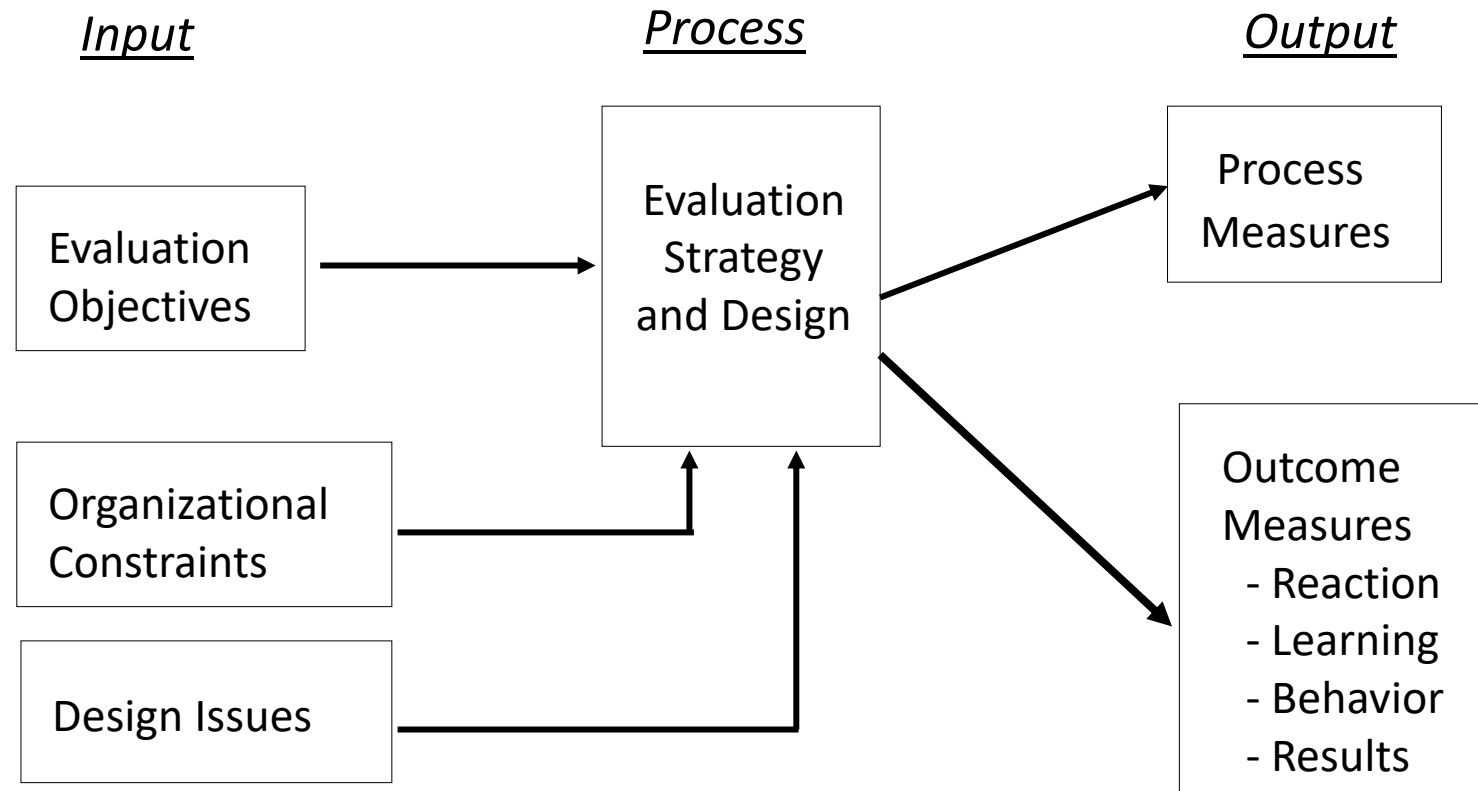
Person Analysis (contd...)

