

HUMAN RESOURCE MANAGEMENT

B.Com

III SEMESTER

(2019 ADMISSION ONWARDS - CBCSS)

COMPLEMENTARY COURSE



UNIVERSITY OF CALICUT

SCHOOL OF DISTANCE EDUCATION

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19607

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SCHOOL OF DISTANCE EDUCATION

Study Material

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(2019 Admission Onwards)(CBCSS)

Complementary Course - BCM3 C03

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MODULE – I

HUMAN RESOURCE MANAGEMENT

After the completion of the unit the student will be able to

- Understand nature of Human Resource Management
Know the differences Between Personnel Management and Human Resource Management
- Understand Objectives of Human Resource Management
- Know the Functions of Human Resource Management
- Understand Importance of Human Resource Management
- Understand the term E-HRM, Relational and Transformational E.HRM

Human Resource management is the most happening function as of now. This is so because people offer competitive advantage to a firm and managing people is the domain of HRM. An organization enjoys competitive advantage when it is the only one which can offer a product at a price and at quality while its competitors cannot do so.

Fast changes are taking place in the business environment. An organization must have the ability to absorb these changes at a fast rate than in the past, not simply to prove its competency alone but to justify its existence in the dynamic business world as well. All organizations, whether large or small must ensure themselves that they have the competent people capable of accepting this challenge.

Human resource management is a relatively modern concept, which involves arrange of ideas and practices in managing people. Human resource is the most valuable resource in any organization because it can function only through people.

Human Resource Management has come to be recognized as an inherent part of management, which is concerned with the human resources of an organization. Its objective is the maintenance of better human relations in the organization by the development, application and evaluation of policies, procedures and programs relating to human resources to optimize their contribution towards the realization of organizational objectives.

In other words, HRM is concerned with getting better results with the collaboration of people. It is an integral but distinctive part of management, concerned with people at work and their relationships within the enterprise. HRM helps in attaining maximum individual development, desirable working relationship between employees and employers, employees and employees, and effective modeling of human resources as contrasted with physical resources. It is the recruitment, selection, development, utilization, compensation and motivation of human resources by the organization.

CONCEPT OF HUMAN RESOURCE MANAGEMENT

What exactly is human resource management? Many people find HRM to be an unclear and strange concept. 'This is not simply because of having variety of meanings to this term. This confusion is mainly due to the different interpretations found in articles and books about human resource management.

HRM is the philosophy of people management based on the belief that human resources are extremely important for sustained business success. An organization acquires competitive advantage by using its people effectively and utilizing their expertise to meet clearly defined objectives. HRM is aimed at recruiting capable, flexible and committed people. Managing and rewarding their performance and developing key competencies.

Meaning and Definition

Human Resource Management is the process of recruitment, selection of employee, providing proper orientation and induction, providing proper training and the developing skills, assessment of employee (performance of appraisal), providing proper compensation and benefits, motivating, maintaining proper relations with labor and with trade unions, maintaining employee's safety, welfare and health by complying with labor laws of concern state or country. Many great scholars had defined human resource management in different ways and with different words, but the core meaning of the human resource management deals with how to manage people or employees in the organization.

Edwin Flippo defines- HRM as “planning, organizing, directing, controlling of procurement, development, compensation, integration, maintenance and separation of human resources to the end that individual, organizational and social objectives are achieved.”

The National Institute of Personal Management (NIPM) of India has defined human resources – personal management as “that part of management which is concerned with people at work and with their relationship within an enterprise.

Scope of Human Resource Management

1. Personnel Aspect

- **Human Resource Planning** – It is the process by which the organization identifies the number of jobs vacant.
- **Job Analysis and Job Design** – Job analysis is the systematic process for gathering, documenting, and analyzing data about the work required for a job. Job analysis is the procedure for identifying those duties or behavior that defines a job.
- **Recruitment and Selection** – Recruitment is the process of preparing advertisements on the basis of information collected from job analysis and publishing it in newspaper. Selection is the process of choosing the best candidate among the candidates applied for the job.

- **Orientation and Induction** – Making the selected candidate informed about the organization's background, culture, values, and work ethics.
- **Training and Development** – Training is provided to both new and existing employees to improve their performance.
- **Performance Appraisal** – Performance check is done of every employee by Human Resource Management. Promotions, transfers, incentives, and salary increments are decided on the basis of employee performance appraisal.
- **Compensation Planning and Remuneration** – It is the job of Human Resource Management to plan compensation and remunerate.
- **Motivation** – Human Resource Management tries to keep employees motivated so that employees put their maximum efforts in work.

2. **Welfare Aspect** – Human Resource Management have to follow certain health and safety regulations for the benefit of employees. It deals with working conditions, and amenities like - canteens, crèches, rest and lunch rooms, housing, transport, medical assistance, education, health and safety, recreation facilities, etc.

3. Industrial Relation Aspect – HRM works to maintain co-ordinal relation with the union members to avoid strikes or lockouts to ensure smooth functioning of the organisation. It also covers - joint consultation, collective bargaining, grievance and disciplinary procedures, and dispute settlement.

Importance of Human Resource Management

Human Resource Management is related with effective utilization of human resources. The importance of HRM can be discussed as:

I Importance concerned with individual organization

Human Resource Management can help an organization to achieve to its objective more efficiently and effectively in the following ways:

- Procurement of required talents through recruitment, selection, placement, inducting, training, compensation and promotion policies.
- Secures co-operation of all employee of the organization for achieving goals.
- Proper utilization of human resources for the success of the enterprise.
- Ensure a future team of efficient and competent workers required for the organization.

II Professional Importance

Professional competency among employees can be achieved through the following ways.

- Human resource management provides maximum opportunities to employees for their personnel development.
- Providing healthy relationship among employees
- Proper allocation of work among employees.
- Providing training facilities for the individual development of employees.

III Social Importance

HRM is important in social perspective also. It includes the following aspects:

- Human resource management enhances the dignity of labour.
- Provides suitable job to suitable person and it will help to satisfy the psychological and social satisfaction of employees.
- Helps to provide reasonable compensation to workers, which leads them to have a good standard of living.
- Helps to maintain a balance between jobs and job seekers in terms of numbers, qualification, aptitude etc.
- Takes health and safety measures which ensures physical and mental health of the employees.

IV National Importance

Effective management of human resources will speed up the economic growth of nation. This in turn leads to better standard of living and more job opportunities.

Objectives of human resource MANAGEMENT:

- To help the organization reach its goals.
- To ensure effective utilization and maximum development of human resources.
- To ensure respect for human beings to identify and satisfy the needs of individuals.
- To ensure reconciliation of individual goals with those of the organization.
- To achieve and maintain high morale among employees.
- To provide the organization with well-trained and well-motivated employees.
- To increase to the fullest the employee's job satisfaction and self-actualization.
- To develop and maintain a quality of work life.
- To be ethically and socially responsive to the needs of society.
- To develop overall personality of each employee in its multidimensional aspect.
- To enhance employee's capabilities to perform the present job.

- To equip the employees with precision and clarity in transactions of business.
- To inculcate the sense of team spirit, team work and inter-team collaboration.

Human Resource Activities

In order to achieve the above objectives, Human Resource Management undertakes the following activities:

- Human resource or manpower planning.
- Recruitment, selection and placement of personnel.
- Training and development of employees.
- Appraisal of performance of employees.
- Taking corrective steps such as transfer from one job to another.
- Remuneration of employees.
- Social security and welfare of employees.
- Setting general and specific management policy for organizational relationship.
- Collective bargaining, contract negotiation and grievance handling.
- Staffing the organization.
- Aiding in the self-development of employees at all levels.
- Developing and maintaining motivation for workers by providing incentives.

- Reviewing and auditing manpower management in the organization
- Potential Appraisal Feedback Counseling.
- Role Analysis for job occupants.
- Job Rotation.
- Quality Circle, Organization development and Quality of Working Life.

Human Resource Management Functions:

Some of the major functions of human resource management are as follows:

- ✓ Managerial Functions
- ✓ Operative Functions
- ✓ Advisory Functions.

Human Resource or Personnel Department is established in most of the organizations, under the charge of an executive known as Human Resource/Personnel Manager. This department plays an important role in the efficient management of human resources.

The personnel department gives assistance and provides service to all other departments on personnel matters. Though personnel or human resource manager is a staff officer in relation to other departments of the enterprise, he has a line authority to get orders executed within his department.

- (i) Managerial,
- (ii) Operative and
- (iii) Advisory functions.

1. Managerial Functions:

The Human Resource Manager is a part of the organisational management. So he must perform the basic managerial functions of planning, organising, directing and controlling in relation to his department.

There functions are briefly discussed below:

1. Planning:

To get things done through the subordinates, a manager must plan ahead. Planning is necessary to determine the goals of the organisation and lay down policies and procedures to reach the goals. For a human resource manager, planning means the determination of personnel programs that will contribute to the goals of the enterprise, i.e., anticipating vacancies, planning job requirements, job descriptions and determination of the sources of recruitment. The process of personnel planning involves three essential steps.

Firstly, a supply and demand forecast for each job category is made. This step requires knowledge to both labour market conditions and the strategic posture and goals of the organisation.

Secondly, net shortage and excess of personnel by job category are projected for a specific time horizon.

Finally, plans are developed to eliminate the forecast shortages and excess of particular categories of human resources.

2. Organizing:

Once the human resource manager has established objectives and developed plans and programs to reach them, he must design and develop organisation structure to carry out the various operations.

The organization structure basically includes the following:

- ✓ Grouping of personnel activity logically into functions or positions;
- ✓ Assignment of different functions to different individuals;
- ✓ Delegation of authority according to the tasks assigned and responsibilities involved;
- ✓ Co-ordination of activities of different individuals.

3. Directing:

The plans are to be put into effect by people. But how smoothly the plans are implemented depends on the motivation of people. The direction function of the personnel manager involves encouraging people to work willingly and effectively for the goals of the enterprise. In other words, the direction

function is meant to guide and motivate the people to accomplish the personnel programs. The personnel manager can motivate the employees in an organisation through career planning, salary administration, ensuring employee morale, developing cordial relationships and provision of safety requirements and welfare of employees.

The motivational function poses a great challenge for any manager. The personnel manager must have the ability to identify the needs of employees and the means and methods of satisfy those needs. Motivation is a continuous process as new needs and expectations emerge among employees when old ones are satisfied.

4. Controlling:

Controlling is concerned with the regulation of activities in accordance with the plans, which in turn have been formulated on the basis of the objectives of the organisation. Thus, controlling completes the cycle and leads back to planning. It involves the observation and comparison of results with the standards and correction of deviations that may occur.

Controlling helps the personnel manager to evaluate the control the performance of the personnel department in terms of various operative functions. It involves performance appraisal, critical examination of personnel records and statistics and personnel audit.

2. Operative Functions:

The operative functions are those tasks or duties which are specifically entrusted to the human resource or personnel department. These are concerned with employment, development, compensation, integration and maintenance of personnel of the organisation.

Operative functions of human resource

1. Employment:

The first operative function of the human resource of personnel department is the employment of proper kind and number of persons necessary to achieve the objectives of the organisation. This involves recruitment, selection, placement, etc. of the personnel. Before these processes are performed, it is better to determine the manpower requirements both in terms of number and quality of the personnel. Recruitment and selection cover the sources of supply of labour and the devices designed to select the right type of people for various jobs. Induction and placement of personnel for their better performance also come under the employment or procurement function.

2. Development:

Training and development of personnel is a follow up of the employment function. It is a duty of management to train each employee properly to develop technical skills for the job for which he has been employed and also to develop him for the higher jobs in the organisation. Proper development of personnel is necessary to increase their skills in doing their jobs and in satisfying their growth need. For this purpose, the

personnel departments will device appropriate training programs. There are several on- the-job and off-the-job methods available for training purposes. A good training program should include a mixture of both types of methods. It is important to point out that personnel department arranges for training not only of new employees but also of old employees to update their knowledge in the use of latest techniques.

3. Compensation:

This function is concerned with the determination of adequate and equitable remuneration of the employees in the organisation of their contribution to the organisational goals. The personnel can be compensated both in terms of monetary as well as non-monetary rewards.

Factors which must be borne in mind while fixing the remuneration of personnel are their basic needs, requirements of jobs, legal provisions regarding minimum wages, capacity of the organisation to pay, wage level afforded by competitors etc. For fixing the wage levels, the personnel department can make use of certain techniques like job evaluation and performance appraisal.

4. Maintenance (Working Conditions and Welfare):

Merely appointment and training of people is not sufficient; they must be provided with good working, conditions so that they may like their work and workplace and maintain their efficiency. Working conditions certainly influence the motivation and morale of the employees.

These include measures taken for health, safety, and comfort of the workforce. The personnel department also provides for various welfare services which relate to the physical and social well-being of the employees. These may include provision of cafeteria, rest rooms, counseling, group insurance, education for children of employees, recreational facilities, etc.

5. Motivation:

Employees work in the organisation for the satisfaction of their needs. In many of the cases, it is found that they do not contribute towards the organisational goals as much as they can. This happens because employees are not adequately motivated. The human resource manager helps the various departmental managers to design a system of financial and non-financial rewards to motivate the employees.

6. Personnel Records:

The human resource or personnel department maintains the records of the employees working in the enterprise. It keeps full records of their training, achievements, transfer, promotion, etc. It also preserves many other records relating to the behaviour of personnel like absenteeism and labour turnover and the personnel programs and policies of the organisation.

7. Industrial Relations:

These days, the responsibility of maintaining good industrial relations is mainly discharged by the human resource manager. The human resource manager can help in collective bargaining, joint consultation and settlement of disputes, if the need arises. This is because of the fact that he is in possession of full information relating to personnel and has the working

knowledge of various labour enactments.

The human resource manager can do a great deal in maintaining industrial peace in the organisation as he is deeply associated with various committees on discipline, labour welfare, safety, grievance, etc. He helps in laying down the grievance procedure to redress the grievances of the employees. He also gives authentic information to the trade union leaders and conveys their views on various labour problems to the top management.

8. Separation:

Since the first function of human resource management is to procure the employees, it is logical that the last should be the separation and return of that person to society. Most people do not die on the job. The organisation is responsible for meeting certain requirements of due process in separation, as well as assuring that the returned person is in as good shape as possible. The personnel manager has to ensure the release of retirement benefits to the retiring personnel in time.

Advisory Functions:

Human resource manager has specialized education and training in managing human resources. He is an expert in his area and so can give advice on matters relating to human resources of the organization.

He offers his advice to:

1. Advised to Top Management:

Personnel manager advises the top management in formulation and evaluation of personnel programs, policies and procedures. He also gives advice for achieving and maintaining good human relations and high employee morale.

2. Advised to Departmental Heads:

Personnel manager offers advice to the heads of various departments on matters such as manpower planning, job analysis and design, recruitment and selection, placement, training, performance appraisal, etc.

Personnel Management vs. Human Resource Management

Both the terms refer to the one and the same function of the management and that is managing the people at work. However, Human Resource Management is mainly focused on best utilizing the man power by understanding their strength and weaknesses and engaging them in different occupations so that their productivity can be increased. Therefore, training and development and employee engagements are part of it. Personnel Management, on the other hand, is mainly concerned with maintaining good employee- employer relationship and activities connected with it. Therefore, Personnel Management mainly works around Industrial/ Employee/ Labour Relations and activities connected with grievance handling, negotiations, enforcement of labour statute, looking after welfare of employees and so on.

Personnel Management is thus basically an administrative record-keeping function, at the operational level. Personnel Management attempts to maintain fair terms and conditions of employment, while at the same time, efficiently managing personnel activities for individual departments etc. It is assumed that the outcomes from providing justice and achieving efficiency in the management of personnel activities will result ultimately in achieving organizational success.

Human resource management is the new version of personnel management. There is no any watertight difference between human resource management and personnel management. However, there are some differences in the following matters.

1. Personnel management is a traditional approach of managing people in the organization. Human resource management is a modern approach of managing people and their strengths in the organization.
2. Personnel management focuses on personnel administration, employee welfare and labor relation. Human resource management focuses on acquisition, development, motivation and maintenance of human resources in the organization.
3. Personnel management assumes people as a input for achieving desired output. Human resource management assumes people as an important and valuable resource for achieving desired output.
4. Under personnel management, personnel function is undertaken for employee's satisfaction. Under human resource management, administrative function is undertaken for goal achievement.
5. Under personnel management, job design is done on the basis of division of labor. Under human resource management, job design function is done on the basis of group work/team work.

6. Under personnel management, employees are provided with less training and development opportunities. Under human resource management, employees are provided with more training and development opportunities.
7. In personnel management, decisions are made by the top management as per the rules and regulation of the organization. In human resource management, decisions are made collectively after considering employee's participation, authority, decentralization, competitive environment etc.
8. Personnel management focuses on increased production and satisfied employees. Human resource management focuses on effectiveness, culture, productivity and employee's participation.
9. Personnel management is concerned with personnel manager. Human resource management is concerned with all level of managers from top to bottom.
10. Personnel management is a routine function. Human resource management is a strategic function.

Human Resource Planning

Human resource is the most important asset of an organization. Human resources planning are the important managerial function. It ensures the right type of people, in the right number, at the right time and place, who are trained and motivated to do the right kind of work at the right time, there

is generally a shortage of suitable persons. The enterprise will estimate its manpower requirements and then find out the sources from which the needs will be met. If required manpower is not available then the work will suffer. Developing countries are suffering from the shortage of trained managers. Job opportunities are available in these countries but properly trained personnel are not available. These countries try to import trained skill from other countries. In order to cope up with the human resource requirements, an enterprise will have to plan in advance its needs and the sources. The terms human resource planning and manpower planning are generally used interchangeably. Human resource planning is not a substitute for manpower planning. Rather the latter is a part of the former i.e., manpower planning is integrated with human resource planning.

Definitions.

According to E.W. Vetter, human resource planning is “the process by which a management determines how an organization should make from its current manpower position to its desired manpower position.

Through planning a management strives to have the right number and the right kind of people at the right places, at the right time to do things which result in both the organization and the individual receiving the maximum long range benefit.”

