

ANALYTICAL STUDY OF HR PRACTICES IN ASHOK LEYLAND LIMITED COMPANY

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ABSTRACT

*The research project entitled 'Effectiveness of Training and Development' is an attempt to understand the opinion and attitudes of the various categories of employees of the **ASHOK LEYLAND LTD.**, towards the maintenance of effectiveness of Training services provided by the Company. The data was collected through well-structured questionnaires which contains closed end question. This survey was carried out in various departments of the Company. In the course of study, it was found that the training programs analyzed were provided to all the employees of Ashok Leyland and was not specific to particular category of employees.*

*The research design used for this study is descriptive in nature. The descriptive study helps the researcher to find out various characteristics of the population. Random sampling technique was adopted for selecting sample units from the employees. The methods of data collection for the study include both primary and secondary data. The primary data were collected through questionnaire by conducting personal interview with the employees. The source of secondary data was company profiles and websites. **A sample of 400 employees** helped to analyze their satisfaction level and provide valuable suggestions.*

INTRODUCTION TO TRAINING AND DEVELOPMENT

Companies have found that investment in human capital in the form of training and development yields high returns. The ones that recognize the value of their employees and place a new emphasis on education and training are becoming more competitive, successful, and profitable as a result. According to a study conducted on 2002 by Knowledge Assessment Management, companies in the top 20 percent of those who spend money on training receive higher returns in the stock market.

Some training and development programs teach new hires to perform a specific job, while others update the skills and knowledge of established employees. Some of the

money is spent to provide technology-related training that teaches employees to operate, maintain, or repair equipment used in the work place. Technology training is needed for workers in industries as diverse as construction, manufacturing, health and transportation. Technical professionals include scientists, architects, engineers, health professionals. Blue-collar technical workers include mechanics, repair people and those in precision production jobs. Technology is constantly changing and therefore job responsibilities are constantly changing, requiring many workers to update their skills on a regular basis.

Many of today's most successful companies realize that their employees are their greatest asset. Therefore, corporations are increasingly investing in educating their employees so that they can grow and change within the company and make it more profitable. The range of training opportunities varies considerably from company to company so, when researching potential employers, it is important for job seekers who care about this to investigate the level and type of training provided to employees. After employees have been selected for various positions in an organization, training them for specific tasks to which they have been assigned assumes greater importance.

According to Flippo, training is the act of increasing the knowledge and skills of an employee for doing a particular job. The major outcome of training is learning. Training learns new habits, refined skills and useful knowledge during the training that helps him improve performance.

INTRODUCTION OF THE COMPANY

In 1948, when independent India was one year old, Ashok Leyland was born. We were Ashok Motors then, assembling Austin cars at the first plant, at Ennore near Chennai. In 1950 started assembly of Leyland commercial vehicles and soon local manufacturing under license from British Leyland. With British Leyland participation in the equity capital, in 1954, the Company was rechristened Ashok Leyland.

Since then Ashok Leyland has been a major presence in India's commercial vehicle industry. These years have been punctuated by a number of technological innovations which went on to become industry standards. This tradition of technological leadership was achieved through tie-ups with international technology leaders and through vigorous in-house R&D.

Ashok Leyland vehicles have built a reputation for reliability and ruggedness. The 375,000 vehicles we have put on the roads have shared the additional pressure placed on road transportation in independent India. The share of goods movement by road rose from 12% in 1950 to 60% in 1995. In passenger transportation, the jump is equally dramatic: from 25% to 80%. At 60 million passengers a day, Ashok Leyland buses carry more people than the entire Indian rail network. In the populous Indian metros, four out of the five State Transport Undertaking (STU) buses come from Ashok Leyland. Some of them like double decker and vestibuled buses are unique models from Ashok Leyland, tailor-made for high density routes.

In 1987, the overseas holding by LRLIH (Land Rover Leyland International Holdings Limited) was taken over by a joint venture between the Hinduja Group, the Non-Resident Indian transnational group and IVECO Fiat SPA, part of the Fiat Group and Europe's leading truck manufacturer.

