HUMAN RESOURCE MANAGEMENT

(DBUS24)
(MBA 3years)

ACHARYA NAGARJUNA UNIVERSITY

CENTRE FOR DISTANCE EDUCATION

NAGARJUNA NAGAR,

GUNTUR

ANDHRA PRADESH

LESSON - 1

HUMAN RESOURCE MANAGEMENT - AN OVERVIEW

Objectives

After studying this lesson, the student is able to :

P   visualise the reasons for studying Human Resource Management (HRM)

P   identify the principal elements of HR Programme and their importance in managing HR

P   present the functions of Human Resource Management

P   explain why HR Managers should be concerned with the External and Internal Environments of the organisation.

Structure

1.1. Introduction

The Information Explosion, advances in technology, and global competition have created enormous presence on companies to change thir day to day activities. Most of the business houses are moving into a very different world, markets are changing much faster than previously. Certain sectors are shrinking while new ones are opening up. Because of these reasons corporate cultures and values are also in transition requires special skills to the persons who are working in the organisations. Because, of all factors of Production, Materials, Maney, Machinery and Man, Man occupies an important place. Development of Human resources became so essential for all the organisations that world like to be dynamic and growth oriented unlike other resources human resources have unlimited potential capabilities. The potential can be used only by creating a climate that can continuously identify bring to surface nurture and use hte capabilities of people. HRM aims at creating such environment

1.2. Meaning of Human Resource Management

The work of Human Resource Management pervades the entire organinsation. Human Resource Management is a set of activities focussing on the effective use of human resources in an organisation. It encompasses the activities of recruitment, Selection, Training, Development, Wage and Salary Administration, Health and Safety, Benefits and Services, Union - Management, Relations, Motivation, Morale, Communication so on. Thus Human Resource Management is that part of Management which is related with Management of workers and employees. It is that part of Management which arranges for the satisfactory Management of employees of an Enterprise. Human Resource Management is the process of achieving the best fit between individuals, Jobs, organisation and the environment. It defines the relationship between Employer, Employee and employee and employee.

Some eminant authors have defined the term Human Resource Management as under :

Edwin B. Flippo -

"The Personnel Function is concerned with the procurement, Development, Compensation, integration and maintainance of the personnel of an organisation for the purpose of contributing toward accomplishment of organisational goals and objectives. Therefore personnel management is planning, Organising, directing and controlling the operative Functions."

Michel J. Jucius defines " HR Management as the field of Management which has to do with planning, organising, directing and controlling the functions procuring, developing, maintaining and utilising the work force."

Dale Yolder defined Personnel Management as the phase of management which deals with the effective control, and use of man power as distinguished from other sources of power. The methods, tools and techniques designed and utilised to secure the enthusiastic participation of labour to represent the subject matter for study in personnel Administration."

In the words of Brech, " Personnel Management is that part of the management progress which is primarily concerned with the human constituents of the organisation".

1.3. Features of Human Resource Management

In all these definitions, the emphasis is early on integration of individual and organisational objectives so as to attain effectiveness. On the basis of the above definitions, some basic features of HRM was given below -

1. It is concerned with employees both as individuals and as group in attaining goals.

2. It is concerned with the development of Human Resources.

3. It is concerned with managing people at work.

4. It is a continuous in nature.

5. It is concerned with both blue collared and white collared workers.

6. It is concerned with emotional, behavioral and social aspects.

7. It is concerned with the potentialities and capacities to the maximum possible extent.

8. It is universal in nature.

9. It is continuous in nature.

10. It is action oriented. It focusses on action rather than on record keeping, procedures and roles. It emphasrises on the solution to the employment problems.

11. It is individual oriented.

12. It is future oriented. It tries to achieve objective by providing competent and well motivated employees.

1.4. Importance of Human Resource Management

HRM helps an organisation in multifarious ways:

1. Good human resource practice can help in attracting and retaining the best people in the organisation. Planning alerts the company to the types of people it will need in the short, medium and long run.

2. Appropriate recruitment and selection activities identify the best people for available jobs and make sure they are placed in suitable positions.

3. Performance appraisals and training develop individuals who need skills, knowledge and attitudes different form those they currently possess.

4. Good human resource practice motivate the organisational members to do outstanding work.

1.5. Objectives of Human Resource Management

Main objective of Human Resource Management is to manage the workers and employees of an enterprise in the best possible manner. The role of HRM is to Plan develop and administer policies and programmes designed to make expedition use of an organisations human resources. It is that part of management which is concerned with the people at work and with their relationship with in an enterprise. Its objectives are :
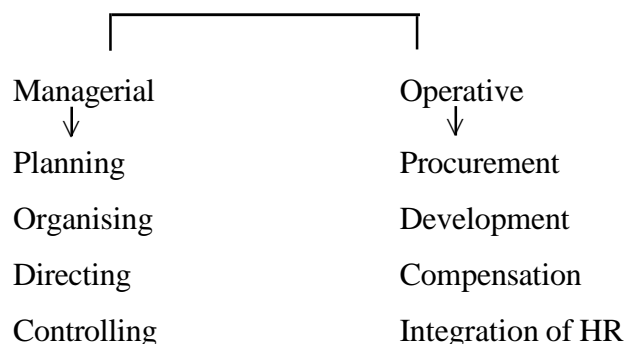
   i)   The effective utilisation of human resources.

   ii)   To establish desirable working relationships among all members of an organisation.

   iii)   to maximise the individual development.

   iv)   To establish Harmonious relations between labour and capital.

   v)   To increase the welfare of Human employees.

   vi)   To arrange for effective communication with Resources.

   vii)   To arrange for sufficient number of efficient employees in all the Departments.

   viii) To increase the morale of the employees.

   ix)   To motivate the employees to increase productivity.

   x)   To provide congenial working environment.

Activity B : To what extent your Personnel Dept fulfilled the above objectives in your office

1.6. Functions of Human Resource Management

The functions of H R M can be broadly classified into two categories

Functions of HRM

Managerial	Operative
↓	↓
Planning	Procurement
Organising	Development
Directing	Compensation
Controlling	Integration of HR

A.   Managerial Function : Managerial functions of H R M involve planning, organising, directing and controlling.

(i)   Planning :   It is a predetermined course of action. Planning is determinating of personnel programmes and changes in advance that will contribute to the organisational goals. In other words it involves planning of human resources requirements, recruitment, selection, training etc. It also involves forecasting of personnel needs, changing values, attitudes and behaviour of employees and their impact on organisation.

(ii)   Organising : An organisation is a means to an end. An organisation is a structure and a process by which co-operative group of human beings allocates its tasks among its members, identifies relationships and integrates its activities towards common objective. Organisation establishes relationships among the employees so that they can collectively contribute to the attainment of company goals.

(iii)   Directing : The basic function of personnel management at any level is motivating, commanding, leading and activating people. The willing and effective co-operation of employees for the attainments of organisational goals is possible through proper direction. The direction is an important managerial function in that it helps in building sound industrial and human relations.

(iv)   Controlling : Controlling also involves checking, verifying and comparing the actuals with the plans, identified deviations. Thus action and operations are adjusted to predetermined plans. Controlling also involves checking, verifying and comparing the actuals with the plans, identifying deviations, if any, correcting the identified deviations. Auditing training programmes, analysing labour turnover records, directing morale surveys, conducting separation interviews are some of the means for controlling the HRM function.

B.   Operative Functions : The operative functions of HRM are related to specific activities of HRM viz employment, development, compensation and relations. These functions have to be performed in conjunction with managerial functions.

i)   Employment : Employment is concerned with securing and employing the people possessing required kind and level of human resources necessary to achieve the organisational objectives. It covers functions such as job analysis, human resource planning, recruitment, selection, placement, induction and internal mobility.

a)   Job analysis : It is the process of study and collection of information relating to the operations and responsibilities of a specific job. It includes

*   collection of data, information, facts and ideas relating to various of jobs including men, machines and materials.

* Preparation of job description, job specification (job requirements and employee specifications) which will help in identifications identifying the nature levels and quantum of human resources.

* Providing the guides, plans and basis for job design and for all operative functions of personnel management.

b) **Human resource planning :** It is a process for determining and assuring that the organisation will have an adequate number of qualified persons, available at proper times, performing jobs which would meet the needs of the organisation and which would provide satisfaction for the individuals involved.

c) **Recruitment :** It is the process of searching for prospective employees and stimulating them to apply for the jobs in an organisation.

d) **Selections :** It is the process of ascertaining the qualifications, experience, skill and knowledge of an applicant with a view to appraising his/her suitability to a job.

e) **Induction and orientation :** Induction and orientation are the techniques by which a new employee is rehabilitated in the changed surroundings and introduced to the practices, policies, purposes and peoples of the organisation.

f) **Placement :** It is the process of assigning the selected candidate with the most suitable job. It is matching of employee specifications with job requirements.

ii) **Human Resource Development :** It is the process of improving moulding, changing and developing the skills, knowledge, creative ability, aptitude attitude, values, commitment etc., based on present and future job and organisational requirements.

a) **Performance appraisal :** It is the systematic evaluation of individuals with respect to their performance on the job and their potential for development.

b) **Training :** It is the systematic process by which employees learn knowledge, skills, abilities or attitudes to fulfill organisational and personal goals.

c) **Management Development :** It is the process of designing and conducting suitable executive development programmes so as to develop managerial and human relations skill of employees.

d) **Career planning and development :** It is the planning of one's career and implementation of career plans by means of education, training, job search and acquisition of work experiences. Transfers and promotions are two important ways of personnel development in an organisation.