Dale S. Beach has defined it as “a process of determining and assuring that the organization will have an adequate number of qualified persons available at the proper times, performing jobs which meet the needs of the enterprise and which provide satisfaction for the individuals involved.”

In the words of Leon C. Megginson, human resource planning is “an integration approach to performing the planning aspects of the personnel function in order to have a sufficient supply of adequately developed and motivated people to perform the duties and tasks required to meet organizational objectives and satisfy the individual’s needs and goals of organizational members.”

On the analysis of above definitions, human resource planning may be viewed as foreseeing the human resource requirements of an organization and the future supply of human resources and making necessary adjustments between these two and organization plans, and foreseeing the possibility of developing the supply of human resources in order to match it with requirements by introducing necessary changes in the functions of human resource management.

Here, human resource means skill, knowledge, values, ability, commitment, motivation etc., in addition to the number of employees. Though accomplishment of organizational objectives and goals is the primary concern of the human

resource planning, concern for the aspirations of the people and their well-being has equal importance in it. In fact, the human resources planning must result in humanization of work environment.

Features of Human Resource Planning:

The following features of human resource planning can be derived:

1. Well Defined Objectives:

Enterprise's objectives and goals in its strategic planning and operating planning may form the objectives of human resource planning. Human resource needs are planned on the basis of company's goals. Besides, human resource planning has its own objectives like developing human resources, updating technical expertise, career planning of individual executives and people, ensuring better commitment of people and so on.

2. Determining Human Resource Needs:

Human resource plan must incorporate the human resource needs of the enterprise. The thinking will have to be done in advance so that the persons are available at a time when they are required. For this purpose, an enterprise will have to undertake recruiting, selecting and training process also.

3. Keeping Manpower Inventory:

It includes the inventory of present manpower in the

organization. The executive should know the persons who will be available to him for undertaking higher responsibilities in the near future.

4. **Adjusting Demand and Supply:**

Manpower needs have to be planned well in advance as suitable persons are available in future. If sufficient persons will not be available in future then efforts should be made to start recruitment process well in advance. The demand and supply of personnel should be planned in advance.

5. **Creating Proper Work Environment:**

Besides estimating and employing personnel, human resource planning also ensures that working conditions are created. Employees should like to work in the organization and they should get proper job satisfaction.

RECRUITMENT AND SELECTION

Human resource (HR) planning or manpower planning is the process by which the organization ensures that it has the right kind of people, at right time, at right place and they are working effectively and efficiently and help the organization in achieving the overall objective. It is a continuous process. Of developing and determining objectives, policies that will procure, develop and utilize human resources to achieve the goal of the organization

Importance of Manpower Planning

1. **Key to managerial functions-** The four managerial functions, i.e., planning, organizing, directing and controlling are based upon the manpower. Human resources help in the implementation of all these managerial activities. Therefore, staffing becomes a key to all managerial functions.
2. **Efficient utilization-** Efficient management of personnel's becomes an important function in the industrialization world of today. Setting of large scale enterprises requires management of large scale manpower. It can be effectively done through staffing function.
3. **Motivation-** Staffing function not only includes putting right men on right job, but it also comprises of motivational programmes, i.e., incentive plans to be framed for further participation and employment of employees in a concern. Therefore, all types of incentive plans become an integral part of staffing function.
4. **Better human relations-** A concern can stabilize itself if human relations develop and are strong. Human relations become strong through effective control, clear communication, effective supervision and leadership in a concern. Staffing function also looks after training and development of the work force which leads to co-operation and better human relations.

5. **Higher productivity-** Productivity level increases when resources are utilized in best possible manner. Higher productivity is a result of minimum wastage of time, money, efforts and energies. This is possible through the staffing and its related activities (Performance appraisal, training and development, remuneration)

Need of Manpower Planning

Manpower Planning is a two-phased process because manpower planning not only analyses the current human resources but also makes manpower forecasts and thereby draw employment programmes. Manpower Planning is advantageous to firm in following manner:

- Shortages and surpluses can be identified so that quick action can be taken wherever required.
- All the recruitment and selection programmes are based on manpower planning.
- It also helps to reduce the labour cost as excess staff can be identified and thereby overstaffing can be avoided.
- It also helps to identify the available talents in a concern and accordingly training programmes can be chalked out to develop those talents.
- It helps in growth and diversification of business. Through manpower planning, human resources can be readily

available and they can be utilized in best manner.

- It helps the organization to realize the importance of manpower management which ultimately helps in the stability of a concern.

Steps in Manpower Planning

1. Analyzing the current manpower inventory-Before a manager makes forecast of future manpower, the current manpower status has to be analyzed. For this the following things have to be noted-

- ✓ Type of organization
- ✓ Number of departments
- ✓ Number and quantity of such departments
- ✓ Employees in these work units

Once these factors are registered by a manager, he goes for the future forecasting.

2. Making future manpower forecasts- Once the factors affecting the future manpower forecasts are known, planning can be done for the future manpower requirements in several work units.

The Manpower forecasting techniques commonly employed by the organizations are as follows:

- **Expert Forecasts:** This includes informal decisions, formal expert surveys and Delphi technique.

- **Trend Analysis:** Manpower needs can be projected through extrapolation (projecting past trends), indexation (using base year as basis), and statistical analysis (central tendency measure).
- **Work Load Analysis:** It is dependent upon the nature of work load in a department, in a branch or in a division.
- **Work Force Analysis:** Whenever production and time period has to be analyzed, due allowances have to be made for getting net manpower requirements.
- **Other methods:** Several Mathematical models, with the aid of computers are used to forecast manpower needs, like budget and planning analysis, regression, new venture analysis.

3. Developing employment programmes- Once the current inventory is compared with future forecasts, the employment programmes can be framed and developed accordingly, which will include recruitment, selection procedures and placement plans.

4. Design training programmes- These will be based upon extent of diversification, expansion plans, development programmes, etc. Training programmes depend upon the extent of improvement in technology and advancement to take place. It is also done to improve upon the skills, capabilities, knowledge of the workers.

Obstacles in Manpower Planning

Following are the main obstacles that organizations face in the process of manpower planning:

1. Under Utilization of Manpower: The biggest obstacle in case of manpower planning is the fact that the industries in general are not making optimum use of their manpower and once manpower planning begins, it encounters heavy odds in stepping up the utilization.

2. Degree of Absenteeism: Absenteeism is quite high and has been increasing since last few years.

3. Lack of Education and Skilled Labour: The extent of illiteracy and the slow pace of development of the skilled categories account for low productivity in employees. Low productivity has implications for manpower planning.

4. Manpower Control and Review:

- Any increase in manpower is considered at the top level of management
- On the basis of manpower plans, personnel budgets are prepared. These act as control mechanisms to keep the manpower under certain broadly defined limits.
- The productivity of any organization is usually calculated using the formula:

Productivity = Output / Input

But a rough index of employee productivity is calculated as follows:

Employee Productivity = Total Production / Total no. of employees

- ✓ Exit Interviews, the rate of turnover and rate of absenteeism are source of vital information on the satisfaction level of manpower. For conservation of Human Resources and better utilization of men studying these conditions, manpower control would have to take into account the data to make meaningful analysis.
- ✓ Extent of Overtime: The amount of overtime paid may be due to real shortage of men, ineffective management or improper utilization of manpower. Manpower control would require a careful study of overtime statistics.
- ✓ Few Organizations do not have sufficient records and information on manpower. Several of those who have them do not have a proper retrieval system. There are complications in resolving the issues in design, definition and creation of computerized personnel information system for effective manpower planning and utilization. Even the existing technologies in this respect is not optimally used. This is a strategic disadvantage.

Techniques of Manpower Planning:

We have already noted that manpower planning involves forecasting manpower needs, assessing manpower supply and reconciling supply and demand through various personnel-related programmes. The manpower planning process is affected by the organisation's strategic management decisions and environmental uncertainties. These two factors, in turn, determine the length of the planning horizons, the type and quality of information available to manpower planners and the nature of jobs to be filled. Manpower demand forecasts and assessments of supply must be continuously monitored so that adjustments can be made in the programmes designed to reconcile the supply and demand of manpower resources.

1. Forecasting Manpower Needs (Demand):

Manpower demand refers the total human resource needs of an organisation for a given time period. The precise nature of an organisation's demand for manpower depends on various factors. Once the factors affecting the demand for manpower are identified, methods for forecasting can be designed and implemented.

External factors include competition (foreign and domestic), the economic climate (such as the stock market crash of 1992), laws and regulations and changes in technology. Internal factors include budget constraints, production levels, new products and services and organisational structure.

2. Short-term Forecasting:

Short-range forecasts usually grow out of normal budgetary processes. Manpower budgets and projections are generally based on estimates of work-loads (production schedules, passenger loads, expansions or contractions in operations).

Conversion ratios that translate workload data into manpower demand estimates may be used for a short-range demand forecast. For example, as sales increase by a certain percentage, a manufacturing concern may determine by how much the number of employees in certain departments or divisions must also increase.

The use of conversion ratios provides only a rough approximation of the number of employees required and may indicate very little about the types of manpower needed. It is important for an organization to carefully define not only the number of workers needed by the entire organization, but also the type required at various levels, departments and locations. Job analysis information is helpful in this respect, because it defines the educational, experience and skill requirements of future employees.

3. Long-term Forecasting:

This is done with mathematical and statistical models. Unlike forecasting short-term needs, which generally involves

necessary adjustments, to assure that specific vacancies are filled, long-term forecasts are more general in nature.

Mathematical models used in manpower forecasting are based on selected key variables that affect the organisation's overall manpower needs. Some models contain both internal and external variables.

4. Linear Regression:

Another quantitative approach, viz., linear regression analysis, may also be used to estimate the manpower necessary at a future point in time, based upon such factors as sales, output or services rendered.

5. Forecasting Manpower Supply:

Manpower planners must consider both the external supply (employees available for hire in the organisation's geographic workforce) and the internal supply (the organisation's current employees) of human resources. It is important for personnel planners to anticipate and pinpoint changes in personnel supply. Various methods are available for doing this. Although manpower planning is concerned with having an adequate number of employees to fill positions within the organisation, it is equally concerned with providing the right type of person for the job. A major function of manpower planning is to examine the skills and capabilities of current employees in light of the organisation's short- and long-term needs.

Inventories form the basis of promotion, transfer, layoff and training and development decisions. In essence, skills inventories provide an information base for monitoring an employee's potential contribution to the organisation, making informed personnel-related decisions, and, in general, assessing the organisation's manpower supply. Manpower information systems provide a means of collecting, summarising and analysing data to find out the manpower requirement. Information requirements associated with the personnel function are numerous. For example, assessing personnel supply involves keeping track of employees throughout the organisation.

6. Balancing Manpower Supply and Demand:

Once an organisation's manpower needs (demand) are determined and the current supply of employees is assessed, then manpower supply and demand must be balanced in order that vacancies can be filled by the right employee at the proper time. Balancing supply and demand is largely a matter of planning, timing and use of various personnel-related programmes to achieve the desired results.

Uses:

The many activities included in the personnel management function start with manpower planning which refers to the process of forecasting personnel needs and developing the necessary strategies for meeting those needs.

This information helps managers in several ways:

- Managers can anticipate personnel shortages or vacancies and act to create or fill jobs before problems arise.
- Managers can anticipate the types of training and development the personnel will need.
- Managers can identify the particular skills and abilities of the present employees to help develop effective career paths for them.
- Managers can evaluate the effect of human resource decisions and make any necessary changes.
- Inventories of employee skills are often maintained in computerised files. They include information about each employee's educational and training background, experience, and special skills (e.g., foreign language proficiency). With the use of skill inventories, personnel managers can readily identify what skills are available in the internal labour market and what skills must be imported from the external labour market.
- Staffing changes -due to retirements, sick leaves and occasional personal emergencies must also be anticipated. This involves little more than keeping track of the ages of employees and being careful to take account of absent employees and positions vacated by promotions and transfers.

- However, when staffing changes are due to changes in programmes or departments, manpower planning becomes more complicated. Budgetary considerations come into play. Employees associated with obsolete programmes generally will not be kept on unless they can be retrained or their skills utilised elsewhere.

More and more organisations are instituting manpower planning systems. Short-term planning (one to two years) to guide immediate recruiting needs is most common, but mid- and long-range planning (up to ten years) can also be helpful, especially for managerial jobs. When we foresee a need for many more middle managers in seven years' time, we had better begin right away to locate and develop individuals with management potential.

RECRUITMENT

Once the required number and the kind of human resources are determined, the management has to find the places where required human resources are/will be available and also work out strategies for attracting them towards the organization before selecting suitable candidates for jobs. This process is generally known as recruitment. Some people use the term 'recruitment' for employment. These two are not one and the same. Recruitment is only one of the steps in the entire

employment process. Some others use the term recruitment for selection. These two terms are different. Technically speaking, the function of recruitment precedes the selection function and it includes only finding, developing the sources of prospective employees and attracting them to apply for jobs in an organization, whereas the selection is the process of finding out the most suitable candidate to the job out of the candidates attracted(i.e., recruited).

Meaning:

Recruitment is a positive process of searching for prospective employees and stimulating them to apply for the jobs in the organisation. When more persons apply for jobs then there will be a scope for recruiting better persons. The job-seekers too, on the other hand, are in search of organisations offering them employment. Recruitment is a linkage activity bringing together those with jobs and those seeking jobs. In simple words, the term recruitment refers to discovering the source from where potential employees may be selected. The scientific recruitment process leads to higher productivity, better wages, high morale, reduction in labour turnover and enhanced reputation. It stimulates people to apply for jobs; hence it is a positive process.

Recruitment is concerned with reaching out, attracting, and ensuring a supply of qualified personnel and making out

selection of requisite manpower both in their quantitative and qualitative aspect. It is the development and maintenance of adequate man- power resources. This is the first stage of the process of selection and is completed with placement.

Definition:

According to Edwin B. Flippo, “It is a process of searching for prospective employees and stimulating and encouraging them to apply for jobs in an organisation.” He further elaborates it, terming it both negative and positive.

He says, “It is often termed positive in that it stimulates people to apply for jobs, to increase the hiring ratio, i.e. the number of applicants for a job. Selection, on the other hand, tends to be negative because it rejects a good number of those who apply, leaving only the best to be hired.”

In the words of Dale Yoder, Recruitment is the process to “discover the sources of manpower to meet the requirements of the staffing schedule and to employ effective measures for attracting that manpower in adequate numbers to facilitate effective selection of an efficient working force.” Kempner writes, “Recruitment forms the first stage in the process which continues with selection and ceases with the placement of the candidates.”

In personnel recruitment, management tries to do far more than merely fill job openings. As a routine the formula for personnel

recruitment would be simple i.e., just fill the job with any applicant who comes along.

Objectives of Recruitment

The objectives of recruitment are:

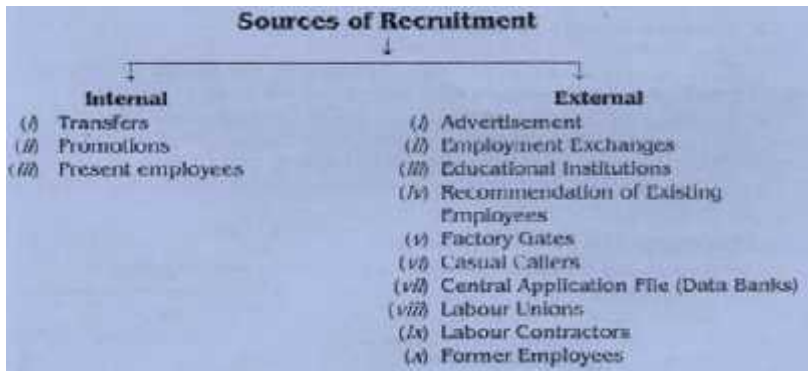
- ✓ To attract people with multi-dimensional skills and experiences that suit the present and future organizational strategies,
- ✓ To induct outsiders with a new perspective to lead the company,
- ✓ To infuse fresh blood at all levels of the organization,
- ✓ To develop an organizational culture that attracts competent people to the company,
- ✓ To search or head hunt/head pouch people whose skills fit the company's values,
- ✓ To devise methodologies for assessing psychological traits,
- ✓ To seek out non-conventional development grounds of talent,
- ✓ To search for talent globally and not just within the company,
- ✓ To design entry pay that competes on quality but not on quantum,
- ✓ To anticipate and find people for positions that does not exist yet.

Sources of Recruitment of Employees

- ✓ **Internal and**
- ✓ **External Sources**

The searching of suitable candidates and informing them about the openings in the enterprise is the most important aspect of recruitment process.

The candidates may be available inside or outside the organisation. Basically, there are two sources of recruitment i.e., internal and external sources



(A) **Internal Sources:**

Best employees can be found within the organization when a vacancy arises in the organisation, it may be given to an employee who is already on the pay-roll. Internal sources include promotion, transfer and in certain cases demotion. When a higher post is given to a deserving employee, it motivates all other employees of the organisation to work hard. The employees can be informed of such a vacancy by internal advertisement.

The Internal Sources Are Given Below:

1. Transfers:

Transfer involves shifting of persons from present jobs to other similar jobs. These do not involve any change in rank, responsibility or prestige. The numbers of persons do not increase with transfers.

2. Promotions:

Promotions refer to shifting of persons to positions carrying better prestige, higher responsibilities and more pay. The higher positions falling vacant may be filled up from within the organisation. A promotion does not increase the number of persons in the organisation.

A person going to get a higher position will vacate his present position. Promotion will motivate employees to improve their performance so that they can also get promotion.

3. Present Employees:

The present employees of a concern are informed about likely vacant positions. The employees recommend their relations or persons intimately known to them. Management is relieved of looking out prospective candidates.

The persons recommended by the employees may be generally suitable for the jobs because they know the requirements of various positions. The existing employees take full responsibility of those recommended by them and also ensure of their proper behaviour and performance.

Advantages of Internal Sources:

The Following are The Advantages of Internal Sources:

1. Improves morale:

When an employee from inside the organisation is given the higher post, it helps in increasing the morale of all employees. Generally every employee expects promotion to a higher post carrying more status and pay (if he fulfills the other requirements).

2. No Error in Selection:

When an employee is selected from inside, there is a least possibility of errors in selection since every company maintains complete record of its employees and can judge them in a better manner.

