

**Operational Target Setting for Middle Managers and
Training and Development at KYT Private Limited***

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Comments by Faculty

The KYT Pvt. Ltd was established in the year 1988 in Mysore. It delivers Total Manufacturing Solutions with integrated business verticals to cover the entire bandwidth of Electronic Manufacturing Services starting from Design Services through Prototyping, Sourcing, Turnkey manufacturing and Support Services. It offers a complete range of custom-contract manufacturing services from a one piece prototype to 10,000 piece productions runs. The company's second manufacturing plant is operating at Parwanoo in Himachal Pradesh and third facility setup for Electro Mechanical products is operating at Selaqui in Dehradun. The company has been providing End- to- End Solutions to the organised sector in the field of IT Peripherals, Industrial Controls, Telecom, Energy, Medical Electronics, Defence Electronics to leading Companies.

The basic objectives of the present study were to identify the techniques of performance appraisal followed in the company, to identify the employee attitude towards the present appraisal system and to review the current performance-target setting mechanism.

This project revealed that training and development and performance appraisal form the integral part of the entire Human Resource Process. The study also identified a few concerns in implementing the related measures effectively, in the company. From the project, it was seen that Targets are the base for the accomplishment of any work in the organisation. If there are no pre-set targets then everybody in the organisation will have a laid back attitude which would lead to difficulties in the long run.

While carrying on the study, a number of important conceptual aspects of managing human resources in an organization have been referred by the student. The student has been provided with a unique opportunity to deal with various Human Resource Management issues in the organization. She also experienced the process of implementing the conceptual learning according to the requirement of the management for the better functioning of the company. Moreover, the present study has been a great value addition for the student, as it helped her to develop people skill to deal with sensitive HR issues, such as, employee development and performance appraisal and engagement.

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* The name of the company has been disguised to maintain confidentiality.

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Background

Manufacturing industries are the backbone of Indian economy as they provide employment opportunities to a large number of people. But over a period of time, some of the manufacturing industries in the country have lost their competitive edge and have begun becoming sick owing to technical, financial, labour and employment problems. Among the reasons attributed for this malady is the lack of proper HR planning in these companies resulting in talent not being nurtured to a desired extent and consequent lack of motivation in employees

But in recent times the general perception about these companies is showing signs of change. Thanks to the advent of professional management, manufacturing companies now provide a well-structured career growth path. One of the reasons for this change in the mind-set would be the nature of training and coaching provided to new entrants once they are taken on board.

The company, KYT Pvt. Ltd, where the undersigned was fortunate to do the Summer Internship Project, boasts about the fact that it provides its workforce with competency enhancement training. This ensures that they become competent to take up different roles in the organization and have an insight into various managerial soft skills, which are almost as essential as the technical ones.

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KYT Pvt. Ltd has been providing End- to- End Solutions to the organised sector in the field of IT Peripherals, Industrial Controls, Telecom, Energy, Medical Electronics, Defence Electronics to leading Companies such as Analog Devices Inc., USA, Ansaldo Signal group of companies in USA/Europe, TVS Electronics Ltd., Wipro, Larsen & Toubro Ltd., to name a few in the domestic market.

Literature Review

According to a number of researchers, an enhanced and upgraded performance appraisal procedure will enhance the satisfaction level of the employees and will go to improve the process of goal setting within the organization.

Performance appraisals are one of the most important requirements for successful business and human resource policy (Kressler, 2003). Rewarding and promoting effective performance in organizations, as well as identifying ineffective performers for developmental programs or other personnel actions, are essential to effective human resource management (Pulakos, 2003). The ability to conduct performance appraisals relies on the ability to assess an employee's performance in a fair and accurate manner. Evaluating employee performance is a difficult task.

"Training is systematic development of the knowledge, skills and attitudes required by an individual to perform adequately a given task or job" (Armstrong 2001), "Training is the act of increasing knowledge and skills of an employee for doing a particular job." (Flippo, 1984) The term 'training' indicates the process involved in improving the aptitudes, skills and abilities of the employees to perform specific jobs. Training helps in updating old talents and developing new ones.