* **Transfer :** There will not be any material change in the status, responsibilities or pay of the employees.

  *   **Promotion :** It is the upward reassignment given to an employee in the organisation to occupy higher position which commands better status and / or pay keeping in view the human resources of the employees and the job requirements.

  *   **Demotion :** It deals with downward reassignment to an employee in the organisation, to lower level position.

e)   **Organisation development :** It is an organisation wide, planned effort, managed form the top, with a goal of increasing organisational performance through planned interventions. Organisation Development seeks to change attitudes, values, organisation structures, and managerial practices in an effort to improve organisational performance.

iii)   **Compensation Management :** It is the process of providing equitable and fair remuneration to the employees. It includes job evaluation, wage and salary administration, fringe benefits.

a)   **Job evaluation :** It is the process of determining relative worth of jobs.

b)   **Wage and salary administration :** It is the process of developing and operating a suitable salary and wage programme.

c)   **Incentives :** It is the process of formulating, administering and reviewing the schemes of financial incentives in addition to regular payment of wages and salary.

iv)   **Integration of Human relations :** It is the process of interaction among human beings. Human relations is an area of management practice in integrating people into work situation in a way that motivates them to work together productively, cooperatively and with economic, psychological and social satisfaction.

a)   **Personnel Research :** It is the process of evaluating the effectiveness of human resources policies and practices and developing more appropriate ones.

b)   **Personnel audit :** It refers to an examination and evaluation of policies, procedures and practices to determine the effectiveness of human resource management.

Activity A : To what extent your personnel Department is carryingout different functions in your office.

  ....

  ....

  ....

1.7.   HR Policies

In the beginning of the present century the words personnel policy and personnel departments were unheard. The immediate supervisors, were responsible for the hiring and firing of employees. Training, promotions and other benefits were handled by supervisors without any rationale. The haphazard and adhoc manner in which personnel problems were handled in the past is now recognised as unsatisfactory by executives, in the fields of industry, hotel, business or hospital.

Regardless the size of an organization, it is difficult to run the organization without having well defined personnel policies in operation as an integral part of the management function. One may wonder what place personnel policies have in the delivery of health care, which is now considered to be a right of all citizens. Every employee in an organisation wants to know the terms and conditions of his employment, the regulations which govern his employment and the principles which guide the administration of an organisation in its relationship with him. The body of such principles, rules and regulations are known as the personnel policies. The personnel policy would be founded on three social principles i.e. justice, human needs and democratic approach.

1.7.1.   Need for HR Policies : Employees have aspirations in business or industry. They seek individual recognition, opportunity for promotion, a fair wage, good working conditions, and other benefits of employment. For one or the other reasons personnel policies are very important, as they provide a basic set of rules for orderly goal achievement in the process of delivering goods or services.

The employee expects a fair day's pay for a fair days work, equitable treatment as accorded to fellow employees, equal opportunities for promotions based on skill and ability with fringe benefits comparable to those found in profit making organisation. The employee further expects his conduct on the job to be governed by a set of rules determined by management and giving fair consideration to the dignity and rights of all employees. In addition, the employee assumes that management will provide orderly channels for the solution of problems and grievances. He seeks direction from top and middle management - indeed he depends upon it - especially in applying personnel policies uniformly to all employees.

Personnel policies are essential to the operation of large scale organizations, because it is not feasible for management to work effectively with each employees as an individual concerning his desires and his dislikes. For example, it is obvious that no organisation can permit its employees to come to work or to leave the job at their own convenience.

Every organisation needs personnel policies to ensure consistency of action and equity in its relations with employees. Personnel policies constitute the basis for sound personnel policies. Personnel policy is the yardstick by which accomplishment of programmes can be measured.

1.7.2.   Formulation of HR Policy : The existence of a carefully formulated personnel policy rests on the attribute of the top management. If the top management is clear about its responsibilities and objectives its policies are likely to reflect the same. The effectiveness of personnel management dependent on the clarity of policy formulation. Policy which is skillfully drafted also facilitates implementation. The process of developing personnel policy involves assessing its appropriateness to the organisation. It must be acceptable in all situations as a basis for decision making and tested against each of the major

functions to ensure that all considerations bearing on management have been taken into account. It should also be tested against community practices to ensure that the reputation of the organization is maintained at a level consistent with business and financial conditions. In fact, formulating personnel level consistent with business and financial conditions. In fact, formulating personnel policy today requires much broader persecute to be kept in view than ever before due to changing values and environment.

Activity C : Give some important HR Policies of your organisation.

1.8. Environmental Influences on H R Department

HR Manager can't perform his duties in isolation. Environment influences the HR Department in many ways. These Environmental challenges can be devided into two.

a. External

b. Internal

External challenges are having profound impact on working of HR Department. For Example, technological changes in manufacture of transister, the famous company, Motorala opened a research facilities in two different places to study new technology. As a result motorala recuited 20,000 employees. They have subsequently trained, oriented and compensated.

Some external challenges evolve gradually and some gives immediate effect. HR Professionals gives immediate effect. HR Professionals deal with these changes by following the different steps.

i) **Monitoring Environment :** One has to monitor likely changes in the Environment.

ii) **Evaluate Impact :** Specialist must diagnose the problems and they must evaluate the results.

iii) **Proactive Measures :** Specialists has to implement approaches that help the organisation reach its goals.

iv) **Analyse feed back :** Feed back to be taken that the desired out comes to be reached.

a) **External Challenges :**

i) Technological Challenges

ii) Governmental Challenges

iii) Economic Challenges

iv) Cultural Challenges

v) Demographic Challenges

i) Technological Challanges : Technological Challanges results in requirement of technical personnel, skilled personnel and machine operators to our organisation. The technology of cars and aeroplanes modified transport industry. Automobile industries grew. Growth created to the existing Employees. Promotions has given to the existing employees. It give adverse effect on rail transport. Here employment opportunities shrunk. Personnel Departments reduced their work force and created early retirement systems. Automation is another way which effected the personnel department. The Introduction of Computers in banks has given tremendous changes in employment needs. Before computers, personnel specialists recruited is large number of semi skilled and unskilled labourers where as computers required highly skilled programme and system analysts.

ii) Economic Challenges : As economy changes during expansion and contraction of business cycle, organisations must modify their plans. These plans gives demands on personnel specialists to change their plans according to economy. If they recruit workers during expansion stage it is very difficult to remove them when cycle turns down. Thus it is duty of HR specialists to anticipate economy changes. Some times H R departments can even develop proactive policies that anticipate changes. The economic policy of the Govt. has a very great impact on business. Some type of business are favourably affected by Govt. policy some adversely affected while it is neutral in respect of others. Ex : Liberalisation, Privatisation and Globalisation led to competition among MNCs.

iii) Cultural Challenges : Attitudes towards work course new challenges for HR departments. Increased participation of woman is example for a cultural change. The concept of culture is of great significance to business. Business is based on ethos of people. Culture trains the people to act in a particular way, tending to put a personality stamp on them. It does mean that all people are alike in a particular culture. There are sub cultures in a culture. People have their own peculiarity of temperment, mental constitution, cultural experience, family experience, and unique personal experience. Culture determines the type of goods and services a business should produce. The type of food people eat, clothes they wear, the beverages they drink varies from culture to culture and form time to time in the same culture. The expectations and tastes of customers are changing. These changes will have impact on the role of HR Manager. The factors directly or indirectly influence the Human Resource Management of an organisation through its human resources.

iv) Political Factors : Political stability, political parties and their ideologies formation of new parties, splits in and amalgamations of existing parties naturally affect the trade union in an organisation. This intern, results in intra and inter union rivarley, formotion of new trade unions rivelary, etc. These charges is trade union's structure and functioning complicate the functioning of HR Department.

v) Demographic Challenges : The Structure, Values, Cast System, Class Structure, Education levels of human resources in the country influence the HR function of any organisation. The Manpower composion also influence the HR function considerably.

b) **Internal Environment :** Internal Environment exerts considerable pleasure on human resource management. These pressures include company objectives. The policies of the organisation. Unions of the enterprise etc.

The company objectives may effect the HR Department, Management should operate the establishment with clear understanding of the overall objective. The company with creative environment encourage new ideas and this needs highly skilled workers. They must be recruited and selected to bring about technological advancement. Constant attention to training and development. Good compensation should be maintained. On the other hand, a policy is a predetermined guide established to provide direction in decision making. This effect the organisation's HR department in different way. Unions represent an actual challenge in unionised companies and a potential challenge to those that are not. Employers with unions sign on a agreement that specifies compensation, working conditions and working hours. These agreements effects the HR Departments. Here challenge for the Department is to achieve objectives without violating agreement.

Activity D : Do you think your organisation is influenced by Environment. Justify your statement.

1.9. Qualities of a H R Manager

i) A HR Manager must have the mental ability of the High Standard. He must possess immense tact, practical mind and cool temperament.

ii) HR Manager must be free from bias attitude. He should be known for his honesty, integrity, character, justice and fair play.

iii) A HR Manger must be a good leader and organiser.

iv) HR Manager should have high character. He should aware of social responsibilities.

v) HR Manager must be able to communicate his ideas and opinions effectively and clearly so that all the employees understand the messages.

vi) HR Manager must be trained in behaviu ral sciences so that he predicts and controls the human behaviour.

vii) HR Manager must be able to predict the human problems in advance.