3. Promotes Loyalty:

It promotes loyalty among the employees as they feel secured on account of chances of advancement.

4. No Hasty Decision:

The chances of hasty decisions are completely eliminated as the existing employees are well tried and can be relied upon.

5. Economy in Training Costs:

The existing employees are fully aware of the operating procedures and policies of the organisation. The existing employees require little training and it brings economy in

training costs.

6. Self-Development:

It encourages self-development among the employees as they can look forward to occupy higher posts.

Disadvantages of Internal Sources:

- ✓ It discourages capable persons from outside to join the concern.
- ✓ It is possible that the requisite number of persons possessing qualifications for the vacant posts may not be available in the organisation.
- ✓ For posts requiring innovations and creative thinking, this method of recruitment cannot be followed.
- ✓ If only seniority is the criterion for promotion, then the person filling the vacant post may not be really capable.
- ✓ In spite of the disadvantages, it is frequently used as a source of recruitment for lower positions. It may lead to nepotism and favoritism. The employees may be employed on the basis of their recommendation and not suitability.

(B) External Sources:

All organisations have to use external sources for recruitment to higher positions when existing employees are not suitable.

More persons are needed when expansions are undertaken.

The external sources are discussed below:

1. Advertisement:

It is a method of recruitment frequently used for skilled workers, clerical and higher staff. Advertisement can be given in newspapers and professional journals. These advertisements attract applicants in large number of highly variable quality. Preparing good advertisement is a specialized task. If a company wants to conceal its name, a 'blind advertisement' may be given asking the applicants to apply to Post Bag or Box Number or to some advertising agency.

2. Employment Exchanges:

Employment exchanges in India are run by the Government. For unskilled, semi-skilled, skilled, clerical posts etc., it is often used as a source of recruitment. In certain cases it has been made obligatory for the business concerns to notify their vacancies to the employment exchange. In the past, employers used to turn to these agencies only as a last resort. The job-seekers and job-givers are brought into contact by the employment exchanges.

3. Schools, Colleges and Universities:

Direct recruitment from educational institutions for certain jobs (i.e. placement) which require technical or professional qualification has become a common practice. A close liaison between the company and educational institutions helps in getting suitable candidates. The students are spotted during the

course of their studies. Junior level executives or managerial trainees may be recruited in this way.

4. Recommendation of Existing Employees:

The present employees know both the company and the candidate being recommended. Hence some companies encourage their existing employees to assist them in getting applications from persons who are known to them.

In certain cases rewards may also be given if candidates recommended by them are actually selected by the company. If recommendation leads to favouritism, it will impair the morale of employees.

5. Factory Gates:

Certain workers present themselves at the factory gate every day for employment. This method of recruitment is very popular in India for unskilled or semi-skilled labour. The desirable candidates are selected by the first line supervisors. The major disadvantage of this system is that the person selected may not be suitable for the vacancy.

6. Casual Callers:

Those personnel who casually come to the company for employment may also be considered for the vacant post. It is most economical method of recruitment. In the advanced countries, this method of recruitment is very popular.

7. Central Application File:

A file of past applicants who were not selected earlier may be maintained. In order to keep the file alive, applications in the files must be checked at periodical intervals.

8. Labour Unions:

In certain occupations like construction, hotels, maritime industry etc., (i.e., industries where there is instability of employment) all recruits usually come from unions. It is advantageous from the management point of view because it saves expenses of recruitment. However, in other industries, unions may be asked to recommend candidates either as a goodwill gesture or as a courtesy towards the union.

9. Labour Contractors:

This method of recruitment is still prevalent in India for hiring unskilled and semi-skilled workers in brick kiln industry. The contractors keep themselves in touch with the labour and bring the workers at the places where they are required. They get commission for the number of persons supplied by them.

10. Former Employees:

In case employees have been laid off or have left the factory at their own, they may be taken back if they are interested in joining the concern (provided their record is good).

11. Other Sources:

Apart from these major sources of external recruitment, there are certain other sources which are exploited by companies from time to time. These include special lectures delivered by recruiter in different institutions, though apparently these lectures do not pertain to recruitment directly.

Then there are video films which are sent to various concerns and institutions so as to show the history and development of the company. These films present the story of company to various audiences, thus creating interest in them. Various firms organise trade shows which attract many prospective employees. Many a time advertisements may be made for a special class of work force (say married ladies) who worked prior to their marriage.

These ladies can also prove to be very good source of work force. Similarly there is the labour market consisting of physically handicapped. Visits to other companies also help in finding new sources of recruitment.

Merits of External Sources:

1. Availability of Suitable Persons:

Internal sources, sometimes, may not be able to supply suitable persons from within. External sources do give a wide choice to the management. A large number of applicants may be willing to join the organisation. They will also be suitable as per the requirements of skill, training and education.

2. Brings New Ideas:

The selection of persons from outside sources will have the benefit of new ideas. The persons having experience in other concerns will be able to suggest new things and methods. This will keep the organisation in a competitive position.

3. Economical:

This method of recruitment can prove to be economical because new employees are already trained and experienced and do not require much training for the jobs.

Demerits of External Sources:

1. Demoralization:

When new person from outside joins the organization, present employees may feel demoralized because these positions might have gone to them. There can be a heart burning among old employees. Some employees may even leave the enterprise and go for better avenues in other concerns.

2. Lack of Co-Operation:

The old staff may not co-operate with the new employees because they feel that their right has been snatched away by them. This problem will be acute especially when persons for higher positions are recruited from outside.

3. Expensive:

The process of recruiting from outside is very expensive. It starts with inserting costly advertisements in the media and

then arranging written tests and conducting interviews. In spite of all this if suitable persons are not available, then the whole process will have to be repeated.

4. Problem of Maladjustment:

There may be a possibility that the new entrants have not been able to adjust in the new environment. They may not temperamentally adjust with the new persons. In such cases either the persons may leave themselves or management may have to replace them. These things have adverse effect on the working of the organisation.

Suitability of External Sources of Recruitment:

External Sources of Recruitment are Suitable for The Following Reasons:

- ✓ The required qualities such as will, skill, talent, knowledge etc., are available from external sources.
- ✓ It can help in bringing new ideas, better techniques and improved methods to the organization.
- ✓ The selection of candidates will be without preconceived notions or reservations.
- ✓ The cost of employees will be minimum because candidates selected in this method will be placed in the minimum pay scale.
- ✓ The entry of new persons with varied experience and talent will help in human resource mix.

- ✓ The existing employees will also broaden their personality.
- ✓ The entry of qualitative persons from outside will be in the long-run interest of the organization.

Modern Recruiting Trends in 2016

A significant shift toward finding talent becomes easier but selling talent becomes more difficult

Literally, for centuries, sourcing or finding talent has been extremely difficult. However with the growth of the Internet and social media, it is now possible to find almost anyone who is qualified to do a job. So now the most difficult phase of recruiting will become the “selling aspects.” Top candidates will be harder to sell because the drop in unemployment rate and the creation of more jobs means more choices and competing offers. In order to be successful, recruiters will have to develop much stronger selling skills in the areas of convincing prospects to apply, to come to multiple interviews and to accept your offers.

Improve the selling capability of your job descriptions

Why *being aware of this trend is critical* — many candidates who were initially interested will turn away after reading dull and poorly written job descriptions. They demand an exciting job and they assume that the dull job description is accurate. Misleading job descriptions can also increase new hire turnover when they realize that the job described in the outdated description is completely different than the job that they discover on the first day.

SELECTION:

Selection is a process of measurement, decision making and evaluation. The goal of a selection system is to bring in to the organisation individuals who will perform well on the job. To have an accurate and fair selection system, an organisation must use reliable and valid measures of job applicant characteristics. In addition, a good selection system must include a means of combining information about applicant characteristics in a rational way and producing correct hire and no-hire decisions. A good personnel selection system should add to the overall effectiveness of the organisation.

Organisations vary in the complexity of their selection system. Some merely skim applications blanks and conduct brief, informal interviews, whereas others take to resting, repeated interviewing, and background checks and so on. Although the latter system is more costly per applicant, many benefits are realised from careful, thorough selection. An organisation needs to have members who are both skilled and motivated to perform their roles. Either such members can be identified by careful selection or attempts can be made to develop them after hire by extensive training. Thus cursory selection may greatly increase training and monitoring costs, whereas spending more on the selection process will reduce these post-hire expenses.

SELECTION PROCEDURE

Selection procedure employs several methods of collecting information about the candidate's qualifications, experience, physical and mental ability, nature and behaviour, knowledge, aptitude and the like for judging whether a given applicant is suitable or not for the job. Therefore, the selection procedure is not a single act but is essentially a series of methods or stages by which different types of information can be secured through various selection techniques. At each step, facts may come to light which are useful for comparison with the job requirement and employee specifications.

Steps in Scientific Selection Process

- ✓ Job Analysis,
- ✓ Recruitment.
- ✓ Application Form,
- ✓ Written Examination,
- ✓ Preliminary Interview
- ✓ Business Games
- ✓ Tests.
- ✓ Final Interview.
- ✓ Medical Examination
- ✓ Reference Checks.
- ✓ Line Manager's Decision.
- ✓ Job offer
- ✓ Employment.

Job Analysis: Job analysis is the basis of selecting the right candidate. Every organization should finalize the job analysis, job description, job specification and employee specifications before proceeding to the next stop of selection.

Human Resource Plan: Every company plans for the required number of and kind of employees for a future date. This is the basis for recruitment function.

Recruitment: Recruitment refers to the process of searching for prospective employees and stimulating them to apply for jobs in an organization. It is the basis for the remaining techniques of the selection and the latter varies depending upon the former. It develops the applicants' pool.

Development of Bases for Selection: The Company has to select the appropriate candidates from the applicants' pool. The company develops or borrows the appropriate bases/techniques for screening the candidates in order to select the appropriate candidates for the jobs.

Application Form: Application Form is also known as application blank. The technique of application blank is traditional and widely accepted for securing information from the prospective candidates. It can also be used as a device to screen the candidates at the preliminary level. Many companies formulate their own style of application forms depending upon the requirement of information based on the

size of the company, nature of business activities, type and level of the job etc. Information is generally required on the following items in the application forms: Personal background information, Educational attainments, Work experiences, Salary, Personal details and References.

Written Examination: The organizations have to conduct written examination for the qualified candidates after they are screened on the basis of the application blanks so as to measure the candidate's ability in arithmetical calculations, to know the candidates' attitude towards the job, to measure the candidates' aptitude, reasoning, knowledge in various disciplines, general knowledge and English language.

Preliminary Interview: The preliminary interview is to solicit necessary information from the prospective applicants and to assess the applicant's suitability to the job. This may be conducted by an assistant in the personnel department. The information thus provided by the candidate may be related to the job or personal specifications regarding education, experience, salary expected, aptitude towards the job, age, physical appearance and other physical requirements etc. Thus, preliminary interview is useful as a process of eliminating the undesirable and unsuitable candidates. If a candidate satisfied the job requirements regarding most of the areas, he may be selected for further process. Preliminary interviews are short

and known as stand-up interviews or sizing-up of the applicants or screening interviews. However, certain required amount of care is to be taken to ensure that the desirable workers are not eliminated. This interview is also useful to provide the basic information about the company to the candidate.

Business Games: Business games are widely used as a selection technique for selecting management trainees, executive trainees and managerial personnel at junior, middle and top management positions. Business games help to evaluate the applicants in the areas of decision-making identifying the potentialities, handling the situations, problem-solving skills, human relations skills etc. Participants are placed in a hypothetical work situation and are required to play the role situations in the game. The hypothesis is that the most successful candidate in the game will be the most successful one on the job.

Group Discussion: The technique of group discussion is used in order to secure further information regarding the suitability of the candidate for the job. Group discussion is a method where groups of the successful applicants are brought around a conference table and are asked to discuss either a case study or a subject-matter. The candidates in the group are required to analyses, discuss, find alternative solutions and select the

sound solution. A selection panel then observes the candidates in the areas of initiating the discussion, explaining the problem, soliciting unrevealing information based on the given information and using common sense, keenly observing the discussion of others, clarifying controversial issues, influencing others, speaking effectively, concealing and mediating arguments among the participants and summarizing or concluding apply. The selection panel, based on its observation, judges the candidates' skill and ability and ranks them according to their merit. In some cases, the selection panel may also ask the candidates to write the summary of the group discussion in order to know the candidates' writing ability as well

.Test: Psychological tests play a vital role in employee selection. A psychological test is essentially an objective and standardized measure of sample of behavior from which inferences about future behavior and performance of the candidate can be drawn. Objectivity of tests refers to the validity and reliability of the instruments in measuring the ability of the individuals. Objectivity provides equal opportunity to all the job seekers without any discrimination against sex, caste etc. standardization of test refers to uniformity of the total behavior of the prospective employee on the job.

Types of Test: Tests are classified into six types. They are Aptitude tests, Achievement tests, Situational tests, Interest tests, Personality tests and Multidimensional testing.

Aptitude tests: These tests measure whether an individual has the capacity or latent ability to learn a given job if given adequate training. Aptitudes can be divided into general and mental ability or intelligence and specific aptitudes such as mechanical, clerical, manipulative capacity etc.

Emotional Quotient (EQ): Most of the organizations realized that emotional involvement and commitment of the employees determine their contribution to the company rather than their intelligence quotient. As such, emotional quotient (EQ) is used as important criteria in the employee selection process.

Achievement Tests: These tests are conducted when applicants claim to know something as these tests are concerned with what one has accomplished. These tests are more useful to measure the value of a specific achievement when an organization wishes to employ experienced candidates. These tests are classified into: (a) Job knowledge test: and (b) Work sample test.

Situational test: This test evaluates a candidate in a similar real life situation. In this test, the candidate is asked either to cope with the situation or solve critical situations of the

job. **Interest tests:** These tests are inventories of the likes and dislikes of candidates in relation to work, job, occupations, hobbies and recreational activities. The purpose of this test is to find out whether a candidate is interested or disinterested in the job for which he is a candidate and to find out in which area of the job range/occupation the candidate is interested. The assumption of this test is that there is a high correlation between the interest of a candidate in a job and job success. Interest inventories are less faked and they may not fluctuate after the age of 30.

Personality Tests: These tests prove deeply to discover clues to an individual's value system, his emotional reactions and maturity and characteristic mood. They are expressed in such traits like self- confidence, tact, emotional control, optimism, decisiveness, sociability, conformity, objectivity, patience, fear, distrust, initiative, judgment dominance of submission, impulsiveness, sympathy, integrity, stability and self-confidence.

Other Tests:

Cognitive Ability Tests: These tests measure mathematical and verbal abilities. Popularly known tests of this category include Graduate Record Examination (GRE) and Scholastic Aptitude Test (SAT).

Polygraph Tests: The polygraph is an instrument that records changes in breathing, blood pressure, pulse and skin response associated with sweating of palms and plots these reactions on paper.

Multi-dimensional Testing: However, the need for multi-skills is being felt by most of the companies' consequent upon globalization, competitiveness and the consequent customer-centred strategies. Organization have to develop multi-dimensional testing in order to find out whether the candidates possess a variety of skills or not, candidate's ability to integrate the multi-skills and potentiality to apply them based on situational and functional requirement.

INTERVIEW

Interview is probably the most widely used selection tool. It is a most complex selection technique because its scope includes measuring all the relevant characteristics and integrating and classifying all other information about the applicant. In practically all organization interviewing is used for a variety of purposes, including selection, appraisal, disciplinary action, counseling and general problem solving.

The interview is a selection technique which enables the employer to view the total individual and directly appraise him

and his behavior. It is a method by which an idea about an applicant's personality can be obtained by a face-to-face contact. It tries to achieve an exacting appraisal of an applicant, his previous experience, education, training and family backgrounds.

Meaning and definition of interview

“Interviewing” is meant “deliberate, active listening with a purpose to draw the other person out, to discover what he really wants to say, and to give a chance to express himself freely.”

“An interview is an attempt to secure maximum amount of information from the candidate concerning his suitability for the job under consideration.”

“An interview is a purposeful exchange of ideas, the answering of questions and communication between two or more persons.”

Objectives & importance of interview

- ✓ To cross-check or verify the information obtained in earlier steps, application form and tests.
- ✓ To judge the candidate's qualification and characteristics so as to decide whether or not to select him.
- ✓ To give the candidate essential facts about the job and the company to enable him to decide intelligently whether he should or should not accept the employment.
- ✓ To establish a rapport or mutual understanding between the company and the candidate and
- ✓ to promote the company's goodwill.

Steps in interview process

An effective interview involves the following sequence of steps:

1.) Preparation for the interview:-

Advance preparation is essential for a successful interview.

The following arrangements should be made before the interview begins:

- Determining the objectives of the interview.
- Choosing the appropriate type of interview.
- Acquainting oneself about the candidate.
- Determining the type of information to be obtained.
- Selecting the right interviewers.
- Selecting the candidates to be interviewed by checking and comparing their applications and test scores.
- Finalizing the interview assessment forms.

2.) The physical setting:

The place of interview should be both private and comfortable. It should be neat and clean, well lighted. It should be free from noise and interruptions. The candidates should be properly received and should be guided into the interview room. The interview should start at the fixed time and the candidates should not be required to wait unnecessarily.

3) Conducting the interview:

This step is heart of the interview process. In this activities are

follows. Establishing rapport with the candidate and gaining his confidence exchange of a smile, offering seat to the candidate, etc. Getting complete information-for this purpose, Ask open-close question. Use the language which is clear to the candidate. Recording the observation- the interviewer should write down in brief his observation of the candidate on the interview forms. Such notes will indicate to the candidate the interviewer's interest and thereby encourage him to talk freely. These notes will also be helpful in evaluating the candidate later.

4.) Closing the interview:

The close of the interview is as significant as its beginning. The interview is a trying situation for the candidate. Therefore, it should end with a happy note without any awkward situation. Before closing the interview the candidate should be asked whether he wants to make any comments in order that the interviewer may show some sign at an appropriate time. Laying down the pen, pushing back the chair saying thank you, that's all are these signs.