Global Standards, Global Markets The blue-print prepared for the future

reflected the global ambitions of the Company, captured in four words: Global Standards, Global Markets (Liberalisation and globalisation were not yet in the air). Buoyed by the backing of the two international giants, Ashok Leyland embarked on a major product and process technology up gradation to world-class standards of technology. In the journey towards global standards of quality, Ashok Leyland reached a milestone in 1993 when it became the first in India's automobile industry to win the ISO 9002 certification. The more comprehensive ISO 9001 certification came in 1994. 1994 was also the year, when international technology changed the way India perceived trucks. The year when a new breed of world class trucks- technologically superior and eco-friendly - rolled out on Indian roads. From our state-of-the-art manufacturing Plant at Hosur, near Bangalore. They carried the name **Cargo**. Cargo brought with it, a new set of values and an unmatched basket of benefits, ushering in a change.

RECENT HIGHLIGHTS

Ashok Leyland is a technology leader in the commercial vehicles sector of India. Its annual turnover exceeded USD 2 billion in 2007-08. Selling close to around 83,000 medium and heavy vehicles in 2007-08, Ashok Leyland is India's largest exporter of medium and heavy duty trucks out of India. It is also one of the largest Private Sector Employers in India - with about 12,000 employees working in 6 factories and offices spread over the length and breadth of India.

The company has increased its rated capacity to 84,000 vehicles per annum. Also further investment plans including putting up two new plants - one in Uttarakhand in North India and one in middle-east Asia are fast afoot. After expansion, the company shall attempt to dominate the medium- and heavy-duty commercial vehicles market in India. It has already a sizable presence in African Countries like Nigeria, Ghana, Egypt and South Africa.

The company was involved in exporting vehicles to the Sudan against UK government export restrictions to the region. Additionally, Ashok Leyland is looking to expand its production operations overseas to make it a more global company. To assist in this goal, the company is looking to acquire small- to medium-sized commercial vehicles manufacturers in China and other developing countries which have an established product line. Also as part of this global strategy, the company acquired Czech Republic-based Avia's truck business. The newly acquired company has been named Avia Ashok Leyland Motors s.r.o. This gives Ashok Leyland a foothold in the highly competitive European truck market. Ashok Leyland has also setup a manufacturing plant in Ras al Khaimah in UAE as part of its strategy to expand its business in the Middle-East

The Hinduja Group also bought out IVECO's indirect stake in Ashok Leyland for an undisclosed amount in 2007. Thus Ashok Leyland became a fully owned Hinduja Group Company. Ashok Leyland and John Deere announced plans for a joint venture to start up in 2010 for the manufacture of backhoe loaders and wheel loaders.

STATEMENT OF THE PROBLEM

Is training and development program is effective in Ashok Leyland Ltd?

OBJECTIVES OF THE STUDY

Primary Objective

To evaluate the effectiveness of training and development programs in **Ashok Leyland Ltd.**,

Secondary Objective

- To identify the knowledge and skills required by employees to perform the job efficiently and effectively.
- To assess the satisfaction level of employees with regard to training.
- To understand the training needs of employees in the firm.

NEED FOR THE STUDY

Every organization big or small, productive or non-productive, economic or social, old or newly established should provide training to all employees irrespective of their qualification, skill, suitability for the job etc.

Specifically, the need for Training Arises due to the following Reasons

- To match the Employee specifications with the Job Requirements.
- Organizational Viability and the Transformation process
- Technological Advances
- Organizational Complexity
- Human Relations
- Change in the Job Assignment

The need for Training also Arises to:

- Increase productivity
- Improve quality of the product / service.
- Help a company to fulfill its future personnel needs.
- Improve organizational climate.
- Improve health and safety.
- Prevent obsolescence.
- Effect the personal growth.
- Minimize the resistance to change.

SCOPE & SIGNIFICANCE OF THE STUDY

Scope of the Study

The study of **Effectiveness of Training and Development** Is Carried out at **Ashok Leyland Ltd.**, in **Corporate Hr Office Chennai** for a period of **8 weeks**. This study is carried out using questionnaire which forms basis for data collection the target **sample audience is 400 employees**. The tools used for analysis are

- Simple percentage method.
- Chi square method.
- Correlation coefficient method.