Activity E : Study the your Personnel Manager and listout his qualities.

1.10. Summary

Human resource management is considered to be the important area in the present day environment. HR M is a set of activities focussing on the effective use of human resources in an organisation.

It encompasses the activities of recruitment, selection, training, development, compensation, health and safety, benefits and services, union - management relation, motivation, morale etc. The H R manager make decisions to meet the organisation's economic and social objectives. Because of several changes and development in the society, the HR manager has to face several challenges. The H R manager should have the qualities like mental ability, judgement, dignity, loyalty, skills of communication, free from bias to deal with the employees of an organisation.

1.11. Keywords

Human Resource Management: It is the science of planning, organizing, controlling with various operative functions of procuring, developing, maintaining and utilizing the labour force.

Employment: It is concerned with securing and employing the people possessing the required kind and level of human resources necessary to achieve the organizational functions.

Policies: General Statements that guide decision making.

Procedures: These are meant to be guides to action rather to thinking. These state exactly what to do. These are steps to be taken to get through that action.

Rules: These are specific instructions of what may or may not be done.

Environment: Aspects, conditions, or objects surrounding an organization. It consists of both external and Internal. The external Environment consists of those factors which affect an organizations human resources from out side the organization. On the other hand, Internal environment affects the job of a personnel Manager.

1.12. Self Assessment Questions

1) Define the term "Human Resource Management" ?

2) Enumerate the objectives of Human Resource Management

3) What is significance and scope of Human Resource Management.

4) What are the various Functions of Human Resource Management ? Explain.

5) Explain the qualities of HR Manager.

6) What is personnel policy ? Describe how personnel policies affect the job of personnel Manager.

7) Explain how HR M is important to organisations ?

8) Personnel Management involves two categories of functions - Managerial and operative. Describe in detail.

9) What is environment ? Explain in detail the internal and external Environment affecting HRM in an organisation.

10) Give qualities of a Good HR Manager .

1.13. Further Readings

Drecker P.F. Practice of Management, Allied publishers : New Delhi. 1970.

Dale S. Reach, Personnel, Mac Millian : New York, 1985.

Keith Davis, Personnel, Human Resource Mangement, Mc Grawth; New Delhi, 1980.

Dawan R.S. Personnel Mangement and Industrial Relations, Vikas Publishing House; New Delhi, 1981.

Prof. D.A.R. Subrahmanyam

LESSON - 2

JOB ANALYSIS AND DESIGN

Objectives :

After studying this lesson the student is able to :

*   understand the meaning of the terms Job Analysis, Job Description, Job Specification, Job Design.

*   present the outline on Job analysis procedure.

*   present the content of Job Description

*   promote the purpose of Job specifications and procedure for developing one.

*   identify the various factors that must be taken into account in designing a Job.

STRUCTURE

2.1 Introduction

A Job is group of work tasks, duties and responsibilities that a worker and work group should perform for production of goods and services of the economy. Jobs are also means by which workers and people in general, earn their bread and represent how they spend a major portion of their lives. But the statement "Man does not live by bread alone" states man's motivational needs. What employees

actually do on the Job, the design of their work has great influence on their productivity and level of satisfaction. In the past, it seemed as most Jobs were designed for dull tasks. But today the situation is entirely opposite. Job design is aprocess of deciding on the content of a Job in term of its duties and responsibilities. On the Job methods to be used in carrying out the Job in terms of techniques, systems and procedures and on the relationships that should exist between the Job holder and his supervisors, subordinates and colleagues.

Current attention is, therefore, largely devoted to behavioural approaches that attempt to make the work or job more satisfying to the workers. So jobs are to be designed in such a manner that they can create satisfaction to the Job holders. According to Behavioural Scientists Job specialisation, Job enlargement and job enrichment are three major approaches to Job Designing in creating jobs that individually are fairly home geneous in aptitude requirements, or in creating Jobs that tend to be conducive to Job satisfaction.

The second approach that has had a major influence on Job design is what is now commonly called Ergonomics or human factor engineering. This is based on physical, chemical, biological, social and other relevant factors and is concerned generally with the design of physical equipment and facilities people use and the environments in which they work and live so they are more suitable for human use.

2.2 Job Design :

Job design is a process of deciding on the content of a job in terms of its duties and responsibilities, on the methods to be used in carrying out the Job in terms of techniques, systems and procedures, and on the relationships that should exist between the Job holder and his Superiors, Subordinates and colleagues.

2.3 Major objectives of Job design are :

i)   To satisfy the requirements of the organisation for productivity, operational efficiency and quality of produce or service.

ii)   To satisfy the needs of the individual for interest, challenge and accomplishment.

iii) To integrate the needs of the individual with the organisational requirements.

Job design involves four sets of decisions -

a)   Deciding what tasks will be performed by the work force.

b)   Deciding how these tasks will be grouped together and assigned to individuals.

c)   Deciding now individuals will relate to each other so that their work can be co-ordinated.

d)   Deciding how they will be rewarded for their performance as members of the organisation.

Activity A :

Think of the extent to which, according to you, these objectives are fulfilled by the personnel Dept. in your office suggest for further improvements.

....

....

....

2.4 Factors affecting Job design :

i)   Proven values of specialisation and repetitive operations.

ii) Changing Technology

iii) Trade Union policies

iv) Abilities of present personnel

v)   Available supply of potential employees.

vi) The interaction requirements among jobs with in the system.

vii) Psychological and Social needs of human beings that can be met by the Job.

Job Specialisation, Job enlargement and Job enrichment are three major psychological approaches in Job design. The other minor approaches such as Job rotation, variable work schedule, flexitime, four day work weeks, to Job design for making Jobs more attractive.

Job Specialisation : It has been widely accepted by most management in both private and public sectors since the time of Adam Smith. Advocates of specialisation has contended that high speed, automated, low cost mass production that has greatly contributed to our improved standard of living is largely due to specialisation in industries. Also a worker is easily trained to get him specialised to perform his assigned task with greater satisfaction. As a result, the Job is performed most economically and greater output is obtained compared to non specialisation.

Job Enlargement : In recent years, it has been established that the Job specialisation is not always the best and the most economical way to perform a Job. The alternative approach suggested is Job enlargement which is the opposite of Job specialisation. Job enlargement is the expansion of Job content to include a wider variety of tasks and to increase the workers freedom of pace, responsibility for checking quality and discretion for method. Thus Job enlargement concentrates on the motivational issues. A Job is said to be enlarged horizontally if the worker performs a greater number or variety of tasks without increasing their responsibility or complexity, and is said to be increased vertically if the worker is involved with greater ability, responsibility, skill and autonomy required from Job holders as in planning organising his own work.

Job Rotation : It provides variety without assuming entirely unfamiliar and more demanding responsibility to workers by rotation or transfer with in a work group requiring the same basic skills and receiving the same wages. This voluntary rotation among identical class of work groups fosters a greater feeling of team work, provides opportunity for training in different type of jobs by associating with different work groups, and makes the work force more adoptive and flexible.

Variable work : Schedule makes a Job more attractive and satisfying by allowing workers a certain freedom to work what ever hours they want. Some times two part time employees share a Job, one working the first half and the other working the second half shift according to their choice.

Flexi time : It allows workers to come early or late and leave early or late so they put in specified number of hours in a day. They may even take time out of their working hours for their personal business.

2.5 Job Enrichment :

Though Job Enlargement brought about diversity in over specialised jobs, it did little to instill challenge or meaningfulness to a worker's activity. Job enrichment was introduced to deal with short comings of Job enlargement. Many organisations employ a large number of people in jobs that have a relatively limited scope of responsibility i.e. Jobs that require little initative or decision-making, that provide little feed back on results and that large establishment offer limited intrinsic motivation for effective performance and productivity. Some of the key ingredients of Job enrichment include more responsibility, control of employees over decision making, well defined job, opportunity to learn Job, more variety in Job, and opportunity to use skills and abilities. In particular, Job enrichment is concerned with designing jobs that incorporate a greater variety of work content, require a higher level of knowledge and skill, and give the workers more autonomy and more responsibility for planning.

2.6 Techniques of Job Enrichment :

i)   Increasing the responsibility of the activity.

ii)   Providing wider scope, more sequence and increased pace of the work.

iii) Giving a natural unit of work either to an employee or group of employees.

iv)   Providing the freedom of work by minimising controls.

v)   Allowing the employees to set their own standards.

vi)   Providing the employees the control information and allow them to monitor their own performance.

vii) Encouraging employee participation in planning, creations and innovations.

viii) Introducing new, difficult, creative tasks to the employees.

ix)   Assigning specific tasks.

2.7 Procedure of Job Enrichment :

i)   Selecting jobs which permits close relation between motivation and Job performance.

ii)   Introducing on a pilot scheme basis.

iii) Starting with the assumption that these jobs can be changed.

iv)   Brain storming a list of charges that may enrich the jobs.

v)   Concentrating on motivational factors such as achievement, responsibility, self control etc.

vi)   Trying to change the content of the Job rather than changing the employees from their Job.

vii) Providing adequate training, guidance, encouragement and help.

viii) Introducing with care as Job enrichment programmes may be resisted by employees.

ix) Preparing the specific programmes for each project and ensure the control information to monitor the performance.