5.) Evaluation of results:

After an interview is over, the interviewer should evaluate the candidate's suitability for the job. It is based on observation, impression and information collected during the interview. The evaluation may be done either by grades ranging from A to E. After the interview, a list of selected candidates is prepared.

Types of interview

The interviews are classified by the purpose for which the interview is held.

Promotion interview:-

Persons due for promotion are interviewed even if there is no competition. The interview is likely to be informal and serves as induction into a new team, with new responsibilities. Clarification about nature of duties, responsibilities and expectations are made during a promotion interview.

Informal interview:-

It is planned and is used when the staff is required urgently. A friend or relative of the employer may take a candidate to the house of employer or manager who ask few questions like name, birth place, educations and experience etc. when candidate enquires about the vacancies after reading an advertisement, it's a example of informal interview.

Formal interview

This type of interview is preplanned and is held in a formal atmosphere. All the formalities and procedure, e.g.the time, the venue and the questions to be asked are decided in advance.

Appraisal or assessment interview:-

An appraisal interview is one of the methods of periodical assessment of employees. There are other methods like

completion of self assessment forms and assessment by supervisors. But annual appraisal interview is the best method for judging employees' attitudes. A face-to-face confidential talk is an opportunity for both, the employee and the supervisor to discuss several issues.

Patterned or structured interview:

Such interview is fully planned to a high degree of accuracy and precision. It's based on the assumption that to be more effective every pertinent detail should be worked out in advance. Therefore, a list questions to be asked is prepared and the questions are asked in a particular cycle. The time to be allowed to each candidate and the information to be sought a predicated. The interviewer is carefully selected.

The interviewer actively participates and the candidate is expected only to answer the questions. Thus, a standardized pattern is adopted or the structure of the interview is decided in advance. Such interview is also known as directed or guided interview. It allows for a systematic coverage of the required information.

Stress Interview: -

This interview aims at testing the candidate's job behavior and level of withstanding during the period of stress and strain. Interviewer tests the candidate by putting him under stress and

strain by interrupting the applicant from answering, criticizing his opinions, asking questions pertaining to unrelated areas, keeping silent for unduly long period after he has finished speaking etc. Stress during the middle portion of the interview gives effective results. Stress interview must be handled with at most care and skill. This type of interview is often invalid. As the interviewee's need for a job, his previous experience in such type of interviews may inhibit his actual behavior under such situations.

Behavioral Interview:-

In a behavioral interview, the interviewer will ask you questions based on common situations of the job you are applying for. The logic behind the behavioral interview is that your future performance will be based on a past performance of a similar situation. You should expect questions that inquire about what you did when you were in XXX situation and how did you deal with it. In a behavioral interview, the interviewer wants to see how you deal with certain problems and what you do to solve them.

Group Interview:-

Many times companies will conduct a group interview to quickly prescreen candidates for the job opening as well as give the candidates the chance to quickly learn about the

company to see if they want to work there. Many times, a group interview will begin with a short presentation about the company. After that, they may speak to each candidate individually and ask them a few questions. One of the most important things the employer is observing during a group interview is how you interact with the other candidates. Are you emerging as a leader or are you more likely to complete tasks that are asked of you? Neither is necessarily better than the other, it just depends on what type of personality works best for the position that

Group Discussion Interview:-

There are two methods of conducting group discussion interview, namely group interview method and discussion interview method. All candidates are brought into one room i.e. interview room and are interviewed one by one under group interview. This method helps a busy executive to save valuable time and gives a fair account of the objectivity of the interview to the candidates. Under the discussion interview method, one topic is given for discussion to the candidates who assemble in one room and they are asked to discuss the topic in detail. This type of interview helps the interviewer in appraising, certain skills of the candidates like initiative, inter-personal skills, dynamism, presentation, leading comprehension, collaboration etc. Interviewers are at

ease in this category of interview because of its informality and flexibility. But it may fail to cover some significant portions of the candidates' background and skills

Depth Interview:

In this type of Interview, the candidates would be examined extensively in core areas of knowledge and skills of the job. Experts in that particular field examine the candidates by posing relevant questions as to extract critical answers from them, initiating discussions regarding critical areas of the job, and by asking the candidates to explain even minute operations of the job performance. Thus, the candidate is examined thoroughly in critical / core areas in their interviews.

Phone interview:

A phone interview may be for a position where the candidate is not local or for an initial prescreening call to see if they want to invite you in for an in-person interview. You may be asked typical questions or behavioral questions. Most of the time will schedule an appointment for a phone interview. If the interviewer calls unexpectedly, it's ok to ask them politely to schedule an appointment. On a phone interview, make sure your call waiting is turned off, you are in a quiet room, and you are not eating, drinking or chewing gum.

Panel or board interview:

Such interview is conducted by a group of interviewers. It seeks to pool the collective wisdom and judgment of several interviewers. Questions are asked in turn or at random. The candidate may even be asked to meet the members of the panel individually for a fairly lengthy interview.

Guidelines for effective interviewing

Interview can be made be more effective by observing the following guidelines: An interview should have a definite time schedule with ample time for conduct, i.e., it should not be hurried. Interview should have an element of privacy. The interview should be based on a checklist of what to look for in a candidate such a checklist should be prepared on the basis of job requirements. Competent, trained and experienced persons should be chosen as interview. Proper method of interview should be employed.

A specific set of guidelines should be given to the interviews. There should be proper coordination between the initial and succeed interviews. The interviewer should try to minimize his personal bias or prejudiced.

Limitations of interview

Interview is a widely used method of employee selection. But it suffers from several pitfalls, some of which are given below:

Personal bias:-

Interview like other people have personal biases. Their likes & dislikes about hairstyle, dress, fluency of speech, etc. affect their judgment.

Halo effect:-

Under this type of error, a single prominent characteristic of the candidate affects the judgment of interviewer on all other traits. For example, an interviewer may conclude that a poorly groomed candidate is stupid or alternatively, he may overrate the candidate's qualifications just because of his pleasing personality.

Constant error:-

Such error arises because the interview of previous candidate unduly influences the interviewer in favor or against the candidate. For example, a qualified candidate may be underrated just because the previous candidate was very brilliant.

Projection:-

Error of projection arises when an interviewer expects his own knowledge, skills and values in a candidate. Therefore, he is likely to select candidates who resemble him in terms of manners, background, voice, etc.

Leniency:-

It implies the tendency to assign high scores. It's normally

associated with lack of confidence and interest in rating. The opposite of leniency is toughness, i.e., the tendency to constantly give low scores. This may arise due to exaggerated expectation, lack of contact with people.

Conclusion

The interview is probably the most widely used selection tool. It is most complex selection technique because its scope includes measuring all the relevant characteristics and integrating and classifying all other information about the applicant. In practically all organization interviewing is used for a variety of purposes, including selection, appraisal, discipline action and problem solving

Induction Meaning:

Induction of Employee is the first step towards gaining an employees' commitment, Induction is aimed at introducing the job and organization to the recruit and him or her to the organization. Induction involves orientation and training of the employee in the organizational culture, and showing how he or she is interconnected to (and interdependent on) everyone else in the organization. The new employee's first contact with his or her physical and human working environment is extremely important, since it will condition his or her relationship with the company. The employee must feel

supported and important. The first person he or she will meet is the immediate supervisor, who should present the corporate profile in addition to providing information on the organization's background, values, clientele, services offered, staff, and expected behaviour. The immediate superior will also specify the newcomer's role. The points listed below should be covered during this meeting. **Purpose and Need**

An employee has to work with fellow employees and his supervisor. For this he must know them, the way they work and also the policies and practices of the organization so that he may integrate himself with the enterprise. Any neglect in the area of induction and orientation may lead to high labour turnover, confusion, wasted time and expenditure.

Induction Programme

A good induction programme should cover the following:

- The company, its history and products, process of production and major operations involved in his job.
- The significance of the job with all necessary information about it including job training and job hazards.
- Structure of the organization and the functions of various departments.
- Employee's own department and job, and how he fits into the organization.
- Personnel policy and sources of information.

- Company policies, practices, objectives and regulations.
- Terms and conditions of service, amenities and welfare facilities.
- Rules and regulations governing hours of work and over-time, safety and accident prevention, holidays and vacations, methods of reporting, tardiness and, absenteeism.
- Grievances procedure and discipline handling.
- Social benefits and recreation services.
- Opportunities, promotions, transfer, suggestion schemes and job satisfaction.

JOB CHANGE

Changes in duties and responsibilities of a position may result in a change of classification and/or grade level. In this case, the incumbent employee can experience a job change without changing position. Please bear in mind that more work does not result in change of classification or grade level. It will likely result in overtime. Of course, overtime is not compensable for exempt employees. A change in tools and methods is also unlikely to change classification or grade level. The change of job can take place in different forms. They are:

Promotion

The employees are given the promotions to higher posts and positions as and when vacancies are available or when new

posts are created at the higher levels. It is quite common in all types of organizations. It is the product of internal mobility of the employees due to change in organizational processes, structure etc. It is better than direct recruitment which satisfies many human resources problems of the organization and helps in achieving organizational objectives. Promotion means higher position to an employee who carries higher status, more responsibilities and higher salary. The higher status and salary is the two most important ingredient of any promotion. It is an advancement of employee to a higher post with greater responsibilities and higher salary, better service conditions and thus higher status.

Transfer

One of the internal mobility of the employee is transfer. It is lateral movement of employee in an organization by the employee. “A transfer involves the shifting of an employee from one job to another without changing the responsibilities or compensation”.

Transfers of employees are quite common in all organizations. This can also be defined as a change in job within the organization where the new job is substantially equal to the old in terms of pay, status and responsibilities. Transfers of employees can possible from one department to another from one plant to another. Transfer may be initiated by the

organization or by the employees with the approval of the organization. It can be also due to changes in organizational structure or change in volume of work, it is also necessary due to variety of reasons.

Types of Transfers most of the transfers generally carried out four types of transfers which are discussed below:

Production Transfer: Such transfers are resorted to when there is a need of manpower in one department and surplus manpower in other department. Such transfers are made to meet the company requirements. The surplus employees in one department/section might be observed in other place where there is a requirement.

Replacement Transfers: This takes place to replace a new employee who has been in the organization for a long time and thereby giving some relief to an old employee from the heavy pressure of work.

Remedial Transfers: As the name suggest, these transfers are made to rectify the situation caused by faulty selection and placement procedures. Such transfers are made to rectify mistakes in placement and recruitments. If the initial placement of an individual is faulty or has not adjusted to work/job, his transfer to a more appropriate job is desirable.

Versatility Transfer: Such transfers are made to increase versatility of the employees from one job to another and one

department to another department. Transfer (Job Rotation) is the tool to train the employees. Each employee should provide a varied and broader job experiences by moving from one department to another. This is for preparing the employee for promotion; this will definitely help the employee to have job enrichment.

Demotion

Demotion is just the opposite of promotion. It is a downward movement of an employee in the organizational hierarchy with lower status and lower salary. It is a downgrading process and is insulting to an employee. Demotion is a punishment for incompetence or mistakes of serious nature on the part of an employee.

It is a serious type of penalty or punishment and should be given rarely and only under exceptional circumstances and also tactfully.

Meaning of separation:

Separation of an employee exists when the service of an employee comes to an end because of one reason or other. Separation arises due to resignation; lay off, dismissal and retirement

Types of separation

- i) **Resignation:** when the employee himself initiates the separation then it is termed as separation. There are some resignation which are avoidable and others which are unavoidable. It is the responsibility of the management to look out the real reason of the resignation. In such a cases the exit interview is better to conduct to find out the reason of resignation.
- ii) **Lay off:** lay off is generally done to reduce the financial burden of the organization by temporary removing the surplus employees. This is done due to inability of the employee to recruit them due to shortage of sufficient resources. Lay off results in a great loss to the organization as they had to suffer all the expenses of selection, placement and training.
- iii) **Dismissal:** dismissal or discharge means separating the employee from the payroll due to unsatisfactory performance where the employee fails to perform his duties well and he is not properly skilled to perform his job or due to violation of organizational rules it means indiscipline, dishonesty. Whatever is the cause of dismissal but it should be done at the last stage.

iv) **Retirement:** number of separation in the organization happen due to retirement. There must be clear rules of retirement there may be compulsory retirement where an employee has to retire after attaining a particular age. Forced retirement means when a person is found guilty in the court of law or breaks any service agreement then has to retire forcibly irrespective of his age. Premature retirement means that the employee becomes disable to perform the job in that case he may be given the option to take retirement before his retirement age.

E-HRM

E-HRM is the integration of all HR systems and activities using the web based technologies. Simply, when HR uses the Internet or related technologies to support their activities, procedures, processes, then it becomes an e-HRM.

Through e-HRM, the HR manager can get all the data compiled at one place and can make the analysis and decisions on the personnel effectively.

Types of e-HRM



- **Operational e-HRM:** It is concerned with the operational functions of HR such as payroll, employee personal data, etc.
- **Relational e-HRM:** It is concerned with the supporting business processes Viz. Training, recruitment, selection, etc.
- **Transformational e-HRM:** It is concerned with the HR strategies and its activities such as knowledge management, strategic orientation.

Through e-HRM, the main activities that could be performed online are Recruitment, Selection, Training, Performance Management, Compensation. The detailed description of these activities is given below.

E-HRM Activities



1. **e-Recruitment:** Also known as online Recruiting, is being widely used by companies these days. Through e-Recruitment, companies usually hire the candidates using the internet as a medium.

The common practice of facilitating the online recruitment is by uploading the recruitment information on the company's official website or hiring the online recruitment websites to serve the purpose. Monster.com, Naukri.com, Timesjob.com are some of the well renowned online recruitment websites.

Advantages of e-Recruitment

- It makes the process of finding candidates and new business opportunities quicker, cheaper and more efficient;
- E-recruitment has enabled corporate bodies and job seekers to become more sophisticated and interactive ;
- E-recruitment enhances the effectiveness of the recruitment process;
- The e-recruitment has come up with a valuable method for finding potential candidates who are not necessarily looking for a change in their current jobs but would be open to the right opportunity.

Disadvantages of e-recruitment

However, some general disadvantages of e-recruitment include:

- It discriminates between the internet user and non-internet user.
- It creates a contrasting impact on ethnic minority groups leading to limited demographic scope.
- It is inappropriate for top management profiles.
- It generates huge volumes of unqualified and low-quality candidates (e.g. one million candidates contest in the Civil Service Examination for one thousand posts).

➤ It hesitates both the employee and the organization to judge whether one is the right choice for another.

2. **e-Selection:** The HR department using the online selection process must ensure that each step complies with the procedural requirements viz. Project steps, vendor selection, assessment steps, feedback to the candidates, etc. The purpose of E-selection is to utilize the maximum human capital at a reduced cost and in less time.

3. **E-Performance Management:** Many companies make use of web-based technology to evaluate the performance of an individual. This can be done either using the computer monitoring tool, wherein the complete working of an individual can be recorded, or through writing the reviews and generating the feedback on the employee's performance using the web portal.

4. **E-Learning:** It means using the internet or organization's intranet to facilitate the training and development programmes for the workforce. Getting the online modules of training, a large number of employees can be covered irrespective of their locations.

5. **E-Compensation:** An organization using the compensation management online enables it to gather,

store, analyze, and distribute the compensation data or information to anyone at anytime. Also, the individual can access electronically distributed compensation software, analytic tools, from any place in the world.

Advantages of E-HRM

E-HRM is not suitable for organizations where employees are not prepared to accept or use it. Major benefits/advantages of E-HRM are as follows:

- Improving quality services.
- Ensuring efficient services at an amazing speed.
- Facilitating routine tasks like record keeping, maintaining the portfolio, collecting and storing relevant information regarding the human resource.
- Helping the reduction of costly time and labor.
- Improving accuracy and reducing human bias.
- Making, reporting and analyzing data quickly.
- Benefiting everyone through standardization and automation.
- Handing bundles of employee data from multiple locations fairly and quickly.

- Performing crucial functions of HRM such as recruitment, selection, training, and development by using web-based technology.
- Playing decisive roles towards a paperless office.
- Maintaining anonymity of staff in evaluation/feedback giving.

Disadvantages of E-HRM

Demerits/Limitations of E-HRM are listed below:

1. It involves a high cost to maintain and implement E-HRM.
2. It is difficult to maintain the confidentiality of the input data.
3. Electronic media are vulnerable, which may be attacked by viruses from anywhere on the Internet. Contracting a virus can disable your HR management system severely enough to render it unusable for an indeterminate time. E-HRM is subject to corruption, hacking or data losses.
4. Computers and their associated programs are only as effective as their human users, data entry errors can and do occur. In HR management systems, such errors can have grave consequences.

5. Organizations need to to-invest more on training and development before adopting e- HRM.
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MODULE II

HUMAN RESOURCE DEVELOPMENT

After the completion of the unit the student will be able to

- Understand need and importance of Training
- Know the objectives of training
- Explain the approaches of training
- Explain the functional areas of human resource development
- Understand the techniques of evaluation

Human Resource Development (HRD) is a process of developing skills, competencies, knowledge and attitudes of people in an organization. The people become human resource only when they are competent to perform organizational activities. Therefore, HRD ensures that the organization has such competent human resource to achieve its desired goals and objectives. HRD imparts the required knowledge and skill in them through effective arrangement of training and development programs. HRD is an integral part of Human Resource Management (HRM) which is more concerned with training and development, career planning and development

and the organization development. The organization has to understand the dynamics of HR and attempt to cope with changing situation in order to deploy its HR effectively and efficiently. And HRD helps to reach this target.

Hence, HRD is a conscious and proactive approach applied by employers which seeks to capacitate employees through training and development to give their maximum to the organization and to fully use their potential to develop themselves.

Nature of HRD

1. HRD is a continuous process
2. HRD concerned with behavioral knowledge.
3. HRD is a well integrated system
4. HRD provides better quality of life.
5. HRD focuses on all round development of human resources.

TRAINING

Human Resource Management is concerned with the planning, acquisition, training & developing human beings for getting the desired objectives & goals set by the organization. The employees have to be transformed according to the organizations' & global needs. This is done through an

organized activity called Training.

