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Roll No. _____

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MBA Second Year (4th Semester)

Examination, 2011

Training and Development

Paper No. : 407-B

Time Allowed : Three Hours] [Maximum Marks : 75

Note: Attempt **all** questions. Question No. 1 to 3 is of 15 marks each. Question No. 4 is carrying 30 marks.

Unit - I

1. Define and explain the term "Training and Development" along with its significance.

OR

Discuss the various areas of training in detail.

Unit - II

2. Diagrammatically present the process of training and development and explain it in detail.

OR

Explain various guidelines for designing effective training programme.

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Unit - III

3. Discuss the role of coaching, counseling and mentoring in facilitating training programme.

OR

What is andragogy? How is it different from pedagogy and how it may be helpful while developing training programme?

Unit - IV

Comprehensive Case Study

4. Domtar is the third largest producer of uncoated freesheet paper in North America. In the decade prior to 1996, Domtar had one of the worst financial records in the pulp and paper industry. At the time it was a bureaucratic and hierarchical organization with no clear goals. Half of its business was in "trouble areas." Moreover, the company did not have the critical mass to compete with the larger names in the field. The balance sheet was in bad shape, and the company did not have Investment Grade Status on its long-term debt.

In July of 1996, Raymond Royer was named President and Chief Executive officer. This was quite a surprise because, although Royer had been successful at Bombardier, he had no knowledge of the pulp and paper industry. Many believed that to be success-

ful at Domtar, you needed to know the industry.

Royer knew that to be effective in any competitive industry, an organization needed to have a strategic direction and specific goals. He decided to focus on two goals: return on investment and customer service. Royer told Domtar executives that in order to survive, they needed to participate in the consolidation of the industry and increase its critical mass. The goal was to become a preferred supplier. The competitive strategy had to focus on being innovative in the product design, high in product quality, and unique in customer service. At the same time, however, it had to do everything to keep costs down.

When Royer took over at Domtar, he explained to the executive team that there were three pillars to the company: customers, shareholders, and ourselves. He noted that it is only "ourselves" that are able to have any impact on changing the company. He backed up his words with action by hiring the Kaizen guru from Bombardier. Kaizen, a process of getting employees involved by using their expertise in the development of new and more effective ways of doing things,

had been very effective at Bombardier. Royer saw no reason why it would not be successful at Domtar. Royer also knew that for the new strategic direction and to focus to be successful, everyone needed both to understand the changes being proposed and has the skills to achieve them. The success of any change process requires extensive training; therefore, training became a key part of Royer's strategy for Domtar.

This last point reflects the belief that it is the employees' competencies that make the difference. The "Domtar Difference," as it is called, is reflected in the statement, "tapping the intelligence of the experts, our employees." Employees must be motivated to become involved in developing new ways of doing things. Thus, Domtar needed to provide employees with incentives for change, new skills, and a different attitude toward work. The introduction of Kaizen was one tactic used to achieve these goals.

Training at Domtar went beyond the traditional job training necessary to do the job effectively, and included training in customer services and Kaizen. This reflected in Domtar's mission, which is to:

- Meet the ever-changing needs of our customers,

- Provide shareholders with attractive returns, and
- Create an environment in which shared human values and personal commitment prevail.

In this regard, a performance management system was put in place to provide a mechanism for employees to receive feedback about their effectiveness. This process laid the groundwork for successfully attaining such objectives as improving employee performance, communicating the Domtar values, clarifying individual roles, and fostering better communication between employees and managers. Tied to this were performance incentives that rewarded employees with opportunities to share in the profits of the company.

Has Royer been successful with his approach? First quarter net earnings in 1998 were \$17 million, compared with a net loss of \$12 million for the same time period in 1997, his first year in office. In 2002, third quarter earnings were \$59 million and totaled \$141 million for the year. That is not all. Recall his goal of return in equity for shareholders. Domtar has once again been included in the Dow Jones sustainability index. Domtar has been on this list since its inception in

1999. And is the only pulp and paper company in North America to be part of this index. To be on the list, a company must demonstrate an approach that "aims to create a long term shareholder value by embracing opportunities and managing risks that arise from economic, environmental and social developments." Based on this, it could be said that Royer has been successful. In 2003, Paperloop, the pulp and paper industry's international research and information service, named Royer Global CEO of the year.

It was Royer's sound management policies and shrewd joint ventures and acquisitions that helped Domtar become more competitive and return their long-term debt rating to "investment grade." However, joint ventures and acquisitions bring additional challenges of integrating the new companies into the "Domtar way." Again, this requires training.

For example, When Domtar purchased the Ashdown Mill in Arkansas, the management team met with employees to set the climate for change. The plan was that within 14 months, all mill employees would complete a two day training program programme designed to help them understand the Domtar culture and how to service customers. A manager always started the "one day

customer focus" training, thus emphasizing the importance of training. This manager returned again at lunch to answer any questions as the training proceeded. In addition, for supervising training, each supervisor received skill training on how to effectively address employee issues. How successful has all this training been? Employee Randy Gerber says the training "allow us to realize that to be successful, we must share human values and integrate them into our daily activities." The training shows "the company is committed to the programme." Tammy Waters, a Communications Coordinator, said the training impacted in the mill in many ways, and for Ashdown employees it has become a way of life.

The same process takes place in Domtar's joint venture. In northern Ontario, Domtar owns a 45% interest in a mill with the Cree of James Bay, who own 55%. Despite its minority interest in the joint venture, training is an important part of Domtar involvement. Skill training still takes place on site, but all the management and teamwork training is done at Domtar's headquarters in Montreal.

Royer's ability to get employees to buy into this new way of doing business was necessary for the organization to succeed. Paperloop's Editorial Director for News Products, Wills Mies, in describing why Royer was

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chosen for the award, indicated that they polled a large number of respected security analysts, investment officers and portfolio managers as well as their own staff of editors, analysts and economists to determine a worthy winner this year. Raymond Royer emerged a clear favorite, with voters citing, in particular, his talent for turnaround, outstanding financial management, and consistently excellent merger, acquisition and consolidation moves, as well as his ability to integrate acquired businesses through a management system that engages employees. Of course, that last part, "a management system that engages employees," could be said to be the key without which most of the rest would not work very well. That requires training.

Answer the following questions:

1. In implementing the Kaizen, what groups of employees are likely to need training? How should the trainees be organized? Think of this issue from a • training design perspective and from a training content perspective.
2. For the type of training envisioned, what are the learning objectives? Write these objectives in complete form.
3. For each group of employees that will need training, what are the organizational constraints that need to be addressed in the design of training?