Dimensions of Job Enrichment : There are five core dimensions that provide enrichment of jobs. They are

a) Task variety.

b) Task identity.

c) Task significance.

d) Autonomy.

e) Feed back.

It is desirable for a Job to have all the five dimensions. If one is missing, workers are psychologically affected and motivation tends to be reduced.

The core dimensions tend to improve motivation, satisfaction, and quality of work. Admittedly, there are large individual differences as to how employees react to the core dimensions but the typical employee finds them basic for internal motivation.

Activity B :

Write your comments on Job Enrichment in light of your experience in your organisation.

....

....

....

2.8 Job Analysis :

Management should determine the kind of personnel required for a Job and the number of persons to be employed. The organisation should also findout the right man for the right Job in right time. Thorough knowledge of the Job is essential to perform these functions. Job Analysis is the process of systematically analysing the activities pertaining to each Job. It is designed to define the duties, responsibilities and accountability of the Job. The three out comes of Job Analysis are

a) Job Description

b) Job Specification

Meaning of Job : The Job includes all duties, responsibilities, functions and subfunctions which are assigned to a particular employee relating to his employment. Daleyolder defines the Job as "It is a collection of duties, tasks and responsibilities which are assigned to an individual and which is different from other assignment". Thus Job is a combination of all the works, duties and responsibilities generally assigned to an individual employee relating to his employment.

The term Job Analysis is a combination of two words. Job and Analysis. A Job is a combination of all the works, duties and responsibilities assigned to an employee relating to his employment. Analysis is a process of deep examination. Thus the term Job Analysis may be regarded to a process

of indepth examination of the duties, responsibilities and works relating to a particular Job. It is a complete and thorough knowledge of the responsibilities and requirements of a particular Job.

According to Flippo : "Job Analysis is the process of studying and collecting information relating to the operations and responsibilities of a specific Job. Micheal J. Jucius defines Job Analysis as "It refers to the process of studying the operations, duties and organisational aspects of jobs in order to derive specifications or as they are called by some Job descriptions." This Job analysis is a process in which information regarding all the activities and responsibilities attached with a particular work assigned to an individual employee are collected and examined. The complete Job Analysis contains information relating to the following five factors - work products, necessary worker activities or behaviour required   by the Job, equipment used, factors in the work environment, personal characteristics required to do the Job.

Uses of Job Analysis : Job Analysis is a procedure and tool for determining the specific tasks and requirements for each Job. It refers to anatomy of the Job. Thus Job Analysis is major input to fore cast future human resources. The information provided is essential in almost every phase of employee relations.

The importance of Job analysis may be summarised as under :

i) It is helpful in organisational planning.

ii) It provides realistic basis for hiring, training, placement, transfer and promotion of personel.

iii) It helps in determining wage and salary Admn.

iv) It provides information which enables us to change jobs. It is concerned with operational Analysis, motion study, work simplification methods.

v) It aims at reducing labour costs.

vi) It helps in improving efficiency.

vii) It helps in establishing clear cut standards.

viii) It provides opportunity for identifying hazardous conditions and unhealthy environmental factors.

ix) Helps in redesigning Job.

x) It acts as basis for Job Evaluation.

xi) It helps in vocational selection.

Activity C :
In your opinion, to what extent, diffrent factors affected in your organisation, while designing jobs.

....

....

....

6

2.10 Job Analysis Information :

It provides the following information :

i)   Job Identification

ii)   Characteristics of a Job

iii)   What a typical worker does

iv)   Which materials, equipment a worker uses

v)   Nature of operations

vi)   Received personal attributes

vii)   Job Relationship

Job Analysis Process : Jobs can be analysed through a process which consists of five basic steps. These steps consists of -

a) Collection of back ground information

b) Selection of representative positions to be analysed

c) Collection of Job Analysis data

d) Developing a Job description

e) Developing a Job specification

Phases of Job Analysis :

Phase I   :   Preparation for Job Analysis

Phase II   :   Collection of Job Analysis Information

Phase III :   Application of Job Analysis Information

Diagramatically; It can be shown in following manner

Phase - I	*Phase - II*	*Phase - III*
Preparation for Job Analysis	Collection of Job Analysis information	Applications of Job Analysis Information
General familiarity with organisation and type of work	Job identification, Questionaire Development Data collection.	Applications Job description Job specifications Job standards.

Techniques used for Data collection for Job Analysis :

There are several techniques that can be used for the purpose of collection of data. The important among them are

    a) Questionnaire Method

    b) Interview Method

    c) Jury of Experts

    d) Record Method

    e) Employee Log Method

    f) Personal Observation

2.12 Job Description :

A Job description is a written statement that explains duties, working conditions and other aspects of a specified Job. It contains both organisational and functional information. It defines the scope of the Job activities, Major responsibilities, positioning of a Job in the organisation. It provides the worker, analyst and supervisor with a clear idea of what the worker must do to meet demands of the Job.

Content of the Job Description :

i)   Job title

ii)   Organisational location of the Job.

iii)   Supervision given and received.

iv)   Designation of Immediate Superior.

v)   Salary level.

vi)   Complete list of Duties.

vii)   Conditions of Work.

viii)   Training and Developmental facilities.

ix)   Promotional channels and chances.

Thus Job description is a statement of Job contents in the form of duties and responsibilities of a specific Job. The preparation of a Job description is necessary before recruitment. It tells in brief the nature and type of a Job. In other words, it emphasises the Job requirement. As the title indicates, the document is descriptive in nature and contains a record of Job facts.

Characteristics of a Job Description :

Following are the important characteristics of a good Job description :

i)   The first necessity of a good Job description is that it should have a proper title. The title must be meaningful.

ii)   Job description should be upto date. All necessary changes must be incorporated from time to time.

iii)   A good Job description must have all the relevant information relating to a Job.

iv)   There should be clarity in duties and responsibilities.

v)   A good Job description is one that is classic enough to incorporate the changes and amendments.

vi)   A good Job description is one which is made clear to the employees for whom it is meant.

Activity D :

Write out a Job Description of your present Job, with the help of the theory provided to you.

....

....

....

2.13 Job Specification

It is written statement of qualifications, traits, physical and mental characteristics that an individual must possess to perform the Job duties and disagree responsibilities effectively. Job specification translates the Job description into terms of the human qualification which are required for a successful performance of a Job. They are intended to serve as a guide in hiring and Job evaluation. As a guide in hiring, they deal with such characteristics as are available in an application blank, and also with testing, interviewing and checking of reference.

The first step in a programme of Job specification is to prepare list of all jobs in the company and where they are located. The second step is to secure and write up information about each of the jobs in a company. The items to be included in Job specification vary according to the nature of the organisation and the uses to which they are put. However, items like age, sex, experience, skill, education, dexterity are invariably included in it.

Job Specification information includes -

a) Physical specifications : The physical specifications include the physical qualifications or physical capacities which vary from Job to Job. Physical issues include physical features like height, weight, chest, vision, hearing, ability to lift weight, health, age etc.

b) Mental specifications : The mental specifications include ability to perform, automatical calculations to interpret data to read electrical circuits, ability to plans, reading abilities, judgement capacity etc.,

c) Emotional and Social Specifications : These factors include emotional Stability, flexibility, Social adoptability, personal appearance include dress, postures voice etc.,

d) Behavioral Specifications : These specifications include Judgements, Research, Creativity, teaching ability, Self reliance, dominance etc.,

Minner criticises the Job analysis that these documents are too restrictive in nature and they are not desirable because the Job is largely what an individual makes of it. Job descriptions impose undue limitations on the development of the individual in his Job.

However Job analysis which taken into consideration the special and psychological needs of employee would eliminate such criticisms.

Activity E :

List our specifications given to your Job, or you are very familiar with.

....

....

....

2.14 Summary :

Procurement is the first operative function of personnel management, which can be subdivided into various sub functions like Human Resource Planning, Recruitment and Selection. Management should determine the kind of personnel required for a Job and the number of persons to be employed. The organisation should find out right man in the right Job. Thorough knowledge of Job is essential to perform these functions. Job Analysis is needed to know all these functions. Job analysis is a tool for determining the specific tasks and requirements of each Job. Job analysis, thus acts as major input to forecast the future human resources. This information is essential in allmost every phase of employee relations. All the Job analysis methods elicit information from a source and present that information in a desired format, such as Job description and Job specifications.

2.15 Key words :

Job Design: It is the process of deciding on the content of the job in terms of its duties and responsibilities. Two important goals of job design are to meet the organizational requirements and to satisfy the needs of the individual employees.

Job Rotation: It involves periodic assignment of an employee to completely different sets of job activities.

Job Enlargement: It means adding more and different tasks to a specialized job.

Job Enrichment: It is concerned with designing jobs that incorporate a greater variety of work content, require a higher level of knowledge and skill and give the workers more autonomy and more responsibility for planning. It deals with giving more responsibility, control of employees over decision-making, well-defined jobs, opportunity to learn a job, more variety in job and opportunity to use skills and abilities.

Observation Method: It is a method of job Analysis which can be used in combination with other methods. The methods depend observation method are direct observation, Work methods analysis, including time and motion study and Micro nation analysis. Here in this method person conducts the analysis, simply observe employees in the performance of their duties and records the observations.

Job Analysis: It is detailed and systematic study of each job to establish in advance the standards of the people to be appointed on job.