Training is a process of learning a sequence of programmed behavior. It is the application of knowledge & gives people an awareness of rules & procedures to guide their behavior. It helps in bringing about positive change in the knowledge, skills & attitudes of employees.

Thus, training is a process that tries to improve skills or add to the existing level of knowledge so that the employee is better equipped to do his present job or to mould him to be fit for a higher job involving higher responsibilities. It bridges the gap between what the employee has & what the job demands.

Concept

Training is the process of increasing the knowledge and skills for doing a particular job. It is an organized procedure by which people learn knowledge and skill for a definite purpose. In other words, training is a systematic programme of the organization which aims at increasing the aptitudes, skill and abilities of the workers to perform specific job. By training, the employee can acquire new manipulative skills, technical knowledge, problem solving abilities etc.

According to Edwin B.Flippo, “Training is the act of increasing the knowledge and skill of an employee for doing a particular job”

Need for training

Training is crucial for organizational development and success. It is fruitful to both employers and employees of an organization. An employee will become more efficient and productive if he is trained well.

Training is given on four basic grounds:

1. New Hire Orientation

Training is particularly important for new employees. This can be conducted by someone within the company and should serve as a platform to get new employees up to speed with the processes of the company and address any skill gaps.

2. Tackle shortcomings

Every individual has some shortcomings and training and development helps employees iron them out. For example divide the entire headcount in several groups to provide focused training which is relevant to those groups - sales training, first time managers, middle management, senior leadership, executive leadership.

3. Improvement in performance

If shortcomings and weaknesses are addressed, it is obvious that an employee's performance improves. Training and development, however, also goes on to amplify your strengths and acquire new skill sets. It is important for a company to

break down the training and development needs to target relevant individuals.

4. Employee satisfaction

A company that invests in training and development generally tends to have satisfied employees. However, the exercise has to be relevant to the employees and one from which they can learn and take back something. It will be futile if training and development become tedious and dull, and employees attend it merely because they have to. As a company, we should stress on industry specific training and send many employees for international seminars and conferences that can be beneficial to them.

5. Increased productivity

In a rapidly evolving landscape, productivity is not only dependent on employees, but also on the technology they use. Training and development goes a long way in getting employees up to date with new technology, use existing ones better and then discard the outdated ones. This goes a long way in getting things done efficiently and in the most productive way.

6. Self-driven

Employees who have attended the right trainings need lesser supervision and guidance. Training develops necessary skill sets in employees and enables them to address tasks

independently. This also allows supervisors and management to focus on more pressing areas.

Objectives of Training Programme

- i) To impart to new entrants basic knowledge and skills,
- ii) To assist the employees to function more effectively in their present position by exposing them to the latest concepts, information and techniques and developing in them the skills required in their fields,
- iii) To build up a second line of competent officers and prepare them as a part of their career progression to occupy more responsible positions.
- iv) To broaden the minds of the senior managers by providing them opportunities for interchange of experiences within and outside with a view to correct the narrow outlook that may arise from over specialization.
- (v) To impart customer education.

Approaches to training

There are three approaches to training: (1) the traditional approach, (2) the experiential approach, and (3) the performance-based approach. In the traditional approach, the training staff designs the objectives, contents, teaching techniques, assignments, lesson plans, motivation, tests, and evaluation. The focus in this model is intervention by the training staff. In the experiential approach, the trainer

incorporates experiences where in the learner becomes active and influences the training process. Unlike the academic approach inherent in the traditional model, experiential training emphasizes real or simulated situations in which the trainees will eventually operate. In this model, the objectives and other elements of training are jointly determined by the trainers and trainees. Trainers primarily serve as facilitators, catalysts, or resource persons. In the performance-based approach to training, goals are measured through attainment of a given level of proficiency instead of passing grades of the trainees. Emphasis is given to acquiring specific observable skills for a task.

Training Methods:

- **On Job Training and**
- **off the Job Training Methods**

A large variety of methods of training are used in business. Even within one organization different methods are used for training different people. All the methods are divided into two classifications for:

A. On-the-job Training Methods:

1. Coaching
2. Mentoring
3. Job Rotation
4. Job Instruction Technology

5. Apprenticeship

6. Understudy

B. Off-the-Job Training Methods:

1. Lectures and Conferences

2. Vestibule Training

3. Simulation Exercises

4. Sensitivity Training

5. Transactional Training

A. On-the-job training Methods:

Under these methods new or inexperienced employees learn through observing peers or managers performing the job and trying to imitate their behaviour. These methods do not cost much and are less disruptive as employees are always on the job, training is given on the same machines and experience would be on already approved standards, and above all the trainee is learning while earning. Some of the commonly used methods are:

1. Coaching:

Coaching is a one-to-one training. It helps in quickly identifying the weak areas and tries to focus on them. It also offers the benefit of transferring theory learning to practice. The biggest problem is that it perpetrates the existing practices

and styles. In India most of the scooter mechanics are trained only through this method.

2. Mentoring:

The focus in this training is on the development of attitude. It is used for managerial employees. Mentoring is always done by a senior inside person. It is also one-to- one interaction, like coaching.

3. Job Rotation:

It is the process of training employees by rotating them through a series of related jobs. Rotation not only makes a person well acquainted with different jobs, but it also alleviates boredom and allows to develop rapport with a number of people. Rotation must be logical.

4. Job Instructional Technique (JIT):

It is a Step by step (structured) on the job training method in which a suitable trainer (a) prepares a trainee with an overview of the job, its purpose, and the results desired, (b) demonstrates the task or the skill to the trainee, (c) allows the trainee to show the demonstration on his or her own, and (d) follows up to provide feedback and help. The trainees are presented the learning material in written or by learning machines through a series called 'frames'. This method is a valuable tool for all educators (teachers and trainers). It helps us:

- a. To deliver step-by-step instruction
- b. To know when the learner has learned
- c. To be due diligent (in many work-place environments)

5. Apprenticeship:

Apprenticeship is a system of training a new generation of practitioners of a skill. This method of training is in vogue in those trades, crafts and technical fields in which a long period is required for gaining proficiency. The trainees serve as apprentices to experts for long periods. They have to work in direct association with and also under the direct supervision of their masters. The object of such training is to make the trainees all-round craftsmen. It is an expensive method of training. Also, there is no guarantee that the trained worker will continue to work in the same organization after securing training. The apprentices are paid remuneration according the apprenticeship agreements.

6. Understudy:

In this method, a superior gives training to a subordinate as his understudy like an assistant to a manager or director (in a film). The subordinate learns through experience and observation by participating in handling day to day problems. Basic purpose is to prepare subordinate for assuming the full responsibilities and duties.

B. Off-the-job Training Methods:

Off-the-job training methods are conducted in separate from the job environment, study material is supplied, there is full concentration on learning rather than performing, and there is freedom of expression. Important methods include:

1. Lectures and Conferences:

Lectures and conferences are the traditional and direct method of instruction. Every training programme starts with lecture and conference. It's a verbal presentation for a large audience. However, the lectures have to be motivating and creating interest among trainees. The speaker must have considerable depth in the subject. In the colleges and universities, lectures and seminars are the most common methods used for training.

2. Vestibule Training:

Vestibule Training is a term for near-the-job training, as it offers access to something new (learning). In vestibule training, the workers are trained in a prototype environment on specific jobs in a special part of the plant.

An attempt is made to create working condition similar to the actual workshop conditions. After training workers in such condition, the trained workers may be put on similar jobs in the actual workshop.

This enables the workers to secure training in the best methods to work and to get rid of initial nervousness. During the Second

World War II, this method was used to train a large number of workers in a short period of time. It may also be used as a preliminary to on-the job training. Duration ranges from few days to few weeks. It prevents trainees to commit costly mistakes on the actual machines.

3. Simulation Exercises:

Simulation is any artificial environment exactly similar to the actual situation. There are four basic simulation techniques used for imparting training: management games, case study, role playing, and in-basket training.

(a) Management Games:

Properly designed games help to ingrain thinking habits, analytical, logical and reasoning capabilities, importance of team work, time management, to make decisions lacking complete information, communication and leadership capabilities. Use of management games can encourage novel, innovative mechanisms for coping with stress.

Management games orient a candidate with practical applicability of the subject. These games help to appreciate management concepts in a practical way. Different games are used for training general managers and the middle management and functional heads – executive Games and functional heads.

(b) Case Study:

Case studies are complex examples which give an insight into the context of a problem as well as illustrating the main point. Case Studies are trainee centered activities based on topics that demonstrate theoretical concepts in an applied setting.

A case study allows the application of theoretical concepts to be demonstrated, thus bridging the gap between theory and practice, encourage active learning, provides an opportunity for the development of key skills such as communication, group working and problem solving, and increases the trainees' enjoyment of the topic and hence their desire to learn.

(c) Role Playing:

Each trainee takes the role of a person affected by an issue and studies the impacts of the issues on human life and/or the effects of human activities on the world around us from the perspective of that person.

It emphasizes the "real- world" side of science and challenges students to deal with complex problems with no single "right" answer and to use a variety of skills beyond those employed in a typical research project.

In particular, role-playing presents the student a valuable opportunity to learn not just the course content, but other perspectives on it. The steps involved in role playing include

defining objectives, choose context & roles, introducing the exercise, trainee preparation/research, the role-play, concluding discussion, and assessment. Types of role play may be multiple role play, single role play, role rotation, and spontaneous role play.

(d) In-basket training:

In-basket exercise, also known as in-tray training, consists of a set of business papers which may include e-mail SMSs, reports, memos, and other items. Now the trainer is asked to priorities the decisions to be made immediately and the ones that can be delayed.

4. Sensitivity Training:

Sensitivity training is also known as laboratory or T-group training. This training is about making people understand about themselves and others reasonably, which is done by developing in them social sensitivity and behavioral flexibility. It is ability of an individual to sense what others feel and think from their own point of view. It reveals information about his or her own personal qualities, concerns, emotional issues, and things that he or she has in common with other members of the group. It is the ability to behave suitably in light of understanding.

A group's trainer refrains from acting as a group leader or lecturer, attempting instead to clarify the group processes

using incidents as examples to clarify general points or provide feedback. The group action, overall, is the goal as well as the process. Sensitivity training Program comprises three steps

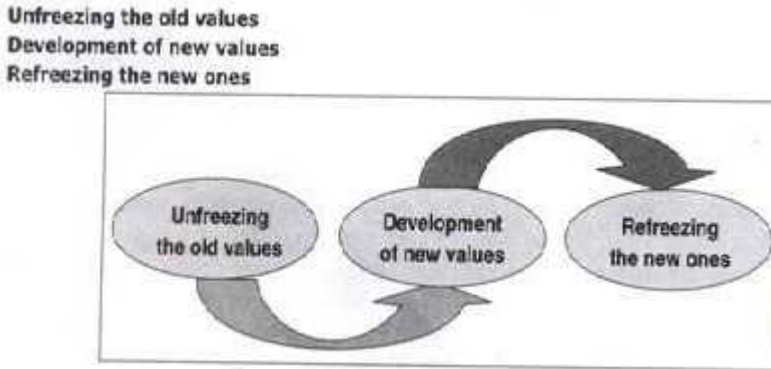


Figure 18.7 Procedure for Sensitivity Training

5. *Transactional Analysis:*

It provides trainees with a realistic and useful method for analyzing and understanding the behavior of others. In every social interaction, there is a motivation provided by one person and a reaction to that motivation given by another person. This motivation reaction relationship between two persons is known as a transaction. Transactional analysis can be done by the ego (system of feelings accompanied by a related set of behaviors states of an individual).

Child:

It is a collection of recordings in the brain of an individual of behaviors, attitudes, and impulses which come to him/her

naturally from his/her own understanding as a child. The characteristics of this ego are to be spontaneous, intense, unconfident, reliant, probing, anxious, etc. Verbal clues that a person is operating from its child state are the use of words like “I guess”, “I suppose”, etc. and non verbal clues like, giggling, coyness, silent, attention seeking etc.

Parent:

It is a collection of recordings in the brain of an individual of behaviors, attitudes, and impulses imposed on her in her childhood from various sources such as, social, parents, friends, etc.

The characteristics of this ego are to be overprotective, isolated, rigid, bossy, etc. Verbal clues that a person is operating from its parent states are the use of words like, always, should, never, etc and non-verbal clues such as, raising eyebrows, pointing an accusing finger at somebody, etc.

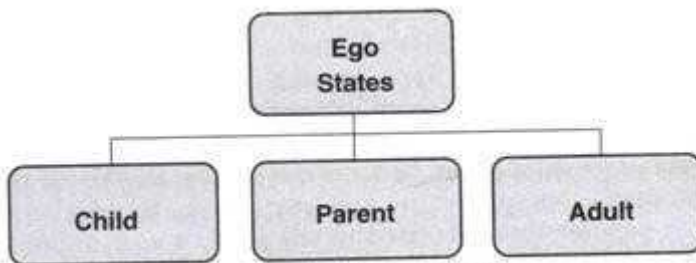


Figure 18.8: The Ego States

Adult:

It is a collection of reality testing, rational behaviour, decision making, etc. A person in this ego state verifies, updates the reaction which she has received from the other two states. It is a shift from the taught and felt concepts to tested concepts.

All of us show behaviour from one ego state which is responded to by the other person from any of these three states.

Preparing Training Environment

Establishing an environment conducive to learning is a critical aspect of starting a training session off on the right foot. You can ensure that participants walk in to a relaxed atmosphere and an environment that is welcoming and ready. The room says you took the time to get ready for them. You have time to greet them and welcome them to a great training session.

Know when, where, what, who

Just about every trainer has encountered at least one training nightmare. Some (not all) of these could be prevented by additional preparation. These questions may help you obtain the right information, but it will do you little good if you don't write the answers in a safe place.

- **When:** When is the training? Day? Date? Time? Also, do you have enough time to prepare? Is the amount of allotted time for the amount of content adequate?
- **Where:** Where is the session? On-site or off? If off-site, is

it easy to travel to the location? How do you get there? What's the address? Telephone number? Will you need to make travel arrangements? Is public transportation available? How do you get materials to the site?

- **What:** What kind of training is being expected? What resources are required? What kinds of facilities are available? What will you need?
- **Who:** Who is the key planner? Who are the participants? How many? What's their background? Why were you chosen to deliver the training? Who is the contact person at the training site? How do you reach that person on-site and off?

Room arrangements

Your room may have significant impact on your training session. Arrange the room to support the learning objectives and the amount of participation you will desire.

Typically you will not have the opportunity to select a room. However, if you do, consider the attributes that will create the best learning environment for your participants.

- **Size:** Arrange for a room to accommodate the number of participants. Remember that a room that is too large can be as bad as one that may be too small.
- **Training requirements:** If the training session entails many small group activities, determine if there is enough space in the room. If not, arrange for additional breakout rooms to accommodate your needs.
- **Accessible:** Ensure that the room is accessible to all, including those who have limited mobility.

- **Location:** If participants need to travel (either by foot or vehicle) to the session, the location should not pose a hardship, for example, walking in rain, or parking difficulty.
- **Convenience:** Readily accessible restrooms, telephones, snacks, lunch accommodations, and so on help ensure that participants return on time following breaks or lunch.
- **Distractions:** Select a room that is free of distractions and noise. Thin walls with a sales convention next door may not create the environment you're trying to establish for learning. If you're in a room with a telephone, turn the ringer off and provide an alternate number for participants who need to be available for messages. Set a message center up outside the room; sticky- back notes available for leaving messages may be adequate.
- **Obstructions:** Select a room that is free of structures such as posts or pillars that may obstruct participants' views.
- **Seating:** Select a location that provides comfortable, moveable chairs. Seating arrangements should further enhance the learning environment you wish to establish. Determine what's most important for the learner.
- **Furniture:** In addition to decisions about the seating arrangements and the kind of tables you prefer, you will want a table in front of the room for your supplies and equipment. Don't allow too much space between the table from which you

will present and the front participant row. Reducing the amount of space between you and the learners increases the affect level in the room. It closes the distance between you and the trainees both physically and emotionally. The participants feel better about you, themselves, and the training session.

You may also want to consider positioning a table for refreshments in the back of the room. Located there, it can be easily serviced throughout the day. One more thing: Don't forget the wastebasket! Usually, neither training rooms nor hotel conference rooms have wastebaskets. Remember to ask for one.

- **Lighting:** Lighting should be adequate. Dimly lit ballroom ambiance will not promote energy in a training session. Is the lighting bright enough? Is it natural lighting? If the room has windows, which direction are they facing? Can windows be darkened, if necessary? A morning sun coming up behind your projection screen will blind the participants and wash out the image on the screen. Know where light switches are located so that you can brighten or darken the room as needed.

- **Workable walls:** Most trainers hang flipchart pages on the walls: the session objectives, small group work, and so on. Is wall space available or do windows surround the room? Does art cover the walls or are they open? Usually the front of the training room should be opposite the entrance to avoid

distractions when folks come and go. Is that possible in the room you're considering?

Use markers that absolutely do not bleed through so there is no danger of ruining walls.

- **Climate control:** You will never be able to please everyone in your session. However, if you have the ability to adjust it yourself, you can try. Determine where the thermostat is located and whether you have any control over it. Experiment with it while you set up the room. Does it respond quickly or slowly? Do you need to contact someone to make adjustments?

When adjusting thermostats, make changes one degree at a time and give the equipment time to work. Large changes in the thermostat will cause a once too-cool room to become too warm.

- **Microphone:** If you have a large room or a large group or the room has poor acoustics or you have a tiny voice, you may need a microphone. Check the room to ensure it is wired for a microphone.

Five Functional Areas Of Human Resource Management

HRM has five functional areas that include: Staffing, Human Resource Development (HRD), Compensation and Benefits, Safety and Health, and Employee and Labor Relations.

Staffing

Achieving organizational objectives requires having the proper number of employees with the appropriate skills. Staffing accomplishes this objective through four tasks. The first task is job analysis, which examines specific job functions in determining the skills, duties and knowledge required for each position. The second task is ensuring that the required numbers of employees, with the appropriate skills, are available when needed organizations engage in Human Resource Planning (HRP). The third task is recruitment, which is the process of attracting enough skilled people to apply for jobs in the organization. Fourth, the last step in the staffing process, is selection. This involves choosing the best suited individuals to fill the open positions in the firm.