Laboratory research and initial studies of the effects of goal setting in the classroom indicate that goal setting increases achievement. Thus, goal setting may prove to be an effective motivational technique for use in the organisations. Some variability is also apparent with regard to the meaning of the term 'target', this being dependent upon the context within which it is set. More specific to organisational contexts, the Central Computer & Telecommunications Agency (1999) suggests that targets are 'quantified objectives, often set by the management of an organisation, to be attained at a future date'.

Objectives of the Study

1. Identification of the technique of performance appraisal followed
2. To identify Employee attitude towards the present appraisal system
3. Review of the current target setting mechanism in order to-
 - Enhance productivity
 - Attain global standards
4. To provide suggestions & recommendations from the study conducted on the current Training and Development Programme followed by the company

Methodology

- Review of the existing Performance Targets and KPI's
- In-depth personal interview with the supervisors of all the departments
- Evaluating the present Training syllabus followed in the company
- Attending training sessions to get first hand information

The Details of the Project

Target Setting

Target setting involves establishing specific, measurable, achievable, realistic and time-targeted goals. Work on the theory of goal-setting suggests that an effective tool for making progress is to ensure that participants in a group with a common goal are clearly aware of what is expected from them. Goals are part of the envisioned future of an organisation. They propel an organisation forward and give its people purpose. Goals are a form of motivation that sets the standard for self-satisfaction with performance. Achieving the goal one has set for oneself is a measure of success, and being able to meet job challenges is a way one measures success in the workplace.

The Target Setting Process of the company, in which the author was a part, had the process of setting the targets for all the managers. But the main responsibility was for setting it for the middle level managers. A middle level manager is one who manages the intermediate management of the organisation and the one who manages at least one subordinate level of managers, and reports to a higher level of manager within that organisation.

The procedure was a detailed one in which each of the supervisors set targets, maximum of 6 per year. These targets were to be given specific weights on the basis of their importance and there was a time span too during which the goals had to be completed. Another important observation is that, these organisational goals were not different from the individual goals.

Performance Appraisal

Performance Appraisal is the systematic evaluation of the performance of employees and to understand the abilities of a person for further growth and development. The primary reason for having a PA program is to monitor employees' performance, motivate staff and improve the company's morale. Monitoring employee performance requires routine documentation, which is accomplished through completing a performance appraisal form. In KYT, the employees were aware that the company is mindful of their performance and that they could be rewarded with merit increases and promotion. Morale is improved when employees receive recognition or reward for their work. Keeping in mind the growing attrition rates and the employee dissatisfaction among the employees, the HR professionals are approaching and using the performance appraisal as a fuel to motivate employees.

Self-appraisal is an important part of the Performance appraisal process in the company where the employee himself gives the feedback or his views and points regarding his performance. Usually this is done with the help of a self-appraisal form where the employee rates himself on various parameters, tells about his training needs, if any, talks about his accomplishments, strengths, weaknesses, problems faced etc.

Exhibit 1:

The Self-appraisal form that the author proposed, keeping in mind the existing one consisted of the following:

Sl. No	Question	Strongly	Disagree Disagree	Neutral	Agree	Strongly Agree
1	I have understood the responsibilities of my job					
2	I know who my Supervisor is and what he is responsible for					
3	I always know what my daily and weekly goals are					
4	I feel my work load is too heavy					
5	I feel I can discuss my problems with the supervisor					
6	I know what my benefits are					
7	I believe that I'm productive in my line					
8	I know what my departments long term goals are					
9	I'm familiar with the organization structure					
10	I believe I have enough training to perform the job given to me					
11	I have understood the Vision of the company					
12	I'm clear with the Mission of the company					
13	Do you feel anybody in your department is competent to be appraised?					
14	Do you feel changes made by your supervisor can be implemented and will benefit the organisation in the long run?					
15	Do you feel you need to get promotion?					

Training and Development

Training is concerned with imparting and developing specific skills for a particular purpose. Management development is all those activities and programme 'when recognized and controlled' have substantial influence in changing the capacity of the individual to perform his assignment better and likely to increase his potential for future assignments. Thus, management development in the company as observed by the author has a combination of various training programmes. It is the overall development of the competency of managerial abilities that seemed crucial in the light of the present requirements as well as that of the future.