Job Description: It is a document that outlines the broad terms the purpose, scope and duties, responsibilities of job for which a person hired.

Job specification: It is a statement of minimum acceptable human qualities necessary to perform a given job.

Job Evaluation: It is a systematic method for the objective determination of the relative worth of jobs with in a company. It is a procedure for measuring the relative contribution of each job and ranking these jobs in accordance with these measurements.

Job Requirements: A characteristic required of a worker to perform a particular job successfully.

2.16 Self Assessment Questions :

1. Describe the relationship between Job requirements and different functions of HRM
2. What is Job Analysis? and explain its procedure.
3. Job Analysis is the process of critically evaluating the duties and relationship of jobs. Evaluate the statements.
4. Write a short note on Job Analysis.
5. Explain the meaning of Job description? How is it prepared? What are the characteristics of good Job discription.
6. Explain the factors that influence the Job design.
7. What is Job Specification? Explain its importance in a typical organisation.

2.17 Further Readings :

1. Stephen P. Robbing, 1983 organisational Behaviour, printice Hall of India Ltd. New Delhi.
2. Taylor F.W. 1911 The principles of scientific management, Harper and Row, New York.
3. Harsey P and Balanchard, K.H. Management of organisational Behaviour, printice Hall of India, New Delhi.
4. Memoria, CB, 1995 Personnel Management, Himalaya publishing House, Mumbai.
5. Hackman JR, 1977 : Perspectives in Behaviour in organisations, Mc Graw Hill, New York.
6. Muni Ramappa, Shankaraidh, 1985 : Personnel Management and Industrial Relations, Excel publications, New Delhi.

Prof. D.A.R. Subrahmanyam

LESSON - 3

HUMAN RESOURCE PLANNING

Objectives

After studying this lesson, the student is able to :

P describe the basic approaches to Human Resource Planning

P explain the process of forecasting the personnel requirements

P review the process of Human Resource Planning

P study the methods and techniques of demand and supply and identifying human resource requirements.

Structure

3.1.   Introduction

The long run success of any organisation ultimately depends on having right people in the right job at right time. Organisational goals have meaning only when people with the appropriate talent, skill and desire are available to execute the tasks needed to realise goals. Human Resource Planning is the system of matching supply of the people with openings in the organisations expected over a given time. Thus Human Resource Planning means to see whether the persons to whom some work is assigned are capable to do it or not. The ability and the capability of employees changes with the change of time and circumstances, therefore, the management should study the abilities of its employees and plan the capability of its man power accordingly. The essence of Human resource planning is the right man on the right job and the right job for the right man.

If a person is appointed at a post requiring more ability than the ability of a person, he will not be able in discharging his duties according to the requirements of the post. Similarly, if the person possessing higher abilities is appointed at a post not requiring that much ability, he will feel dissatisfied with his job and the enterprise (will not be able in the enterprise) will not be able in exploiting his best abilities.

Manpower is regarded as the quantitative and qualitative measurement of labour force required in an organisation and planning in relation to manpower may be regarded as establishing objectives to develop human resources in line with the broad objectives of the organisation. In other words, Human Resource Planning may be expressed as a process by which the organisation ensures the right number and right kind of people at the right place at the right time doing the right things for which they are suited for the achievement of goals of the organisation. It is a two phased process by which management can project the future manpower requirements and develop action plans to accommodate the implications of projections. Thus Human resource planning is the process of developing and determining objectives, policies and programmes that will develop. Utilise and distribute man power so as to achieve the goals of the organisation.

3.2.   Meaning and Definitions

Human Resource Planning is the process by which a management determines how an organisation should move form its current manpower position to its desired manpower position. Human Resource Planning is the double edged weapon. If used properly, it leads to the maximum utilisation of human resources, reduces the excessive labour turnover and high absenteeism. It improves productivity and aids in achieving the objectives of the organisation. If it is faultily used, it leads to disruption in the flow of work, lower production, less job satisfaction, high cost of production and constant headaches for the management personnel.

Mc beath defines Human Resource Planning as "It involves two stages. First stage is concerned with the details of planning man power requirements for all types and levels of employees through out the period of plan and second stage is concerned with the planning of manpower supplies to provide organisation with right type of people from all sources to meet the planned requirements."

According to Geisler, " Human Resource Planning is the process - including fore casting, developing, implementing and controlling - by which a firm ensures that it has the right number of people and

right kind of people at right place, at right time, doing things for which they are economically more suitable."

Stainer defines Human Resources Planning as a strategy for acquisition, Utilisation, improvement, and preservation of an enterprises human resources. It relates to establishing job specifications or the qualitative requirements of jobs determining the number of personnel required developing sources of supply of manpower.

Thus Human resource planning consists of projecting future man power requirements and developing man power plans for the implementation of the projections.

Activity A : Indentify and present number of personnel at various levels in your organisation.

3.3. Significance of Human Resource Planning

i) Helps in the selection and Development of the employees as it ensures that adequate persons are selected well in advance so that they may be developed for anticipated openings.

ii) It helps in procurement of personnel

iii) Human Resources Planning helps in formulating managerial succession plans as a part of the replacement planning process.

iv) Manpower forecasting, which high lights critical short age of important skills, helps the management in avoiding disruption of production programmes and under utilisation of plant capacity by timely corrective action.

v) It also helps in identifying areas of surplus personnel.

vi) Helps in managerial succession plans as a part of the replacement planning process which is necessitated when job change plans for managers are formulated.

3.4. Reasons for current Interest

i) The changes in production technologies, marketing methods and management techniques have been extensive and rapid. These changes are causing problems relating to redundancies retaining and redeployment. All these contribute to the need to plan the human resource needs intensively.

ii) Acute shortage of a variety of skills emphasises the need for effective recruitment and retaining people.

iii) Cyclical fluctuation, discontinuties are effecting the man power requirements and require strategic consideration.

iv) Changes in demographic profile of the work force interns of age, sex, literacy, technical inputs and social background have implications for Human resource planning.

v) Legislative controls and Hire and Fire policies and also responsible to give relook into human resource planning.

vi) Pressure groups such as unions, politicians, persons displaced from land by location of gaint enterprises have been raising contradictory pressures on the management.
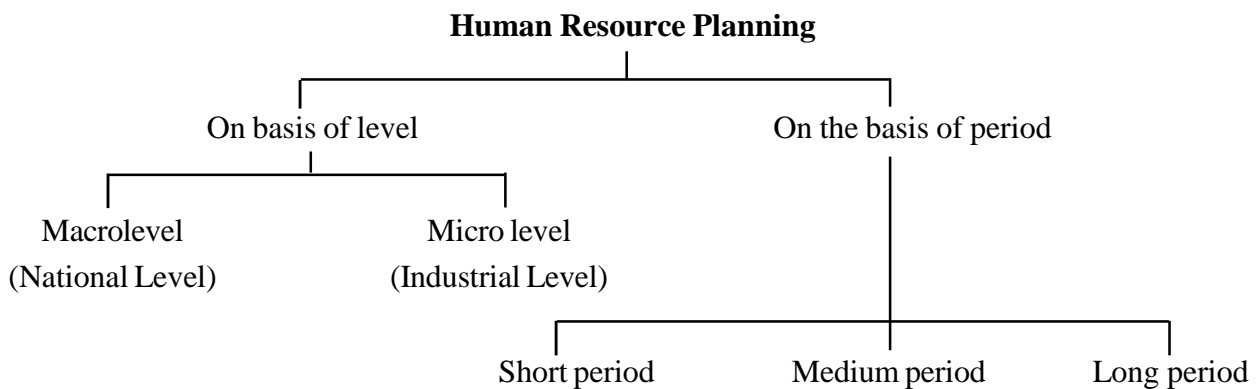
3.5. Objectives of Human Resource Planning

i) To ensure optimum use of human resources currently employed.

ii) To recuit and retain the human resources of required quantity and quality.

iii) To fore see employee turnover and make arrangements for minimising turnover.

iv) To meet the needs of programmes of Expansion.

v) To improve standards, skills, knowledge etc.

vi) To assets the surplus or shortage of human resources.

vii) To prepare recruitment policy.

viii) To promote the personnel policy.

3.6. Types of Human Resource Planning

Types of Human Resource planning can be distinguished by two criteria :

a) Can the basis of the level at which it is above

b) Can the basis of period for which it is done.

Human Resource Planning

On basis of level   On the basis of period

Macrolevel   Micro level
(National Level)   (Industrial Level)

Short period   Medium period   Long period

Fig 3.1 : Types of Human Resource Planning

4

3.7. Need for Human Resource Planning

Human Resource Planning anticipates not only the required kind and number of employees but also determines the action plan for all the functions of Human Resource Management.

i)   It helps to satisfy the individual needs of the employees for promotions, transfers, better benefits etc.

ii)   It helps in anticipating cost of salary, cost of human resources for facilitating the formulation of budgets.

iii)   It tries to fore see the need for redundancy and plan to check it.

iv)   It helps in fore see the changes in values, aptitude and attitude of human resources.

v)   It helps in planning for physical facilities, working conditions, the volume of fringe benefits like canteen, schools, hospitals etc.

vi)   It gives idea of type of tests to be used and interview techniques in selection based on the level of skills, qualifications, intelligence, values etc.

vii)   It provides scope for advancement and development of employees through training, development etc.

viii)   It causes the development of human resources to meet the organisational needs.