Human Resource Development (HRD)

Six functions, including training, development, career planning, career development, organization development and performance appraisal, make up **Human Resource Development (HRD)**

- **Training:** is a process designed to provide employees with the knowledge and skills needed for their present job. Focusing on long-term learning needs is development. The ongoing process of career planning sets career goals for employees and identifies the means to achieve them. Career development is a

formal approach used by firms to ensure that people with the proper qualifications and experiences are available when needed. A planned process for improving the firm by developing its structures, systems and processes to improve effectiveness and achieving desired goals is Organizational Development (OD). And finally, performance appraisal is a formal system of review and evaluation of individual or team task performance.

Compensation and Benefits

Compensation includes all rewards that individuals receive as a result of their employment. **Pay** is the money that a person receives for performing a job. Additional financial rewards other than base pay include paid vacations, sick leave, holidays and medical insurance, and they are called **benefits**. Non-financial rewards are non-monetary rewards, such as enjoyment of the work performed or a pleasant working environment.

Safety and Health

Employees who work in a healthy and safe environment are more likely to be productive. Safety involves protecting employees from work-related accidents and injuries. Health activities seek to prevent illness and provide for general physical and mental well being.

Employee and Labor Relations

Business firms are required by law to recognize a union and bargain with it in good faith if the firm's employees want the union to represent them. This is still true despite the fact that the private-sector membership has fallen to 9 percent.

Training Evaluation

The process of examining a training program is called training evaluation. Training evaluation checks whether training has had the desired effect. Training evaluation ensures that whether candidates are able to implement their learning in their respective workplaces, or to the regular work routines **Techniques of Evaluation**

The various methods of training evaluation are:

- Observation
- Questionnaire
- Interview
- Self-diaries
- Self-recording of specific incidents

Types of evaluation

Evaluating training (includes monitoring) addresses how one determines whether the goals or objectives were met and what impact the training had on actual performance on the job.

Generally there are four kinds of standard training evaluation:

1. Formative
2. Process
3. Outcome
4. Impact.

1. Formative evaluation provides ongoing feedback to the curriculum designers and developers to ensure that what is being created really meets the needs of the intended audience.

2. Process evaluation provides information about what occurs during training. This includes giving and receiving verbal feedback.

3. Outcome evaluation determines whether or not the desired results (e.g., what participants are doing) of applying new skills were Achieved in the short-term.

4. Impact determines how the results of the training affect the strategic goal

Executive Development Programme:

While drawing a distinction between training and development, we introduced, in brief, the concept of development. Based on that concept, we can now elaborate it in more detail. The term ‘development’ implies overall development in a person. Accordingly, executive development means not only improvement in job performance, but also improvement in knowledge, personality, attitude, behaviourism of an executive, etc.

It means that executive development focuses more on the executive's personal growth. Thus, executive development consists of all the means that improve his/her performance and behaviour. Executive development helps understand cause and effect relationship, synthesizes from experience, visualizes relationships or thinks logically. That is why some behavioural scientists suggest that the executive development is predominantly an educational process rather than a training process.

Flippo has viewed that “executive/management development includes the process by which managers and executives acquire not only skills and competency in their present jobs but also capabilities for future managerial tasks of increasing difficulty and scope”.

According to S.B. Budhiraja, former Managing Director of Indian Oil Corporation. “Any activity designed to improve the performance of existing managers and to provide for a planned growth of managers to meet future organisational requirements is called management development”. It is now clear from the above definitions of executive/management development that it is based on certain assumptions.

We can derive these as follows:

1, Executive development, being a predominantly educational process, is a continuous and life-long process. It is not like

training as a one-shot programme but an on-going continuous programme throughout the career of an executive or manager.

2. Like any kind of learning, executive development is based on the assumption that there always exists a gap between what an executive performs and what he/she can. Executive development harnesses this untapped potential.

Objectives of Executive Development:

The main objectives of any programme of executive development are to:

- Improve the performance of managers at all levels.
- Identify the persons in the organisation with the required potential and prepare them for higher positions in future.
- Ensure availability of required number of executives / managers succession who can take over in case of contingencies as and when these arise in future.
- Prevent obsolescence of executives by exposing them to the latest concepts and techniques in their respective areas of specialisation.
- Replace elderly executives who have risen from the ranks by highly competent and academically qualified professionals.
- Improve the thought processes and analytical abilities.
- Provide opportunities to executives to fulfill their career aspirations.

- Understand the problems of human relations and improve human relation skills.

Dasgupta has given the level-wise objectives of the executive/ management development as follows:

(a) Top Management:

1. To improve thought processes and analytical ability in order to uncover and examine problems and take decisions in the best interests of the country and organisation;
2. To broaden the outlook of the executive in regard to his role, position and responsibilities in the organisation and outside;
3. To think through problems this may confront the organisation now or in the future;
4. To understand economic, technical and institutional forces in order to solve business problems; and
5. To acquire knowledge about the problems of human relations.

(b) Middle Line Management:

1. To establish a clear picture of executive functions and responsibilities;
2. To bring about an awareness of the broad aspects of management problems, and an acquaintance with and appreciation of interdepartmental relations.
3. To develop the ability to analyse problems and to take

appropriate action;

4. To develop familiarity with the managerial use of financial accounting, psychology, business statistics;
5. To Inculcate knowledge of human motivation and human relationships; and
6. To develop responsible leadership.

(c) Middle Functional Executives and Specialists:

1. To increase knowledge of business fractions and operations in specific fields in marketing production, finance, personnel;
2. To increase proficiency in management techniques such as work study, inventory control, operations research, quality control;
3. To stimulate creative thinking in order to improve methods and procedures;
4. To understand the functions performed in a company;
5. To understand industrial relations problems; and
6. To develop the ability to analyse problems in one's area or functions.

Importance of executive development:

Executives, or say, managers manage/run organizations. It is managers who plan, organize, direct and control the resources

and activities in every organization. An organization is like a vehicle of which managers are drivers. Without competent managers, other valuable resources such as men, material, machine, money, technology and others remain of not much significance for the organization. Thus, managers are a vital cog in the success of any organization. That's why executive/management development has become indispensable to modern organizations.

The importance of executive development is appreciated in more orderly manner in the succeeding paragraphs:

1. Change in organisations has become sine quo non with rapid changes in the total environment. A manager, therefore, requires to be imparted training to abreast of and cope with on-going changes in his / her organisation. Otherwise, the manager becomes obsolete. In this context, Dale Yoder views that “without training, the executives lose their punch and drive and they die on the vine. Training and development are the only ways of overcoming the executive dropouts”.
2. With the recognition that managers are made not born, there has been noticeable shift from owner managed to professionally managed enterprises, even in family business houses like Tata. That is also indicated by the lavish expenditure incurred on executive training by most of the enterprises these days.

3. Given the knowledge era, labour management relations are becoming increasingly complex. In such situation, managers not only need job skills but also behavioural skills in union negotiations, collective bargaining, grievance redressal, etc. These skills are learned through training and development programmes.

4. The nature and number of problems change along with increase in the size and structure of enterprise from small to large. This underlines the need for developing managerial skills to handle the problems of big, giant and complex organisations.

5. As regards the importance of management development, the renowned behavioural scientist Peter Drucker opines that, “an institution that cannot produce its own managers will die. From an overall point of view, the ability of an institution to produce managers is more important than its ability to produce goods efficiently and cheaply”. In short, the importance of executive/ management development in an organisation can best be put as: anything minus management development in an organisation mounts to nothing.

The process:

Like any learning programme, executive development also involves a process consisting of certain steps. Though sequencing these various steps in a chronological order is difficult, behavioural scientists have tried to list and sequence them in six steps as shown in figure 11.1

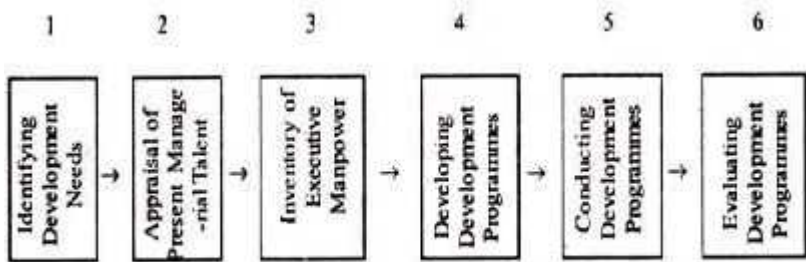


Fig. 11.1: Executive Development Process

These steps, also called the components of the executive development programme, have been- discussed in the succeeding paragraphs.

1. Identifying Development Needs:

Once the launching of an executive development programme (EDP) is decided, its implementation begins with identifying the developmental needs of the organisation concern. For this, first of all, the present and future developmental needs for executives/ managers ascertained by identifying how many and what type of executives will be required in the organisation at present and in future. This needs to be seen in the context of organisational as well as individual, i.e. manager needs. While organisational needs may be identified by making organisational analysis in terms of organisation's growth plan, strategies, competitive environment, etc., individual needs to be identified by the individual career planning and appraisal.

2. Appraisal of Present Managerial Talent:

The second step is an appraisal of the present managerial talent for the organisation. For this purpose, a qualitative assessment of the existing executives/managers in the organisation is made. Then, the performance of every executive is compared with the standard expected of him.

3. Inventory of Executive Manpower:

Based on information gathered from human resource planning, an inventory is prepared to have complete information about each executive in each position. Information on the executive's age, education, experience, health record, psychological test results, performance appraisal data, etc. is collected and the same is maintained on cards and replacement tables. An analysis of such inventory shows the strengths and also discloses the deficiencies and weaknesses of the executives in certain functions relative to the future needs of the concern organisation. From this executive inventory, we can begin the fourth step involved in the executive development process.

4. Developing Development Programmes:

Having delineated strengths and weaknesses of each executive, the development programmes are tailored to fill in the deficiencies of executives. Such tailor-made programmes of development focus on individual needs such as skill

development, changing attitudes, and knowledge acquisition.

Conducting Development Programmes:

At this stage, the manager actually participates in development programmes. It is worth mentioning that no single development programme can be adequate for all managers. The reason is that each manager has a unique set of physical, intellectual and emotional characteristics.

As such, there can be different development programmes to uniquely suit to the needs of an executive/ manager. These development programmes may be on-the-job or off-the-job programmes organized either by the organization itself or by some outside agencies.

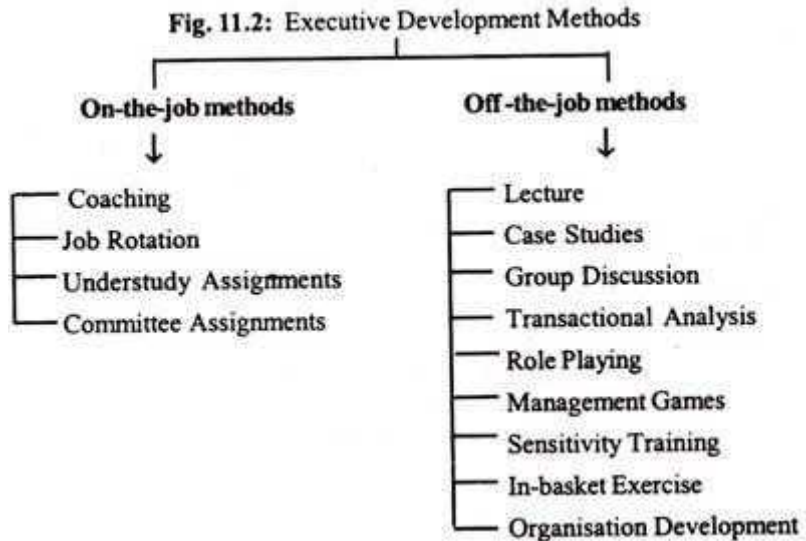
5. Evaluating Development Programmes:

Just as with employee training programme, executive development programme is evaluated to see changes in behavior and executive performance. Evaluation of programme enables to appraise programme's effectiveness, highlight its weaknesses and aids to determine whether the development should be continued or how it can be improved.

Methods:

Since no single development programme can be adequate for managers, it is undertaken in a variety of methods. Various methods/ techniques of executive/management development

may be classified into two broad categories as shown in the following figure



Methods of executive development

Methods of development or executive development can be broadly divided into two categories.

1) On the job development or executive development:

it means increasing the ability of the executives while performing their duties, to develop them in real work situation. It includes the following methods:

a) On the job coaching: under this method superior only guides his subordinate about various methods and skill required to do the job. Here the superior only guides his subordinate he gives his assistance whenever required. The

main purpose of this type of training is not only to learn the necessary skills but to give them diversified knowledge to grow in future. The superior is responsible for subordinate's performance. So the superior must always provide the subordinate necessary assistance whenever required.

b) Understudy: under this method of development the trainee is prepared to fill the position of his superior. He in the near future will assume to do the duties of his superior when he leaves the job due to retirement, transfer or promotion.

c) Job rotation: here the executive is transferred from one job to another or from one plant to other. The trainee learns the significance of the management principles by transferring learning from one job to another. This method helps in injecting new ideas into different departments of the organization.

d) Committee assignment: under this method committee is constituted and assigned a subject to give recommendations. The committee makes a study of the problem and gives suggestions to the departmental head. It helps the trainees because every member of the committee gets a chance to learn from others.

2) Off the job development or executive development: here the executives gets the training off the job means not when they are doing the job. It involves following methods:

- a) **Special courses:** here the executives attend the special courses which are organized by the organization. Under this experts from professional institutions provide them the training. Now days it is becoming popular but it is difficult to say whether these courses improve the performance of the employees or not.
- b) **Specific readings:** here the human resource development manager provides copies of specific articles published in the journals to the executives to improve their knowledge. The executives study such books or articles to enhance their knowledge.
- c) **Special projects:** under this method the trainee is given a project related to the objective of the department. The project helps the trainee in acquiring the knowledge of the particular topic.
- d) **Conference training:** here the organization conducts a group meeting. In which the executive learn from the others by comparing his opinion with others.
- e) **Sensitivity training:** it is also known as T group training or laboratory training. It is conducted under controlled conditions. T group help in learning certain

things, they help the participants to understand how group actually work. It helps in increasing the tolerance power of the individual and ability to understand others. T group generally sits together and discuss for hours where the members learn about their own behavior and behavior of others.

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MODULE III

PERFORMANCE APPRAISAL AND CAREER PLANNING IN AN ORGANIZATION

After the completion of the unit the student will be able

- To Understand the concept of performance appraisal
- Know the methods of performance appraisal
- To Understand the concept o career planning and needs of career planning
- To know career planning process

Performance appraisal

The basic purpose of performance appraisal is to facilitate orderly determination of an employee's worth to the organization of which he is a part. However, far determination of the worth of an employee can take place only by appraising numerous factors.

Performance appraisal also known as merit rating/ merit evaluation/performance evaluation. Performance appraisal means a systematic evaluation of personality and performance of each employee by his supervisor or some other person

trained in the techniques of merit rating. It employs various rating techniques for comparing individual employees in a group, in terms of personal qualities or deficiencies and the requirement of their respective jobs.

Definition:

“performance appraisal includes all formal procedure used to evaluate personalities and contributions and potentials of group members in a working organization.”..Dale Yoder.
“Performance appraisal is a process of evaluating an employee’s performance of a job in terms of its requirements.”...Scot, clothier and Spiegel.

Features/ characteristics of Performance appraisal

- a) It is a continuous process.
- b) It is a systematic examination of an employees’ strength and weakness in terms of job.
- c) It is a scientific study.
- d) It is arranged periodically according to a definite plan.
- e) It helps in securing information necessary for making objective and correct decision on employees.
- f) It is an impartial rating of an employee excellence.

Objectives of the performance appraisal:

- To improve the job performance of employees and also to identify their development potentialities.
- To diagnose the strength or weakness of individuals so as

to access the area in which training is required.

- To prevent grievance and un disciplinary activities of the personnel.
- To evaluate the success of training programmes
- To motivate the employee to perform well.
- To provide coaching, counseling and career planning to employees.
- To test the effectiveness of recruitment, selection, placement and rotation process.
- To facilitate research in personnel management.
- To establish harmonious relationship between employer and employees.
- To provide valid information for deciding promotion, transfer, placement, punishment, etc.

Process of performance appraisal:

- ❖ **Determining objectives:** The first step in the process is determination of objectives of performance appraisal. Based on the objectives the remaining stages of process are initiated.
- ❖ **Establishing Performance standard or criteria:** The standards are set up for appraising the performance of

employees. Job performance standards are the work requirements that are expected from an employee on a particular job. these are the criteria against which to judge results or performance. These standards may be of physical nature. If work performance cannot be measured be measured in quantitative terms for instance, in case of a personal quality then it should be mentioned in the appraisal form.

- ❖ The person who are required to do appraisal, number of times, criteria, etc must be decided in advance.
- ❖ Communicating standards: A after determining the standard, it should be communicated to the employees. They must be aware of what is expected out of them. It should also communicate to evaluators. If there is any objection, it may be recorded. The standard can be modified in the feedback information obtain from evaluators and employees.
- ❖ Measuring performance: In this stage actual performance of employees are measured. With the help of personal observation, written report, face to face interview, etc information regarding performance are gathered.
- ❖ Comparison: Actual performance and standards are compared in order to find out the deviations.

- ❖ Discussion: the results of the appraisal are then communicated to the employees. The deviations and reasons for deviations are analyzed and discussed with the employees. The discussion will enable the employees to know the strength and weakness of his own.
- ❖ Corrective action: By way of conducting discussion with the employees, the steps required for improving performance can be assessed and corrective action can be taken. Coaching, training, counseling, etc can be conducted to improve the performance of employees.