Significance of the Study

Training and Development is very important and essential in every organization due to the following:

- Training is required to cover essential work-related skills, techniques and knowledge. It is the process used to reduce the gap between the desired performance and the actual performance which eventually results in increased Productivity, quality and healthy work environment.
- Optimum Utilization of Human Resources – Training and Development helps in optimizing the utilization of human resource that further helps the employee to achieve the organizational goals as well as their individual goals.
- Training helps to eliminate obsolescence in work, it gives the employees a clear view of what is needed and also helps in upgrading their skills and knowledge to keep in pace with the ever changing technology which is very essential in today's competitive market.
- Development of Human Resources – Training and Development helps to provide an opportunity and broad structure for the development of human resources' technical and behavioural skills in an organization. It also helps the employees in attaining personal growth.
- Team spirit – Training and Development helps in inculcating the sense of team work, team spirit, and inter-team collaborations. It helps in inculcating the zeal to learn within the employees.
- Safety in work place is another important feature of training which helps to avoid accidents and injuries in the work place.
- Organization Culture – Training and Development helps to develop and improve the organizational health culture and effectiveness. It helps in creating the learning culture within the organization.
- Training and Development aids in organizational development i.e. Organization gets more effective decision making and problem solving. It helps in understanding and carrying out **organizational policies**
- Training and Development helps in developing leadership skills, motivation, loyalty, better attitudes, and other aspects that successful workers and managers usually display.

- For every employee to perform well especially Supervisors and Managers, there is need for constant training and development. The right employee training, development and education provides big payoffs for the employer in increased productivity, knowledge, loyalty, and contribution to general growth of the firm. In most cases external trainings for instance provide participants with the avenue to meet new set of people in the same field and network. The meeting will give them the chance to compare issues and find out what is obtainable in each other's environment. This for sure will introduce positive changes where necessary.

So I felt it is important to carefully identify the training needs, carefully plan a training process and evaluate this process. Hence the study on "Effectiveness of Training and Development in Ashok Leyland."

LIMITATIONS

- **Perception constraint** - Also, Employees have a tendency to underestimate their skills before training and over estimate their skills post training to validate their participation in the training program. In this way it is seen that it is difficult to comprehensively evaluate or capture the effectiveness of a training program.
- Time constraint - While getting all the questionnaires filled, I faced that most of the employee's didn't want to respond because of the limited time they had. I faced a lot of problem while convincing them.
- Sample size constraint - As the employee base of the organization is about 21,500 employees, so it was very difficult to cover all the employees in this survey. Number of employee covered in this survey is limited to the sample size of 400 employees only. This limits the scope of the project study and the analysis may not represent the whole population.
- Duration constraint - The time duration for the project is limited to eight weeks so it was difficult to analyze the trainings needs at micro level.

RESEARCH METHODOLOGY

Research methodology is a systematic way to solve research problems. Researcher has to design his methodology. Research methodology deals with research methods and takes into consideration the logic behind the method. It also deals with objective of research study, the method of defining the problem, type of data collected, methods used for collecting and analyzing data. It also deals with objective of research study; the method is defining the problem, type of data collected and the methods used for collecting the data.

The research processes that will be adopted in the present study consist of the following stages.

- Defining the problem and the research objective
- Developing the research plan
- Collection of data.
- Analyze the collected information
- Report research findings

POPULATION / SAMPLE SIZE

Population

The population size 00 employees.

Sample Size

Samples size is the number of items to be selected from the population to constitute the sample for the research. For this research a sample of 400 employees was taken.

Data Collection

For any statistical enquiry the collection of data or information is done through principle sources identically i.e., by primary sources and secondary sources of data.