3.8. Problems in Human Resource Planning

Though H R P is benificial to the organisation, employees and Trade Unions, some problems crop up in the process of Human Resource Planning. Important among them are,

i)   Most employees resist H R P as they think that it increases the cost of manpower. Trade unions and employees also resist H R P as they view that it increases the work load of the employees.

ii)   Uncertainties like absenteeism, seasonal employment, labour turnover etc., technological changes, marketing conditions are making human resource planning less reliable.

iii)   Due to low status given by the Indian Industries, Information system regarding human resources has not yet fully developed. Further reliable data regarding economy, other industries, labour market, trends in human resources are not available.
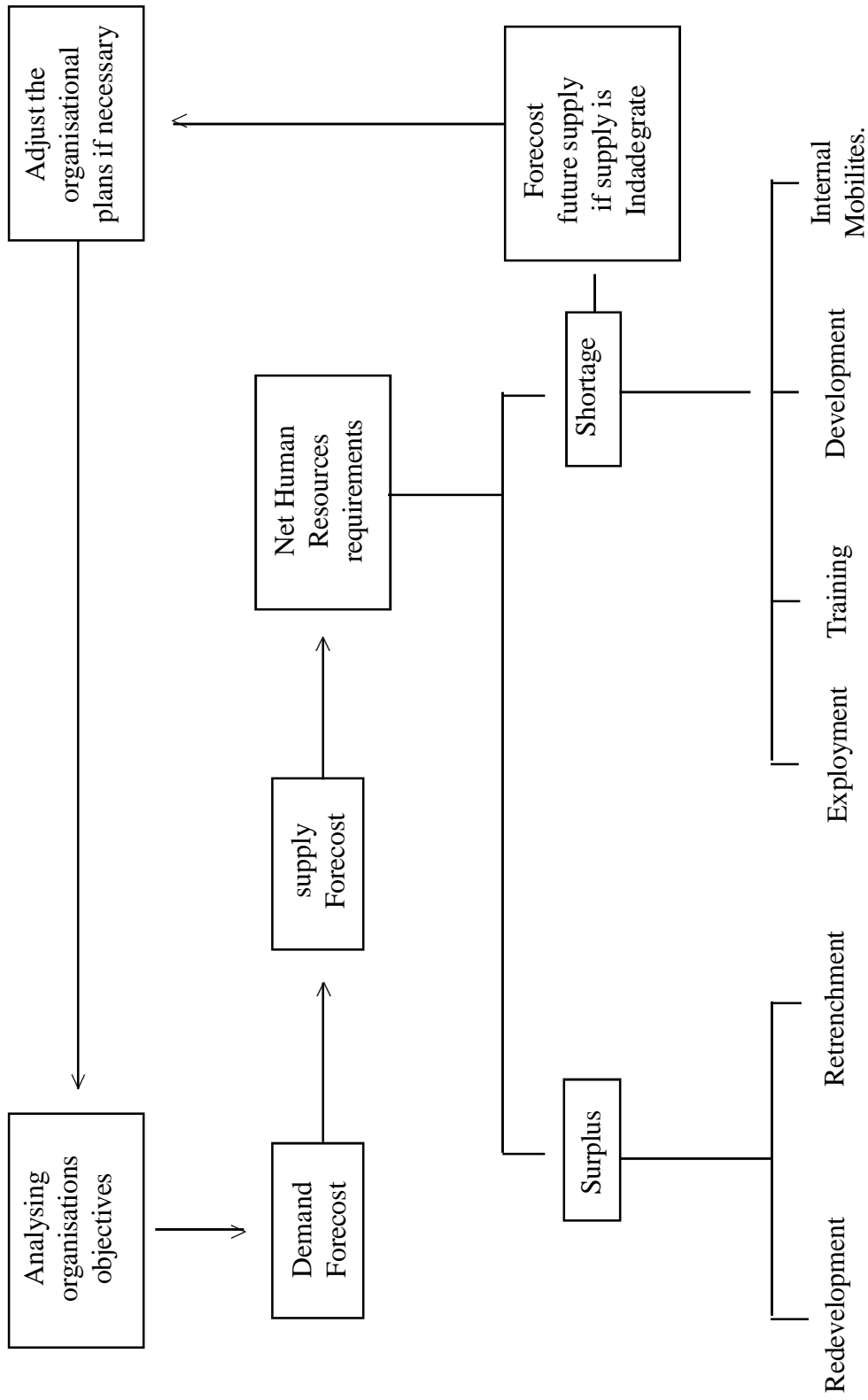
Fig 3.2. :   Human Resource Planning

3.9. Human Resource Planning Process

Human Resource Planning Process consists of the following areas :

a)   **Analysing the organisational objectives.**

b)   **Fore casting the Human resource needs.**

c)   **Projecting the Human resource supply.**

d)   **Estimating the net Human resource requirements.**

e)   **Planning for policies and programmes**

f)   **Evaluating effectiveness.**

a)   Analysing the organisational objectives : The Organisation must specify the clear cut objectives before starting Human resource planning. It must be the point of the corporate planning. It must be integrated with the overall organisational plans. Human Resource Planning should be done carefully as it has got long term impact. If wrong forecast for the future man power inventory are made, it may not be possible to rectify the errors in the short run. Hence the H R planning should be more concerned with filling future vacancies with right kind of people rather than with matching existing personnel with existing jobs.

b)   Fore Casting Future Human Resource Needs : The demand for labour is derived form the demand for an organisations goods and services. If other factors are held constant, the increased demand for goods and services leads to an increased demand for labour. Inversely, a decreased demand for goods and services generally results in a decreased demand for labour. Forecosts of the demand for human resources can be shortage, mid range or long range, depending on how far the future goals are set.

c)   Projecting Human Resource Supply : Projections are estimates of the number of kinds of employees that can be expected to constitute an organisation's work force at some future point in time. Projections are based on a careful assessment of an organisation's current supply, plus consideration of employee movement into and out of the organisations.

Generally human resource planners make use of variety of techniques to project future personnel needs. These techniques range form judgement to sophisticated quantitative models.

Some of the techniques are :

i)   Judgement and Experience.

ii)   Budgetary planning,

iii)   Work standards

iv)   Key predictive factors.

d)   Estimating the Net Human Resource requirement :   The next major step in the Human Resource Planning process is comparing the forecast needs for human resources with the projections of internal supply. By subtracting the projected supply from the forecast needs, planner can determine an organisation's net employee requirements for as future point in time. No employee requirements should be determined for each job in an organisation as well as for the organisation as a whole.

e)   Planning policies and programmes : After employee requirements are determined action plan for redeployment, redundancy and retrenchment or, action plan for recruitment, Development etc is to be initiated. It is new stage where planners generate and evalvate alternative resources policies and programs to handle anticipated surplus or shortages.

If the future supply of human resources from all the external sources is estimated to be inadeguate or less than the recruitments, the man power planner has to suggest the management to alter the organisational plan.

In view of shortage of certain categories of employees, the organisation has to take care not only of requirements but also retention of existing employees.

Activity B : Identify and study the Manpower planning process in the organisation where you are working or your are familian with.

Retention plan should include :

1)   Adjustment of salary levels with those of the comparable industries.

2)   Providing opportunities for career development.

3)   Providing extensive training

4)   Providing scope for extensive participation.

f)   Evaluating the H R P effectiveness : Organisations should evaluate their H R P efforts to determine their effectiveness in helping to achieve organisational goals and objectives. Evaluating in terms of costs and benefits is difficult. Though planning has definite costs, its benefits are more intangible and very difficult to measure.

3.10. Summary

Human Resource planning concerned with the utilisation of human resources to help attain an organisations objectives. H R P ensures right man to right job at right time at right place. It is needed because of expected changes in technology, environment, management plans etc.

3.11. Key words

Man Power Planning: Estimating how many employees and what types of employees an organization require at some time in the future and making plans to meet those requirements.

Human Resource Forecast: It is a determination of the demand for different categories of employees with appropriate skills for specified time periods in the future.

Basic Factor: It means a variable to which manpower demand is related.

National Level HRP: Generally Government at the central level plans for the human resources at the national level. It forecasts the demand for and supply of human resources. It takes steps to adjust the demand by altering its economic, industrial and agricultural policies and adjust the supply through its population policy.

Age Inventory: It includes age wise number and category of employees. It indicates age wise imbalances in present inventory, which can be correlated in future selections and promotions.

Redundancy Plan: It includes type and number of employees, time of and place of retrenchment, type of help to be extended to retrenched employees in the form of compensation, help in getting new job, Priority in filling future vacancies.

3.12. Self Assessment Questions

1. Define Human Resource Planning ? What are its objectives ?

2. Explain the process of Human Resource planning ?

3. What are the techniques for Human Resource planning ?

4. What do you understand by Human Resource planning ? How would you draw up a man power plan for an organisation.

5. What factors do you consider while forecasting manpower needs of the organisation ?

6. What are the benefits of Human Resource planning ?

7. Review the major activities of Human Resource planning ?

3.13. Further Readings

John Edwards, Man power planning, John Wiely; New York, 1983.

Harris O, Jesf Jr, Managing people at work : Concepts and cases in inter-personal Behaviour, John Wiley & Sons, New York, 1976.

Sharma A.M, Human Resoure Management, Himalaya publishing House, Bombay, 1995.

Subba Rao. P, Rao V S P, personnel / Human Resource Management, Konark publishers private Limited; New Delhi, 1998.