Methods of Performance appraisal:

1. Traditional method

- Ranking method
- Paired comparison method
- Grading system
- Graphic scale
- Check list
- Forced distribution
- Critical methods
- field review
- Confidential report
- Free essay method
- Group appraisal
- Comparative evaluation

2. Modern method

- Assessment centre
- Human resource accounting
- Behaviourly anchored rating scales
- Appraisal by MBO
- Psychological appraisal

Essential requirements of performance appraisal:

- ❖ A good atmosphere should exist in the organization to create confidence and mutual trust among employees.
- ❖ The objectives of the performance appraisal must be definite and clear.
- ❖ Well defined performance standards should be developed. Procedures and techniques adopted in appraisal is also standardized.
- ❖ Proper training should be imparted to appraisers.
- ❖ The appraiser should focus on job related behavior and performance of employees.
- ❖ Proper documentation of appraisal should be done.
- ❖ There should be feedback regarding the performance and participation in fixation of standards.
- ❖ The size, number of employees and organization set up must be considered while designing the appraisal system.
- ❖ There must be post appraisal review.
- ❖ A review committee should be constituted for reviewing and appeal against appraisal results.

Limitation of Performance appraisal

1. There is a possibility of inconsistent ratings.
2. An evaluator may appraise an employee based on the general impression i.e., Halo effect.
3. There is a possibility of personal bias
4. In order to avoid the possibility of giving a high or low rate, the evaluators may opt for average rating
5. Different standards are followed by different supervisors for evaluation.
6. There is a lack of training in appraisal techniques which reduce reliability.
7. Due to lack of knowledge and skills, the raters may fail to evaluate performance accurately.
8. There is a resistance from trade unions.
9. There is a possibility of similarity errors.
10. The evaluators have varied range of rating.

Problems of performance appraisal

Since performance appraisal is conducted by human beings, it is subjected to a number of errors, biases, weaknesses and pitfalls.

Some of these are discussed below.

1. The halo effect:

The halo effect is introduced when an overall impression of an individual is judged on the basis of a single trait. A high rating

on one trait leads automatically to high rating on all other trait. Also, a very high rating may be given to protect an employee for whom there may be personal sympathy.

2. Constant error:

This error is a reflection on the trait of the rater. Some raters are, by nature, too liberal, others too strict and some tend towards rating most people in the middle.

3. Recency of events:

There is a tendency of many evaluators to give much more weight to the recent behaviour of the candidate than the past behaviour. This is based on the reflection that the future trend is established by the mere recent behaviour.

4. The central tendency:

It is the most commonly found error. It is the tendency of most raters to give average ratings to all or the center of the scale. This may be due to the fact that a very high rating or a very low rating could invite questions, criticisms or explanations. Accordingly, an average rating is safer. It could also be due to the fact that the rater lacks sufficient knowledge about the applicant and hence, does not want to commit himself one way to another.

5. Errors of variable standards:

It is quite possible that organisations follow different standards of performance. Some divisional heads may require much higher quality of performance than others.

6. Other miscellaneous biases:

There may be some built - in biases in the minds of the rater, based upon his own perception of things, people and performances. A person may be rated higher because he is a 'nice' person or because of his seniority.

METHODS OF PERFORMANCE APPRAISAL

1. **Rating Scales:** Rating scales consists of several numerical scales representing job related performance criterions such as dependability, initiative, output, attendance, attitude etc. Each scales ranges from excellent to poor. The total numerical scores are computed and final conclusions are derived. Advantages – Adaptability, easy to use, low cost, every type of job can be evaluated, large number of employees covered, no formal training required. Disadvantages – Rater's biases

2. **Checklist:** Under this method, checklist of statements of traits of employee in the form of Yes or No based questions is prepared. Here the rater only does the reporting or checking and HR department does the actual evaluation. Advantages – economy, ease of administration, limited training required, standardization. Disadvantages – Raters biases, use of improper weighs by HR, does not allow rater to give relative ratings

3. **Forced Choice Method:** The series of statements

arranged in the blocks of two or more are given and the rater indicates which statement is true or false. The rater is forced to make a choice. HR department does actual assessment. Advantages – Absence of personal biases because of forced choice. Disadvantages – Statements may be wrongly framed.

4. **Forced Distribution Method:** here employees are clustered around a high point on a rating scale. Rater is compelled to distribute the employees on all points on the scale. It is assumed that the performance is conformed to normal distribution. Advantages – Eliminates Disadvantages – Assumption of normal distribution, unrealistic, errors of central tendency.

5. **Critical Incidents Method:** The approach is focused on certain critical behaviors of employee that makes all the difference in the performance. Supervisors as and when they occur record such incidents. Advantages – Evaluations are based on actual job behaviors, ratings are supported by descriptions, feedback is easy, reduces recency biases, chances of subordinate improvement are high.

Disadvantages – Negative incidents can be prioritized, forgetting incidents, overly close supervision; feedback may be too much and may appear to be punishment.

6. **Behaviorally Anchored Rating Scales:** statements of effective and ineffective behaviors determine the points.

They are said to be behaviorally anchored. The rater is supposed to say, which behavior describes the employee performance. Advantages – helps overcome rating errors. Disadvantages – Suffers from distortions inherent in most rating techniques.

7. **Field Review Method:** This is an appraisal done by someone outside employees' own department usually from corporate or HR department. Advantages – Useful for managerial level promotions, when comparable information is needed, Disadvantages – Outsider is generally not familiar with employees work environment, Observation of actual behaviors not possible.

8. **Performance Tests & Observations:** This is based on the test of knowledge or skills. The tests may be written or an actual presentation of skills. Tests must be reliable and validated to be useful. Advantage – Tests may be apt to measure potential more than actual performance. Disadvantages – Tests may suffer if costs of test development or administration are high.

9. **Confidential Records:** Mostly used by government departments, however its application in industry is not ruled out. Here the report is given in the form of Annual Confidentiality Report (ACR) and may record ratings with respect to following items; attendance, self expression, team work, leadership, initiative, technical ability, reasoning ability,

originality and resourcefulness etc. The system is highly secretive and confidential. Feedback to the assessee is given only in case of an adverse entry. Disadvantage is that it is highly subjective and ratings can be manipulated because the evaluations are linked to HR actions like promotions etc.

10. **Essay Method:** In this method the rater writes down the employee description in detail within a number of broad categories like, overall impression of performance, promoteability of employee, existing capabilities and qualifications of performing jobs, strengths and weaknesses and training needs of the employee. Advantage – It is extremely useful in filling information gaps about the employees that often occur in a better-structured checklist. Disadvantages – It is highly dependent upon the writing skills of rater and most of them are not good writers. They may get confused success depends on the memory power of raters.

11. **Cost Accounting Method:** Here performance is evaluated from the monetary returns yields to his or her organization. Cost to keep employee, and benefit the organization derives is ascertained. Hence it is more dependent upon cost and benefit analysis.

12. **Comparative Evaluation Method (Ranking & Paired Comparisons):** These are collection of different methods that compare performance with that of other co-workers. The usual techniques used may be ranking methods and paired comparison method.

- **Ranking Methods:** Superior ranks his worker based on merit, from best to worst. However how best and why best are not elaborated in this method. It is easy to administer and explanation.
- **Paired Comparison Methods:** In this method each employee is rated with another employee in the form of pairs. The number of comparisons may be calculated with the help of a formula as under.

$$N \times (N-1) / 2$$

Modern Methods

1. **Management By Objectives:** It means management by objectives and the performance is rated against the achievement of objectives stated by the management. MBO process goes as under.

- Establish goals and desired outcomes for each subordinate
- Setting performance standards
- Comparison of actual goals with goals attained by the employee
- Establish new goals and new strategies for goals not achieved in previous year. Advantage – It is more useful for managerial positions.

Disadvantages – Not applicable to all jobs, allocation of merit pay may result in setting short-term goals rather than important and long-term goals etc.

2. **Psychological Appraisals:** These appraisals are more directed to assess employees potential for future performance rather than the past one. It is done in the form of in-depth interviews, psychological tests, and discussion with supervisors and review of other evaluations. It is more focused on employees emotional, intellectual, and motivational and other personal characteristics affecting his performance. This approach is slow and costly and may be useful for bright young members who may have considerable potential. However quality of these appraisals largely depend upon the skills of psychologists who perform the evaluation.

3. **Assessment Centers:** This technique was first developed in USA and UK in 1943. An assessment center is a central location where managers may come together to have their participation in job related exercises evaluated by trained observers. It is more focused on observation of behaviors across a series of select exercises or work samples. Assesseees are requested to participate in in-basket exercises, work groups, computer simulations, role playing and other similar activities which require same attributes for successful performance

in actual job. The characteristics assessed in assessment center can be assertiveness, persuasive ability, communicating ability, planning and organizational ability, self confidence, resistance to stress, energy level, decision making, sensitivity to feelings, administrative ability, creativity and mental alertness etc. Disadvantages – Costs of employees traveling and lodging, psychologists, ratings strongly influenced by assessee's inter-personal skills.

Solid performers may feel suffocated in simulated situations. Those who are not selected for this also may get affected.

Advantages – well-conducted assessment center can achieve better forecasts of future performance and progress than other methods of appraisals. Also reliability, content validity and predictive ability are said to be high in assessment centers. The tests also make sure that the wrong people are not hired or promoted. Finally it clearly defines the criteria for selection and promotion.

4. **360-Degree Feedback:** It is a technique which is systematic collection of performance data on an individual group, derived from a number of stakeholders

like immediate supervisors, team members, customers, peers and self. In fact anyone who has useful information on how an employee does a job may be one of the appraisers. This technique is highly useful in terms of broader perspective, greater self-development and multi-source feedback is useful. 360-degree appraisals are useful to measure inter-personal skills, customer satisfaction and team building skills. However on the negative side, receiving feedback from multiple sources can be intimidating, threatening etc. Multiple raters may be less adept at providing balanced and objective feedback

CONCEPT OF CAREER PLANNING

Career planning is the process by which one selects career goals and the path to these goals. The major focus of career planning is on assisting the employees achieve a better match between personal goals and the opportunities that are realistically available in the organization. Career programmers should not concentrate only on career growth opportunities. Practically speaking, there may not be enough high level positions to make upward mobility a reality for a large number of employees. Hence, career-

planning efforts need to pin-point and highlight those areas that offer psychological success instead of vertical growth.

Career planning is not an event or end in itself, but a continuous process of developing Humanresources are for achieving optimum results. It must, however, be noted that individual and organizational careers are not separate and distinct. A person who is not able to translate his career plan into action within the organization may probably quit the job, if he has a choice. Organizations, therefore, should help employees in career planning so that both can satisfy each other's needs_

NEED FOR CAREER PLANNING

Every employee has a desire to grow and scale new heights in his workplace continuously. If there are enough opportunities, he can pursue his career goals and exploit his potential fully. He feels highly motivated when the organization shows him a clear path as to how he can meet his personal ambitions while trying to realize corporate goals.

Unfortunately, as pointed out by John Leach,

organizations do not pay adequate attention to this aspect in actual practice for a variety of reasons. The demands of employees are not matched with organizational needs; no effort is made to show how the employees can grow within certain limits, what happens to an employee five years down the line if he does well, whether the organization is trying to offer mere jobs or long-lasting careers, etc. When recognition does not come in time for meritorious performance and a certain amount of confusion prevails in the minds of employees whether they are 'in' with a chance to grow or not, they look for greener pastures outside. Key executives leave in frustration and the organization suffers badly when turnover figures rise. Any recruitment effort made in panic to fill the vacancies is not going to be effective. So, the absence of a career plan is going to make a big difference to both the employees and the organization. Employees do not get right breaks at a right time; their morale will be low and they are always on their toes trying to find escape routes.

Organizations are not going to benefit from high employee turnover. New employees mean additional

selection and training costs. Bridging the gaps through short-term replacements is not going to pay in terms of productivity. Organizations, therefore, try to put their career plans in place and educate employees about the opportunities that exist internally for talented people. Without such a progressive outlook, organizations cannot prosper.

Career planning is needed for the following reasons:

1. Provides career goals and paths

Career planning is needed to provide career goals and career paths to an employee. It provides clear future directions in terms of career.

2. Develop competencies

Career planning motivates and encourages an employee to develop competencies for higher level jobs. The competencies can be conceptual, interpersonal and technical.

3. Creativity

Career planning is needed to increase employee creativity. It is needed for innovation in organization. It can be lead to entrepreneurship within the organization.

4. Employee retention

Career planning is needed for retention of qualified employees in the long-term. This is needed to decrease costs of recruitment, selection and training.

5. Motivation

Career planning motivates employees for higher performance. Upward movement in organization is based on the quality and quantity of performance.

Objectives

Career planning seeks to meet the following objectives:

- i. Attract and retain talent by offering careers, not jobs.
- ii. Use human resources effectively and achieve greater productivity.
- iii. Reduce employee turnover.
- iv. Improve employee morale and motivation.
- v. Meet the immediate and future human resource needs of the organization on a timely basis

CAREER PLANNING PROCESS

The career planning process involves the following steps:

Identifying individual needs and aspirations:

Most individuals do not have a clear cut idea about their career aspirations, anchors and goals. The human resource professionals must, therefore, help an employee by providing as much information as possible showing what kind of work would suit the employee most, taking his skills, experience, and aptitude into account. Such assistance is extended through workshops/seminars while the employees are subjected to psychological testing, simulation exercises, etc. The basic purpose of such an exercise is to help an employee form a clear view about what he should do to build his career within the company. Workshops and seminars increase employee interest by showing the value of career planning. They help employees set career goals, identify career paths and uncover specific career development activities. These individual efforts may be supplemented by printed or taped information. To assist employees in a better way, organizations construct a data bank consisting of information on the career histories, skill evaluations and career preferences of its employees (known as skill or talent inventory).

Analyzing career opportunities:

Once career needs and aspirations of employees are known, the organization has to provide career paths for each position. Career paths show career progression possibilities clearly. They indicate the various positions that one could hold over a period of time, if one is able to perform well. Career paths change over time, of course, in tune with employee's needs and organizational requirements. While outlining career paths, the claims of experienced persons lacking professional degrees and that of young recruits with excellent degrees but without experience need to be balanced properly.

Aligning needs and opportunities:

After employees have identified their needs and have realized the existence of career opportunities the remaining problem is one of alignment. This process consists of two steps: first, identify the potential of employees and then undertake career development

Programmers with a view to align employee needs and organizational opportunities. Through performance appraisal, the potential of employees can be assessed to some extent. Such an appraisal would help reveal

employees who need further training, employees who can take up added responsibilities, etc. After identifying the potential of employees certain developmental techniques such as special assignments, planned position rotation, supervisory coaching, job enrichment, understudy programs can be undertaken to update employee knowledge and skills.

Action plans and periodic review:

The matching process would uncover gaps. These need to be bridged through individual career development efforts and organization supported efforts from time to time. After initiating these steps, it is necessary to review the whole thing every now and then. This will help the employee know in which direction he is moving, what changes are likely to take place, what kind of skills are needed to face new and emerging organizational challenges. From an organizational standpoint also, it is necessary to find out how employees are doing, what are their goals and aspirations, whether the career paths are in tune with individual needs and serve the overall corporate objectives, etc.

CAREER DEVELOPMENT

Career Development is defined as the efforts that are made by the organization to equip its employees with the skills, knowledge & experience that help them to perform the duties of their current as well as future jobs effectively. The organization develops and implements certain policies including counseling the employees, promotion & opportunities to attain excellence that facilitate the employee to prepare their career. Development of career actually promotes the knowledge, skills, and experiences along with the behavior modification & techniques of refinement that promotes the addition of value for the employees by improving their work. In career development, **human resource management** has the vital importance that centers the entire efforts of the organization. It is relatively different from the training in such a way that it has wide scope, longer frame of time & broader focus. Moreover the purpose of training is limited to the performance improvements but the goal of development is to make employees more capable and enriched.

In modern days the careers development not only fulfills the needs of the organization but also the needs of the employees.

The career development is looked as essential by the organizations due to the following reasons.

- It is a method of prevention from job burnout
- The career information is provided to the employees
- The quality of work life is improved
- The affirmative action goals are met

In short the careers development becomes essential for the organizations to be sustained in the competitive global environment.

Career Development Methods:

There are many methods that are used extensively for the purpose of careers development. But mostly these are used in combination of more than one method. Following are the commonly used methods of career development.

1. Discussion with Knowledgeable Individuals:

In this method the subordinate is combined with his superior to agree on the best career development activities. In certain cases guidance counselors & psychologists provide this service. In case of academic institutions like colleges & universities, specialized career planning & development guidance is provided to the students. Professors are usually responsible for such guidance.

2. Company Material:

There are certain organizations that have developed certain specific material for the development of its employees. The developed material is in accordance with the needs of the organizations. Moreover the job descriptions can be considered as good material that show the employees to decide either their strengths & weakness match with the requirement of any offering job within their own organization.

3. Performance Appraisal System:

The performance appraisal system in the organizations can also be regarded as good source of career development. When the strengths & weaknesses of employees are discussed with their relative supervisors than the needs for the development of employees emerged clearly. If there is not possibility to overcome the weakness of certain employee, then there can be a solution of alternative career path for that employee.

4. Workshops:

Certain organizations offer the workshops for their employees that last for two or more days so that the employees can be able to develop their career within the

organization. The career objectives are described & match by the employees with the needs of the organizations. In other situations, the workshops are presented at the community level so that the employees may be sent or they may start the visit themselves.

5. Personal Development Plans (PDP):

There are some organizations that encourage their employees to present their own plans of personal development. Such plan consists of summary of needs of personal development of employees along with the specified action list for the achievement. So the management encourages the employees to analyze their weakness & strengths.

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MODULE – IV

COMPENSATION MANAGEMENT

After the completion of the unit the student will be able to

- Understand the concepts of compensation
- Know the various types of compensation
- Understand the factors which influence compensation

Compensation of employees for their services is an important responsibility of Human resource management. Every organization must offer good wages and fringe benefits to attract and retain talented employees with the organization. If at any time, the wages offered by the firm are not competitive as compared to other firms, the efficient workers may leave the firm. Therefore, the workers must be remunerated adequately for their services. Compensation to workers will vary depending upon the nature of job, skills required, risk involved nature of working conditioning ,paying capacity of the employer, bargaining power of the trade union, wages and benefits offered by the other units in the region or industry, etc.

Concept:

Compensation refers to a wide range of financial and non-financial rewards to employees for their services rendered to the organization. It is paid in the form of wages, salaries and employee benefits such as paid vacations, insurance, maternity leave, free travel facility, retirement benefits, etc.