- Performance deficiency
 - Is performance substandard?
 - Are current employees capable of training?
 - Can performance be improved through training?
- Issue of whether to train, replace, motivate
- Select the Target the audience accordingly

The training design process



Evaluation Phase



Training Evaluation

- Evaluation is simply measuring the degree to which **objectives** are achieved.

Reasons for Evaluating Training

- Companies are investing millions of dollars in training programs to help gain a **competitive advantage**.
 - Training investment is increasing because
 - learning creates knowledge which
 - differentiates between those companies and
 - employees who are successful and those who are not.

Why Should A Training Program Be Evaluated?

- To identify the program's strengths and weaknesses.
- To assess whether content, organization, and administration of the program contribute to learning and the use of training content on the job.
- To identify which trainees benefited most or least from the program.

Why Should A Training Program Be Evaluated? (continued)

- To determine the financial benefits and costs of the programs.
- To compare the costs and benefits of training versus non-training investments.
- To compare the costs and benefits of different training programs to choose the best program.
- To gather data to assist in marketing training programs.

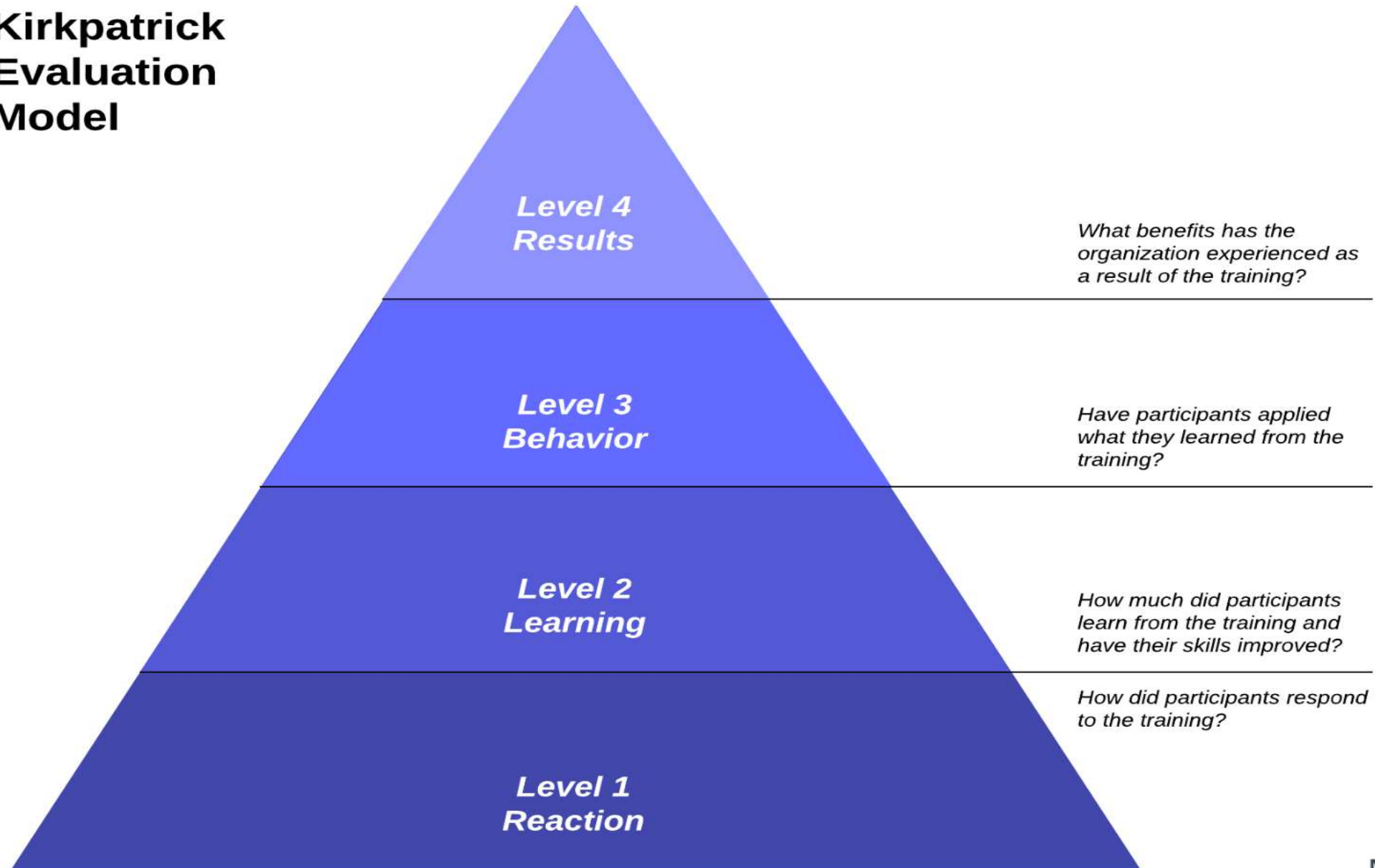
Training evaluation involves:

- **Formative evaluation** – evaluation conducted to improve the training process.
- **Summative evaluation** – evaluation conducted to determine the extent to which trainees have changed as a result of participating in the training program.

A very popular model for training evaluation

- The Kirkpatrick Model of Evaluation, first developed by Donald Kirkpatrick in 1959, is the most popular model for evaluating the effectiveness of a training program.
- The model includes four levels of evaluation, and as such, is sometimes referred to as 'Kirkpatrick's levels' or the "four levels."

Kirkpatrick Evaluation Model



Measure The ROI of Online Training using Kirkpatrick's Model of Evaluation

ROI is the return on investment that an organization makes ($\text{ROI} = \text{Gain or Return} / \text{Cost}$). It can be determined through two factors namely the Investment made (or cost incurred) and Value/Gain accrued (or return).

A successful eLearning initiative should be able to demonstrate gains that are more than the investment

Using Kirkpatrick's Level IV evaluation data and Phillips' ROI calculation as level V, we can convert the results into monetary value and then we can easily compare them against the cost of the eLearning program and determine the ROI.

To give you a sense of how it can be practically used, let me summarize the approaches we typically adopt:



Level 1: **Reaction** is measured by taking feedback from learners. We have used online surveys in the past but now we add features of "Like the course" and "Recommend the course" options within our eLearning course framework.



Level 2: **Learning** can be easily measured through scoring patterns in the end of course assessments.



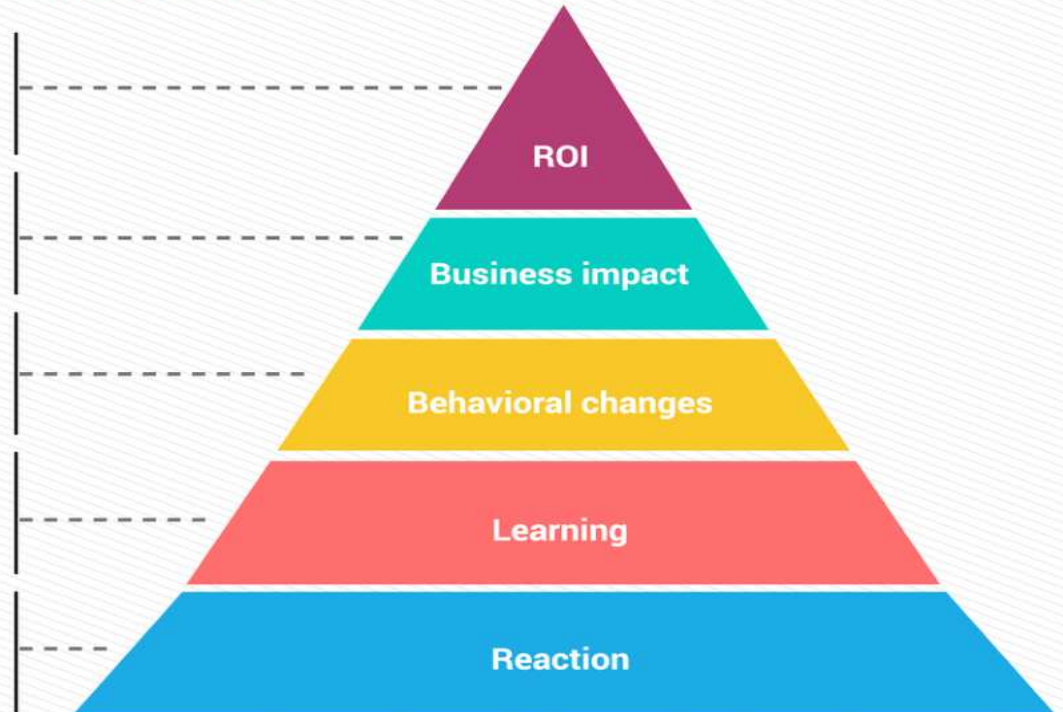
Level 3: **Behavioral changes** are certainly more difficult to assess. We use a combination of techniques to assess how much of the newly acquired learning is being applied on the job. This could be measured through improvements in efficiency or doing the same task with a new approach.