Prof.   D.A.R. Subrahmanyam

LESSON - 4

RECRUITMENT - SOURCES AND METHODS

Objectives

After reading this lesson, you should be able to;

* understand the nature and policy of Recruitment ;

* explain and evaluate various methods of Recruitment ;

* describe the recruitment practices in India.

STRUCTURE

4.1 Introduction

Once the required number and kind of human resources are determined, the organisation has to find where the required human resources are available and also find the means of attracting them towards the organisation Recruitment is the process of discovering potential applicants for actual or anticipated organisational vacancies.

4.2 Policy of Recruitment

Recruitment is a continous function which involves the following stages

- Recruitment policy

- Organising for recruitment

- Forecasting manpower requirements

- Discovering appropriate manpower sources.

- Different techniques used for utilising these resources

- Evaluating the recruitment programme

Recruitment is defined as a process to discover the sources of manpower to meet the requirements of the staffing schedule and to employ effective measurers for attracting that manpower is adequate numbers to facilitate effective selection of an efficient work force". Edwin B Flippo defined recruitment as "the process of searching for prospective employees and stimulating then to apply for jobs in the organisation. Flippo viewed recruitment both as "positive" and negative activity, It is often termed positive in that it stimulates people to apply for jobs to increase ìthe hearing ratio, the number of applicants for a job. Selection on the other hand tends to be negative because it rejects a good number those who apply leaving only the best to be hired.

4.2.1 Recruitment Policy:

A "recruitment policy" in its broader sense involves a commitment by the employer to such general principles as

- To find and employ the best qualified persons for each job
- To retain the best and most promising of those fined
- To offer promising opportunities for left ñ time working
- To produce programmes and facilities for personal growth on job.

According to Yodev ìthe recruitment policy is concerned with quality and qualifications of manpower. It establishes broad guidelines for the staffing process. Recruitment policy of any organisation is derived form the personnel policy of the organisation. Recruitment policy should take into consideration the government's reservation policy, policy regarding sons of soil etc., personnel polices of other organisations.

A good recruitment policy must contain the following elements;

- organisation's objectives -both in short - term of long term must be taken into consideration.
- Identification of the recruitment needs
- Preferred sources of recruitment
- Criteria of selection and preferences
- The cost of recruitment and financial implications of the same

4.2.2 Impact of personnel policies on Recruitment polices :
As said above Recruitment policies are mostly drawn from personnel policies of the organisation. These general personnel policies provide a variety of guidelines to be spelt out in recruitment policy. After formulation of the recruitment policies, the management has to decide whether to centralise or decentralise the recruitment formation. Some organisations prefer centralized recruitment (government and commercial banks) while some organisations prefer decentralized recruitment practice (Railways). Most organisations have an policy on recruiting internally (within company or organisation) or externally (outside the organisation). Generally, the policy is to prefer internal sourcing, as external employees know the organisation, well and they can easily fit to the organisations culture. In multinational corporations, there is the policy relating to the recruitment of local citizens, because they can understand local languages, customes and business practices better.

2

Activity A :

Describe below the recruitment policies of your organisation.

....

....

....

4 .3 Sources of Recruitment:

The sources of recruitment are broadly divided into internal sources and external sources.

4.3.1. Internal sources: Internal sources include personnel already on the pay-roll of the organisation. This source also includes personnel who were once on the pay-role of the organisation but who plan to return or whom this organisation would like to rehire and those who quit voluntarily or production lay-offs.

Merits of Internal Sources

i.   It promotes loyalty among the employees

ii.   Morale of the employees can be improved

iii.   It provides a sense of job security and opportunity for advancement

iv.   It is less costly compared to outside sources

v.   It is used as a technique of motivation

vi.   It is a training device for developing middle and a top-level managers

vii.   Loyalty, commitment a sense of belongingness, and security of the present employees can be enhanced.

Demerits :

i.   It often leads to inbreeding, and discourages new blood from entering an organisation.

ii.   It is disfunctional to the organisation to utilise inferior internal sources when better candidates are available outside.

4.3.2 External Sources: External sources lie outside the organisation, they include a) public employment exchanges b) private employment agencies c) management consultants d) campus recruitment e) casual applicants f) professional organisations and g) other sources.

a)   **Public Employment Exchange:** The government setup Public Employment exchanges in the country to provide information about vacancies to the candidate and to help the organisation in finding suitable candidates. The employment Exchange Act, 1959 makes it obligatory for public sector and private sector enterprises in India to fill certain types of vacancies through public employment agencies.

b)   **Private Employment Agencies**: Private employment agencies perform the recruitment function on behalf of a client company by charging fee. They also provide complete time of services which include advertising   position, screening the applicants and going guarantee to employees.

c)   **Management Consultants:** They specialise in middle and top level executive placements. These agencies act as a butter inn screening the candidates and keeping the prospective employee anonymous. In the final state senior executive of the prospective firm move into negotiation with applicants and determine degree of natural interest.

d)   **Campus Recruitment**: Universities and Institutions, Colleges provide facilities for campus recruitment and selection. They maintain the bio-data and performance required of the candidates . Organisations seeking to recruit the candidates from this source can directly contact these colleges and universities directly.

e)   **Professional Organisations:** professional organisations or associations maintain bio-data of their members and provide the same to various organisations on requisition. Organisation find these source more useful to recruit the experienced and professional employees like executives, managers, engineers etc.

f)   **Casual Applicants:** This source provides an excellent supply of stock piled applicants. Depending upon the image of the organisation, its prompt response, level of employment, potential candidates apply casually for jobs through mail or hand over the applications in Human Resource Department.

g)   **Other Sources:** Friends and relatives of present employees are also a good source for which employees may be drawn. Trade unions also provide manual and skilled workers. Voluntary organisations like social organisation, non-profit organisations associations also provide employees ñhandicapped, widowed women, old persons, retired people, etc, is response to advertisement potentials of utilising workers is older age group is an important source of additional supply. This source provides an opportunity to gain fullest benefits from employment of the nature and old workers.

Activity B :

Recall your first oppintment and mention which sources of recruitment was used by recruiters of from organisation.

....

....

....

4.4 Methods of Recruitment :

Dunn and Stephens summaries the recruiting methods into three categories direct, indirect and third party.

a) Direct methods: These include sending recruiters to educational and professional institutions for campus recruitment. The placement office of a college, usually provides help in attracting students arranging interviews, furnishing space, and providing student resumes. Sometimes, organisations firms directly solicit information from the concerned professors about students with an outstanding record. Other direct methods include sending recruiters to conventions and seminars,

setting up exhibits or fairs, and using mobile office to go to the desired centers for managerial, professional and sales personnel, campus recruitment is the best methods.

b)   **Indirect methods**: Indirect methods involve mostly advertising in newspaper, on the radio, is trade and professional journals, technical magazines and brochures, Television and Internet, Advertisements are most popular methods of communicating public job vacancies.

Advertiser provides the candidates the information about the job and organisation and encourages them to apply for jobs.

Radio and Television only are use by government departments only. Companies in the private sector are hesitant to use the media because of higher Radio and television can be used to attract swelled workers. And Internet is used to reach technical personnel like software and hardware people.

c)   **Third Party Methods:** These include the use of commercial or private employment agencies, state agencies, placement after college, professional associations, management consultancy firms friends and relatives.

Modern sources of Recruitment

A number of modern recruitment sources are being used by the organisations in addition to traditional sources. These sources are walk-in, consult in, Body shopping, Internet recruitment.

a)   **Walk-in:** Modern Organisation advise the advertise an potential candidates to attend for an Interview directly in without a prior application on a specified date, time and at a specified place. The potential candidates from among the interviews will be selected for appointment after screening the candidates through tests.

b)   **Consult in:** Organisation encourage the potential job seekers to approach them personally and consult them regarding the jobs, and select the suitable candidates through the selection process.

c)   **Body shopping:** Professional Organisation and hiñtech training institution develop the pool of human resources for the employment. These professional and training institutions are called body shoppers and their activities are known as body shopping the body shopping is used mostly for computer professionals.

d)   **Internet Recruitment:** Information Revolution helped the organisations to use Internet as a source of recruitment and advertisement. Organisation advertise the vacancies through world wide web (www) and the potential applicants send their application through e-mail

4.5 Evaluation of Recruitment process :

The recruitment process has the objective of reaching for and obtaining application from job-seekers keeping this mend, the evaluation of Recruitment process include,

-   Return rate of applications sent out
-   Number of suitable candidates for selection
-   Retention and performance of the candidates selected

- Cost of the recruitment process
- Time lapsed data.

4.6 Recruitment Practices in India:

The different sources of recruitment in India are:

i)   Internal sources or within the organisation

ii)   Temporary workers

iii)   Casual workers

iv)   Employment Exchanges

v)   Advertisements

vi)   Candidates introduced by friends and relatives

vii)   Campus recruitment like IIM, IIT, IIS and NITI.

viii)   *Sons of the soil :* The Government of India issued directives to public sector enterprise to recruit local candidates on primary basis. The natural committee on labour, in this connection, recommended for providing employment to local persons. Public sector organisations and multinational corporations have started providing jobs to son of the soil on primary basis.

ix)   Labour contractors

x)   *Specified communities and categories:* According to the Government directives the organisations, particularly public sector have to recruit candidates to the specified extent from the scheduled castes, scheduled tribes, backward committees and from specified classes like physically handicapped, ex ñ servicemen, and women etc.