Types of compensation:

1. Base compensation:

Base compensation involves monetary benefits in the form of wages and salaries. The term ‘wage’ is used to denote remuneration to workers and the term ‘salary’ is usually defined to mean compensation to office employees, foremen, managers and professional and technical staff.

2. Supplementary compensation:

Supplementary compensation involves ‘fringe benefits’ offered through several employee services and benefits such as housing, subsidized food, medical aid, crèche, etc. it is also known as non-wage payments/service programmes/employee benefits. It helps to retain the

employees on a long term basis. Wage and salary administration:

Wages and salaries represent a substantial part of total costs in most of the organization. Wage and salary administration is essentially the systematic approach to the problem of ensuring that employees are paid in a logical, equitable and fair manner.

The most important objective of any pay system is fairness and equity. The term equity has three dimensions:

1. **Internal equity:** This refers to the pay corresponding to difficulty level of the job assigned to an employee. More difficult jobs should be paid more.
2. **External equity:** External equity ensures that an employee is compensated equally in comparison to similar jobs in the labor market.
3. **Individual equity:** Individual equity highlights equal pay for equal jobs, i.e. each individual pay is fair in comparison to others doing the same/similar job.

Other factors:

1. To acquire qualified competent personnel
2. To retain the present employees
3. To ensure desired behavior from employees.
4. To reduce labour cost
5. To simplify collective bargaining procedures and negotiations.
6. To promote organizational feasibility
7. To comply with wage legislations.
8. It helps in motivating employees for better performance.

Factors affecting wages/compensation:

1. Demand and supply of labour: wage is a compensation or price for the services rendered by a worker. Wages are based on the demand and supply of labour force available in the market. If there is huge supply of the labour, the wages will increase, on the other hand, if there is a scarcity of labour force, wage will increase.
2. Ability to pay: employer's ability to pay is an important factor affecting wages not only for the individual firm, but also for the entire industry. This depends on the financial position and profitability of the firm.

3. Cost of living: another important factor affecting the wage is cost of living of wages. This tends to vary money wage depending upon the variation in the cost of living index following rise or fall in the general price level and consumer index.
4. Productivity of workers: to achieve the best result from the worker and to motivate him to increase his efficiency, wages have to be productivity based. Productivity is the key factor in the operations of a company.
5. Labour unions: organized labour able ensures better wages than the unorganized one. Higher wages may have to be paid by the firm to its workers under the pressure of trade unions. If trade union fails in their attempt to raise the wages and other allowance through collective bargaining they might resort to strike, this exerts influence on employer to concede at least partial demands of labour union.
6. Government: several laws have been enacted by the government to protect the working class. Laws on minimum wages, hours of work, equal pay for equal work, payment of dearness allowance, bonus, etc. have

been enacted to bring about measure of fairness in compensating the working class. Thus, the laws enacted and labour policies framed by the government have an important influence on wages and salaries paid by the employers.

7. Prevailing wage rates: wages in a firm are influenced by the general wage level or the wages paid by the similar occupations in the industry, region and economy as a whole. External alignment of wages is essential because if wages paid by the firm are lower than those paid by the other firms, the firm will not be able to attract and retain efficient employees.

- Worker's capacity.
- Educational qualification.
- Work experience.
- Hazards in work.
- Promotion possibilities.
- Stability of employment.
- Demand for special skills.
- Profits earned by the organization.

The **Dearness Allowance (DA)** is a cost of living adjustment allowance paid to Government employees, Public sector employees (PSU) and pensioners in Pakistan, Bangladesh and India.

Dearness Allowance is calculated as a percentage of an Indian citizen's basic salary to mitigate the impact of inflation on people. Indian citizens may receive a basic salary or pension that is then supplemented by a housing or a dearness allowance, or both. The guidelines that govern the DA vary according to where one lives (for example, whether rural or urban).

Bonus:

A bonus is an additional compensation given to an employee above his/her normal wage. A bonus can be used as a reward for achieving specific goals set by the company, or for dedication to the company.

Fringe benefits

Supplementary compensation involves 'fringe benefits' offered through several employee services and benefits such as housing, subsidized food, medical aid, crèche, etc. it is also known as non-wage payments/service programmes/employee benefits. It helps to retain the employees on a long term basis

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MODULE V

GRIEVANCE REDRESSAL

After the completion of the unit the student will be able to

- Understand meaning and definition of grievance Reddressal
- To Know the causes of employee grievance
- Understand the procedure of handling grievance
- Know the essentials of an Effective Performance Appraisal System
- Understand the concept of absenteeism and its causes
- Understand the concept of discipline

Grievance means discontent or dissatisfaction arising out of work environment. According to Michael J.Jucius the term ‘grievance’ means ‘ any discontent or dissatisfaction whether expressed or not and whether valid or not arising out of anything connected with the company that an employee thinks, believes or even feels is unfair, unjust or unequitable.”

Keith davis has defined grievance as “any real or imagined feeling of personal injustice which an employee has concerning his employment relationship”. A grievance represents a situation in which an employee feels that something unfavorable to him as happened or going to happen.

Causes of Employee Grievance:

- Demands for individual wage adjustments
- Incentive system
- Job classification
- Disciplinary measures and procedures
- Methods of supervision
- Promotions
- Lay off
- Transfer
- Health and safety measures
- Violations of contract relating to Collective bargaining
- Improper job assignments
- Unsatisfactory working condition
- Non availability of materials on time
- Seniority rules, etc.

Process of grievance handling or Grievance procedure:

A grievance is an embryo of more serious trouble to come because accumulation of minor grievances may lead to major explosions. Therefore, prompt and effective handling of grievance is the key to industrial peace. This calls for systematic procedure of handling grievance for just and speedy disposal of grievances.

There are two types of grievance procedure for redressing the grievances of the employees. These include:

- Open door policy
- Step ladder procedure

Open door policy

Under this procedure the employees are free to meet the top executive of the organization and get their grievance redressed. Such policy may work well in small organization, but in big organization this may not be practicable as the top executive are busy in other matters. Another disadvantage of this method is that lower level employees may be feel bypassed. This may complicate the human relations. Moreover, top-level executives are not familiar with actual working conditions of operative employees. It may be difficult to attend to employee grievance because of lack of sufficient information.

Step-ladder procedure:

Under this procedure, the aggrieved employee has to proceed step by step in getting his grievance heard and redressed. Firstly, he has to present his grievance in writing to his supervisor or foremen. If he is not satisfied with his decision, he may go to the head of the department. They may go to a joint grievance committee after the decision of the head of the department is not acceptable to the employee. If the committee also fails to redress his grievance, the matter may be referred to the chief executive, the grievance procedure is said to have exhausted if the chief executive is also not able to redress the

grievances. The workers should not take any action against the management like going to labour court until the whole grievance procedure is exhausted.

The grievance assumes a form of a conflict after the worker is not satisfied with the decision of the chief executive. For maintaining industrial peace, it is advisable to refer such grievance to voluntary arbitration. The award of the arbitrator should be binding to both the parties.

Fig include

Essentials of a Good Grievance procedure

- A grievance should be dealt with in the first instance at the lowest level. the employee should raise his grievance with his immediate superior.
- It must be made clear to the of employee the line of appeal.
- It should b dealt promptly and speedily.
- It must be set up with the participation of the employees.
- It should be simple.
- It should lay down the time limit within which each step of procedure must complete.

Procedures for handling grievance

It is important that employees are treated fairly and receive prompt responses to problems and concerns. For this reason, the University provides a grievance procedure to promote prompt and responsible resolution of issues raised by staff and administrators. This procedure may be used freely without fear of retaliation, and the Office of Human Resources is available to assist throughout the procedure. The process outlined below should be used if an individual disagrees with a supervisor's action including any disciplinary action. If the problem involves Discriminatory Harassment, Sexual Harassment and/or Discrimination, reference to those policies should be made to initiate a complaint. When unsure which policy applies, contact should be made with a Human Resources HR Consultant or the Office of Institutional Equity for assistance.

Step One:

Discuss Complaint with Immediate Supervisor.

The University encourages informal resolution of complaints. Employees should first discuss the complaint with their immediate supervisor within three (3) business days of the situation whenever possible. If the complaint is not resolved as a result of this discussion, or such a discussion is not appropriate under the circumstances, proceed to Step Two. If

the action in dispute involves suspension or termination of employment, Steps One and Two should be bypassed. Note: If the immediate supervisor is an officer of the University, Steps Two, Three and Four should be bypassed and the complaint submitted directly to the Associate Vice President for Human Resources who will send a copy to the Executive Vice President of the University and schedule a meeting for employee, the Associate Vice President for Human Resources and the Executive Vice President or his designee.

Step Two:

Prepare and Submit Complaint Procedure Form to a HR Consultant for Review by Second- Level Supervisor.

If the employee feels the complaint was not resolved in discussions with his/her immediate supervisor, they may prepare and submit a formal written complaint for review by the person to whom the employee's immediate supervisor reports ("second-level supervisor"). To do so, the employee should prepare a Complaint Procedure Form and submit it to a Human Resources HR Consultant within seven (7) business days of the Step One discussion with the immediate supervisor (or within seven (7) days of the event being grieved if Step One is bypassed). The Consultant will then review the complaint, send a copy to the second-level supervisor and the immediate supervisor (if appropriate), and schedule a meeting

for the employee, the second-level supervisor, and the Consultant to discuss the complaint. The meeting will ordinarily be held within five (5) business days of the Consultant's receipt of the Complaint Procedure Form. The second-level supervisor will issue a written decision, generally within five (5) business days of the meeting. If the complaint is not resolved to the employee's satisfaction, they may proceed to Step three.

Step Three:

Submit Complaint Procedure Form to Human Resource Director of HR Consultants for Review by Third-Level Manager.

If the employee is not satisfied with the Step Two decision, they may proceed with the complaint within five (5) business days of receipt of the Step Two decision by submitting it to the Human Resources Director of HR Consultant for review by the director in charge of their department or associate dean of the department if in an academic unit. A meeting between the employee, the Director of HR Consultant and the director or associate dean will generally be held within five (5) business days. The director or associate dean will issue a written decision, generally within five (5) business days of the meeting.

Step Four:

Submit Complaint Procedure Form for Final Appeal to the Appropriate-Level Vice President or Provost.

If the employee is not satisfied with the Step Three decision, they may submit the complaint to the appropriate level Vice President with administrative responsibility for their department or, for academic units, the Office of the Provost, within seven (7) business days of receipt of the Step Three decision. The Vice President or Office of the Provost will provide the University's final written response, generally within fourteen (14) business days. The employee's department management will be notified as well.

General Information

The time limits above are subject to modification on a case-by-case basis due to operational requirements, travel away from campus, in-depth investigations, etc. The Executive Vice President shall have final authority to resolve any disputes regarding the implementation of this Complaint Procedure, including determination of the appropriate decision makers.

Absenteeism:

Employee's presence at work place during scheduled time is highly essential for the smooth running of the production process in particular and organization in general. Despite the significance of employee presence, employee sometimes fails to report at work place during the scheduled time, which is

known as “absenteeism”. The term absenteeism is defined as the “the failure of a worker to report for work when scheduled to work”. The Webster dictionary states “absenteeism is the practice or habit of being an ‘absence’ and absentee is one who habitually stays away”.

Types of Absenteeism:

There are 4 types of Absenteeism. They are:

1. Authorized absenteeism
2. Unauthorized Absenteeism
3. Willful absenteeism
4. Absenteeism caused by circumstances

Causes of Absenteeism :

- Poor working conditions
- Social and religious ceremonies
- Unsatisfactory housing conditions
- Industrial fatigue
- Unhealthy working condition
- Poor welfare facilities
- Alcoholism
- Indebtedness
- Change in technology
- Unsound personnel policies
- Inadequate leave facilities
- Low level of wages.

DISCIPLINE

Maintenances of harmonious human relations in an organization depends upon the promotion and maintenance of discipline. No organization can prosper without discipline. It is the most important concern for organizations. Some believe it is the responsibility of higher levels but in actual practice it is concerned with all levels.

Broadly, speaking discipline means orderly behavior of individuals towards the desired goals of the group.

Industrial discipline:

Discipline in industry may be described as willingness cooperation and observance of the rules and regulations of the organizations. It means securing consistent behavior in accordance with norms of behavior. Simply, discipline means orderliness without which there would be chaos in the behavior of workers.

Definitions: Discipline refers to a condition or attitude, prevailing among employees, with respect to rules and regulations in an organization. Discipline in the broadest sense means orderliness, the opposite of confusion. It does not mean a strict and technical observance of rigid rules and regulations. It simply means working, cooperating and behaving in a normal and ordinary way, as any responsible person would expect an employee to do.”

According to Richard.H. Calhoon, Discipline is defined as “a force that prompts individuals or groups to observe the rules, regulations and procedures which are deemed necessary for effective functioning of an organization.”

According to Ordway tead Discipline is defined as is “the orderly conduct of affairs by the members of an organization who adhere to its necessary regulations because they desire to cooperate harmoniously in forwarding the end which the group has in view, and willingly recognize that, to do this, their wishes must be brought into a reasonable unison with the requirements of the group in action.”

Discipline is said to be good when employees willingly follow the company’s rules and it is said to be bad when employees follow rules unwillingly or actually disobey regulations. Webster’s dictionary gives three meanings of the word ‘Discipline’ viz.,

- It is training that correctsmolds, strengths or perfects.
- It is control gained by enforcing obedience, and
- It is punishment or chastisement.

Objectives of Discipline:

The objectives of the discipline are:

- To obtain willing acceptance of the rules, regulations and procedures of an organization so that organizational goals may be attained;
- To impart an element of certainty despite several

difference in informal behaviour patterns and other related changes in an organization.

- To develop among the employees a spirit of tolerance and a desire to make adjustments;
- To give and seek direction and responsibility;
- To create an atmosphere of respect for human personality and human relations; and
- To increase the working efficiency and morale of the employees so that their productivity is stepped up and the cost of production is improved.

Aspects of discipline:

There are two aspects of discipline. They are:

- Positive aspect: Employees believe in and support discipline and adhere to the rules, regulations and desired standards of behavior. It takes the form of positive support and reinforcement for approved actions and its aim is to help the individual in moulding his behavior and developing him in a corrective and supportive manner. This type of approach is called positive approach or self-discipline or constructive discipline.
- Negative aspect: employees sometimes do not believe in and support discipline. They do not adhere to rules, regulations and desired standard of behavior. Disciplinary programme forces

and constraints the employees to obey orders and function in accordance with set rules and regulations through warnings, penalties and other forms of punishment. This approach to discipline is called negative approach or punitive approach or corrective approach. This is also autocratic approach as the subordinates are given no role in formulating the rules and they are not told why they are punished.

Indiscipline:

Indiscipline means disorderliness, insubordination and not following the rules and regulations of an organization. The symptoms of indiscipline are change in the normal behavior, absenteeism, apathy, go-slow at work, increase in number and severity of grievances, persistent and continuous demand for overtime allowance, lack of concern for performance etc.

Causes of indiscipline:

- Non-placement of the right person on the right job.
- Undesirable behavior of superiors expecting the subordinates to follow.
- Faulty evaluation of situations and persons.
- Lack of upward communication.
- Defective supervision and absence of good supervisors.
- Lack of properly drawn rules and regulations.
- Weak and incompetent leadership.

- Illiteracy and the low intellectual level of workers as well as their social background.
- Workers reaction to the rigidity and multiplicity of rules and their interpretation.
- Bad working conditions.
- Absence of enlightened, sympathetic and scientific management.
- Discrimination based on caste, creed, colour, sex, language and place in matters of selection, promotion, transfer, etc.
- Undesirable management practices, policies and activities aiming to control workers
- Improper co-ordination, delegation of authority and fixing of responsibility.
- Misunderstanding, rivalry and distrust among workers and supervisors

Essentials of Good discipline system

The following are the prerequisite of discipline in an industrial organization.

- The goals or objectives of discipline should be clearly stated. The goals must be in clear and unambiguous terms. It should specify the standards expected of the workmen.
- Specific and clear rules and regulation must be laid in consultation with the workers. Such rules and regulations

should serve as a code of conduct for the workers and managers.

- The code of conduct or rules and regulations should be communicated to all in the organization. It must be understood in same manner by those who enforce the rules and regulation and also by those who obey them.
- Whenever a new employee joins the organization, he must be made to understand the rules and regulations so that he may produce acceptable behavior.
- The rules of conduct must contain provision for investigation and settlement of grievances arising out of and during the course of employment.
- Te discipline policy should lay greater emphasis on the prevention of the breach of discipline than on the administration of penalties.
- The approach of discipline should be positive and constructive.
- The management should ensure that their own conduct and policies do not encourage breach of discipline. This will promote self-discipline among workers.
- The enforcement authority must be specified. The procedure for appeal against the disciplinary action by the aggrieved party should also be provided.

- The quantum of prescribed punishment in specified cases of indiscipline should be known.
- All rules and regulation should be executed objectively and consistently.
- Disciplinary action should not be vindictive or should not be used to victimize employees but to prevent recurrence of indiscipline in future.
- Penalties should be used only when it is absolutely necessary.
- There should be suitable grievance procedure for the prompt redressal of all grievances of employees. All awards and agreements should be implemented without delay and discrimination.
- A discipline committee may be constituted to look into the causes of indiscipline in the organization and to suggest suitable measures for their removal.

Code of discipline:

In India the problem of industrial discipline was debated by the Indian Labour Conference held in 1957. The conference noted the alarming record of breach of discipline by employers and employees. A subcommittee was appointed to draft a model of Code of Discipline which would be acceptable to all. A Code of Discipline drafted was ratified by central organizations of workers and employers at 16th session of the Indian Labor

conference in March 1958 and it became operative from 1st June 1958.

Objectives of the code

The code of discipline is intended to achieve following objectives:

- Maintaining peace and order in industry.
 - Promoting constructive criticism at all levels of management and employment.
 - Avoiding work stoppage.
 - Securing the settlement of disputes and grievances by a mutually agreed procedure and avoid litigations.
 - Facilitate free growth of trade unions.
 - Bringing home to the employees and management the importance of their recognition of one another's rights and responsibilities.
 - Eliminating all forms of coercion, intimidation and violations of rules, regulations and procedures governing industrial relations
-

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