- Primary Data:-Primary data are those which are collected a fresh and for the first time. Primary data for the study is collected through questionnaire and questionnaire is used closed form.
- Secondary Data:-Most of the data used for the study is secondary in nature and has been collected from the company and from the records of Ashok Leyland Ltd.,

SAMPLING TECHNIQUE:

The researcher has adopted the Simple Random Sampling Technique.

QUESTIONNAIRE DESIGN:

The questionnaire is well structured and it consists of closed ended questions. There are a total of 9 questions that aims to cover all aspects of the effectiveness Training & Development of the organization.

HYPOTHESIS

Null Hypothesis:

- There is no significant relationship between evaluating the effectiveness of training and development programs in **Ashok Leyland Ltd.**, and to identify the knowledge and skills required by employees to perform the job efficiently and effectively.
- There is no significant relationship between evaluating the effectiveness of training and development programs in **Ashok Leyland Ltd.**, and to assess the satisfaction level of employees with regard to training.
- There is no significant relationship between evaluating the effectiveness of training and development programs in **Ashok Leyland Ltd.**, and to understand the training needs of employees in the firm.

Alternative Hypothesis:

- There is significant relationship between evaluating the effectiveness of training and development programs in **Ashok Leyland Ltd.**, and to identify the

knowledge and skills required by employees to perform the job efficiently and effectively.

- There is significant relationship between evaluating the effectiveness of training and development programs in **Ashok Leyland Ltd.**, and to assess the satisfaction level of employees with regard to training.
- There is significant relationship between evaluating the effectiveness of training and development programs in **Ashok Leyland Ltd.**, and to understand the training needs of employees in the firm.

TOOLS USED FOR ANALYSIS

- Simple percentage method
- Chi-square method
- Correlation & Coefficient method

These are briefly explained, in following:

SIMPLE PERCENTAGE METHOD

Simple Percentage Method refers to special kind of ratio percentage that is used in marketing for comparison between two or more series of data. Percentages are used to describe relationship. Since the percentage reduce everything to a common base & these by allow meaningful comparison to be made.

CHI- SQUARE METHOD

Chi-square is a statistical test commonly used to compare observed data with data we would expect to obtain according to a specific hypothesis. The chi-square test is always testing what scientists call the **null hypothesis**, which states that there is no significant difference between the expected and observed result.

The formula for calculating chi-square (χ^2) is:

$$\chi^2 = \sum (O-E)^2/E$$

Where,

O – Observed

frequency

E – Expected frequency

That is, chi-square is the sum of the squared difference between observed (o) and the expected (e) data (or the deviation, d), divided by the expected data in all possible categories.

FINDINGS

- 364.58% respondents have discussed their learning with their Reporting officer (RO) and only 35.39% of respondents have not discussed it are clear that there is a good relationship between the superior and the subordinate.

- 170.78% of respondents has made presentation to their colleagues in the department on the learning from the training programme wherein 229.14% of respondents have not made presentation it is clear that there is lack of communication.
- 363.48% of respondents has been provided support, whereas 36.5% of respondents has not provided support to apply their learning, it clearly proves that support is provided to apply their learning.
- 206.97% of respondents has sought some support from the reporting officer to implement their leaning but 193% of respondents has not seek support as they were able to implement their learning by themselves.
- 392.8% of respondents are not facing that much constrains while implementing their learning only 7.14% of respondents who has faced constrain required in-depth knowledge in the learning
- 66.81% of the respondents requires further inputs and rest of the respondents are comfortable with the learning we can conclude that training was effective.
- 209.98% of the respondents had very less knowledge, 104.27% of the respondents had less knowledge, and 221.73% of the respondents had good knowledge wherein 25.39% of the respondents had very good knowledge compared to post training regarding their learning.
- 45.71% of respondents had a good knowledge based on their training program, 202.84% of respondents had very good knowledge based on training and 151.42% of respondents had full extent of knowledge regarding their learning.
- 98.56% of respondents applied their knowledge, 262.85% of respondents applied their learning effectively wherein 38.56% of respondents applied their learning more effectively.
- The table value is less than calculated value, we reject the null hypothesis. Hence there exists relationship between effectiveness of training & development and satisfaction level.

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