Types of training given in the company were as follows-

- Induction/Orientation training
- Soft skill Development training

These types of training are imparted apart from the regular project training that is provided to each of the departments separately. This happens within each of the department and takes place throughout the year.

As part of the study of the training and development procedures in the company, the author had to make some power point presentations, keeping in mind, the entire policies of the company. This was done to make the entire training simpler for the next batch of trainees.

Conclusion

This project reveals that HR is a highly process-oriented domain. It is not just about managing the human resources, but also how effectively standardized processes are put in place to make the working of an organisation, as transparent and as efficient, as possible.

Training and development forms the integral part of the entire Human Resource Processes and without this, it would be highly impossible to run the organisation with ease. Same is the case with performance appraisal as it is necessary to measure the performance of the employees, and the organisation to check the progress towards the desired goals and aims. During the exposure the undersigned had on these issues, it was possible to observe at close quarters the difficulty in implementing these effectively, right through the organization.

There are numerous ways of conducting appraisals, and particularly different ways to diffuse apprehension and fear - for managers and appraisees, alike; encourage people to sit down together and review informally and, often this removes much of the pressure for managers and appraisals of the formal appraisals time. Leaving everything to a single make-or-break discussion once a year is asking for trouble and trepidation. Appraisals are much easier, and especially more relaxed, if the boss meets each of the team members individually and regularly for one-to-one discussion throughout the year.

Performance appraisal takes into account the past performance of the employees and focuses on their future. Organizations should attempt to study the current global trends in performance appraisal to improvise the current system adapted by them.

From the project, it was seen that 'Targets' are the base for the accomplishment of any work in the organization. If there are no pre-set targets then everybody in the organization will have a laid back attitude which would lead to difficulties in the long run.

To conclude, Performance appraisals and target setting, that are administered without training (for those who need it), without explanation or consultation, and conducted poorly, will be counter-productive and are wastes of everyone's time. Well-prepared and well-conducted performance appraisals, target setting and training provide unique opportunities to help the managers improve and develop, and thereby also the organizations for whom they work, leading to overall efficiency and productivity. Therefore, every single aspect, be it training, or performance appraisal or target setting- all are inter-connected and form the base for the development of an organisation.

Broad Observations

On Performance Appraisal

- The author feels that very concept of performance appraisal should be marketed throughout the organization. Unless this is done, people would not accept it, however important it might be to the organization.
- It was observed that the appraisal form for each job position is not different in the company, which should not be the case. It has to be different as each job has different knowledge and skill requirements. There should not be a common appraisal form for every job position in the organization.
- The data collected by the author has observations which show that there has not been a neutral panel of people who do the appraisal and hence creates a lot of subjectivity to a marked extent.
- The company does not follow a complete transparent system about the employee's performance with the employee, which should be avoided.

On Target Setting

- When considering the introduction of target setting initiatives in the company, it was observed that the objectives are not compatible, well integrated and conflict with, or otherwise undermine, other organisational initiatives or objectives. This needs to be rectified.
- The company needs to follow a careful planning system to produce a step-wise progression, particularly in the case of long-term objectives, such that, the realisation of targets does not become an 'all or nothing' exercise. This will help to reduce the potential of de-motivating influences in case objectives do not get realised and even help in motivating the employees to a large extent.

On Training and Development

- With the limited information gathered by the author, it could be said that training contributes to competitive strategies of the firm.
- The company must ensure that a comprehensive and systematic approach to training exists, and training and re-training are done at all levels on a continuous and on-going basis
- The organization needs to ensure that there is a proper linkage among organizational, operational and individual training needs
- Skill-based training (product/process training) should also be provided by the organization in a more systematic manner.
- The Post training feedback which was not continuous does not help, as the employees were not aware of their current performance, and the areas that they needed to improve upon.
- The training programme in the organization was conducted only when there was a serious need which should be substituted by regular training of employees.
- The organization's environment was not that cooperative on such training programmes which actually lead to poor performance

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