Level 4: **Business impact** is generally measured through productivity gain, impact on quality measures through reduction in re-works, getting higher number of work assets first time right, and so on.



Level 5: **ROI** is normally calculated by converting the business impact gains (as shown in level 4) to a monetary value.



Some Important HR Processes where Metrics are very useful

- Recruitment
- Training
- Employee Engagement
- Diversity Inclusion
- Attrition (Employee turnover)

Recruitment Metrics

- Time to fill
- Time to hire
- Time in each Recruiting stage
- Offer acceptance rate
- Source of hire
- First year attrition rate
- Quality of hire
- Hiring Manager's Satisfaction
- Candidate Job Satisfaction
- Candidate Net Promoter Score
- Applicants per Opening
- Interview to Hire Ratio
- Selection Ratio
- Cost per Hire
- Internal Recruiting Costs
- External Recruiting Costs
- Cost per Hire by Category
- Sourcing Channel Cost
- Sourcing Channel Effectiveness
- Candidate Experience
- Application Drop Off Rate
- Application Completion Rate
- Percentage of Open Positions
- Recruitment Funnel Effectiveness
- Time to Productivity
- Cost of getting to Optimum Productivity Level

Key employee training metrics

- Training Cost per employee
- Learner engagement
- Training ROI
- Training experience satisfaction
- Operational Efficiency
- Course Enrollment data
- Course Completion rate
- Learner Drop off rate
- Assessment pass rate and Assessment Scores
- Employee performance post training

Employee Performance Metrics

- Generally speaking, we can split employee performance metrics into
 - 1) Work quality metrics
 - 2) Work quantity metrics
 - 3) Organizational performance metrics

1. Work quality employee performance metrics

- Work quality metrics reflect on the quality of an employee's performance
 - Management by Objectives
 - Subjective appraisal by Manager
 - Product Defects
 - Number of Errors
 - Net Promoter Score
 - 360 Degree Feedback

2. Work quantity employee performance metrics

- As quantity is often easier to measure than quality, there are multiple ways to measure this employee KPI.
- The metrics used to judge quantity will vary between industries. Some of the metrics can be as under:

for example

- **Number of Sales (for a sales executive)**
 - Number of (potential) client contacts one has,
 - Number of phone calls one makes,
 - Number of company visits,
 - Number of active leads, etc.,
 - Handling time, first-call resolution, contact quality, etc.
- **Number of units produced (in a production unit)**

3. Organizational level employee performance Metrics

- Organizations can also use employee performance metrics to assess their own competitiveness.
- These metrics are generally used to assess the efficiency of an entire workforce, as opposed to individual employees.
 - Revenue per employee
 - Profit for FTE
 - Human Capital ROI
 - Absenteeism Rate
 - Overtime per employee

Employee Turnover (Attrition / Retention)

Employee Retention Metrics