4.7 Summary :

Recruitment is an important HRM function, without attracting adequate member of qualified people the organisations cannot be expected to work effectively. Rational recruitment necessitates sound recruitment policy and effective procedures for discovering sources and techniques for tapping them and continuing evaluation.

4.8 Key words :

Recruitment: It is the process of searching for prospective employees and stimulating them to apply for job in organization.

Recruitment sources: Internal and external: Internal means recruitment of personnel within the organization, externals sources include attracting people through advertisement, campus interviews, employment exchanges, private agencies etc.

Third Party Methods: These methods include commercial and private employment agencies, state agencies, and placement offices of schools, colleges and professional associations, recruiting firms, management consulting firms, friends and relatives.

4.9 Self Assessment Questions :

1. Explain recruitment policy?

2. Discuss relative merits and demerits of source and methods of recruitment?

3. Explain the recruitment process?

4. What are the modern sources of recruitment?

5. What is meant by Recruitment? What are characteristics of good Recruitment Policy?

6. Describe the procedure of recruitment in a industrial concern.

7. Discuss the various sources of personnel supply and a particular methods or techniques of recruitment of manpower giving suitable examples from India.

8. Evaluate the relative problems and merits of provate VS public sources of personnel or manpower supply.

9. Examine the merits and limitations of recruitment from with in, recruitment through advertisment.

4.10 Further Readings

Monappa Arun, Siyaddin, Mirza 1994 Personnel Management Tata McGraw Hill publishing co : New Delhi.

Mamoria CB, 1998, Personnel Management Himalaya Publishing Compnay : Mumbai.

Chobra T.N. 2000, Human Resource Management, Dhanpat Rcuis Company, New Delhi.

Robbins Stephen P. Couttr Many, 1998, Management, Printice Hall of India, New Delhi.

Bhagoliwala T.N. 1991, Personnel Management and Industrial Relations, Sahitya Bhavan, Agra.

Dr. T. Srinivas

LESSON - 5

SELECTION AND INDUCTION

Objectives

After completion of reading this lesson you could able to :

- define selection and explain its significance

- understand the selection process and its stages

- identity the tools of selection

- understand the concepts of placement and orientation

- understand purposes of orientation of induction

- explain the process and its stages

STRUCTURE :

5.1 Introduction

Selection is the process of examining the applicants with regard to their suitability for the given job, and choosing the best from the suitable applicants and rejecting the others. The process of selection involves three stages namely recruitment, screening and selection. The organizational practices in India with regard to selection vary from public sector to private sector concept, objectives and significance of selection.

The selection procedure is concerned with securing relevant information about an applicant. The Objective of selection process is to determine whether an applicant meets the qualifications for a specific job and to choose the applicant who is most likely to perform well in that job.   Selection is a process of thinning a pool of qualified applicants. All selection activities exist for making effective selection decisions. Each activity is a step in the process that forms a predictive exercise - decision makers seeking to predict which job applicants will be successful if hired. Successful, means preparing well on the intend the organisation uses to valuate personnel.

1

According to Yadev "The having process of one or many 'go, no, go' gangs. Candidates are screened by the application of these tools. Qualified applicants go on to the next hurdle, while the unidentified are eliminated"

5.2 Selection Policy

While formulating a selection policy, due consideration should be given to organisational requirements as well as technical and professional dimensions of selection process. Yodev is as suggested "Selection is usually regarded as a negative process i.e. rejection of candidates for a position".

Activity A :

State the selection policy of four office or an organisation you are familiar with.

....

....

....

5.3 Selection Process

Selection process is a crucial, complex and continuing function. The ability of an organisation to attain its goals effectively and to develop its a dynamic environment largely depends upon the effectiveness of its selection programme. If right personnel are selected, the management of personnel becomes easlier, the employee contribution and commitment will be at optimum level. If the right person is selected he becomes a valuable asset to the organisation and if faculty selection is made, the employee will become a liability to the organisation.

Selection process typically follows a standard pattern, beginning with an initial screening interview and concluding with the final employment decision. The traditional selection process includes preliminary screening; Application Scruting, employment tests; comprehensive interview; back ground investigations, physical examination and final employment decision to hire.

The following are the steps in selection process.

a. **Initial screening or preliminary interview :** This is a storing process in which prospective applicants are given the necessary information about the nature of job and also, necessary information is elected from the candidates about their education, experience, skills, etc. If the candidate is found to be suitable, he is selected for further process. It is a process of reducing the applicants to a few who have better chance of selection than those screened out.

b. *Application Scrutiny :* The applicant is asked to give details about age, mantal status, educational qualification, work experience and reference. Different types of application forms may be used by this same oganisation for different types of employees e.g. one for clerks, the other for managers. An application form should be designed to serve as an effective preliminary screening device.

c. *Selection Tests :* Tests attempt to measure certain characteristics of individual applicants some important tests are : knowledge tests, ability tests, aptitude tests and simulation tests.

2

d. **Employment Interview :** An interview is a face to face observational and personal appraisal method of evaluating the applicant. An employment interview should serve three purposes 2) i) Obtaining information ii) giving information and iii) motivation.

e. **Reference cheeks and Recommendations or Background information**. The applicant is asked to mention in his application the names and addresses of his previous employers, friends or professional colleagues. They are approached by mail or phone and requested to furnish their frank opinion about the candidate. These reference checks indicate past behavior and how well the applicant did at this lost job.

f. **Physical examination:** Certain jobs require unusual stamina, strength or tolerance of hard working conditions A physical cheek -up reveals whether or not a candidate possess these qualities the basic propose of a physical examination is to place persons in jobs which they can handle without injury or damage to their health. Candidates are medically examined either by the company's physician or by a medical officer approved by the company for the purpose.

g. **The Selection or final Decision :** Applicants who cross all the steps are finally considered by the organisation. If there are more persons than the number required for a job the best ones i.e, those with the harvest scores are finally selected.

Activity B :

Give selection process of Four organisation.

....

....

....

5.4 Selection Methods :

There is no standard selection process that can be followed by all the organisations. Organisations may follow different selection methods depending upon the side of the organisation, natures the business, government rules and regulations. Thus, each organisation may follow any one or the possible combinations of methods of selection in the order suitable to it. Following are the selection methods generally followed by the organisations.

a) Application Form : An applicant form is a traditional, widely accepted device for getting information, from a prospective applicant which will enable a management to make a proper selection. It serves a as a convenient device for circulating information about the applicant to appropriate members of management and as a useful device for storing information for later reference. Organisation use different applications forms for different jobs at different levels. For technical and managerial personnel, the form may receive detailed answers to questions regarding the candidates education, experience, etc Information is generally required on the following items in the applicant forms.

1) Personal background information II) Educational qualification

III) Work experience IV) References

3

Activity C :

Create an application Blank which suits to your organisation.

....

....

....

b) Weighted Application form : Some organisations analyze the information on an application blank and determine statistically its relation to later success in the job. Under this method, certain points of weights are assigned to the answers given by the applicant in the application form. Those with scorers that minimum attained by past or present successful employees will be finished.

c) Employment tests : A test has been defined as a systematic procedure for comparing the behaviour of two or more persons. It is a sample of an aspect of an individual's behaviour, performance or attitude.

Purpose of Tests : Psychological tests are used for more than one purpose. They are used for the purpose of

- Selection of candidates for an organisation.

- study the human behaviour and personality

- guiding and counselling students seeking admission into schools and colleges.

- eliminating the possibility of prejudice on the part of the interviewer.

- measurement of jobs - related abilities and skills accurately and adequately.

According to Wendell, tests are used in business for three primary purposes.

i) The selection and placement of new employees.

ii) In appraising employees for promotional purpose and

iii) For counselling employees.

Concepts of Testing : Testing concepts include job analysis, reliability and validity.

a. *Job Analysis :* Job analysis provides basic information about the type of the candidate needed by the organisation by indicating the specific requirements of each job. Job analysis provides a realistic basis for hiring, training placement and promotion of personnel. Job description provides both organisational information and functional information. Job specification translate the job description into terms of the human classifications which are received for a successful performance of a job. Thus, employee specification is the basis to decide upon a particular test or tests and minimum acceptable score in order to test whether the candidates possessed the required amount and degree of behaviour and qualities like intelligence, aptitude to perform the job successfully.

b. *Reliability :* Test reliability is the consistency of scores obtained by the same person when retested with the identical test or with an equivalent form of test. If a person obtains same or similar scores in the test conducted in different times, under the same conditions, the test is said

4

to be reliable. Generally as suggested by Beach he reliability coefficient should be between to .85 to 1.00 In general, higher reliability can be obtained from written tests.

c. *Validity :* Validity refers to the extent to which a test measures what it is designed to measure. Each selection test aims at finding out whether a candidate posserssed that particular skill or not for exza short - hand test, should accurately measure a persons ability to take dictation. According to Dale S. Beach, there are five kinds of validity viz., concurrent validity predictive valldity, content validity constent validity and face validity.

Types of tests : Tests are classified into five types they are i) Aptitude tests ii) Achievement tests iii) Situational tests iv) Interest tests v) Personality tests vi) Graphoogy tests and vii) Polygraph test.

i) *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 and mental capacity etc.

a) *Mental tests measure intelligence quotient of a candidate.* These tests measure capacity for comprehension, reasoning, word fluency, variable comprehension, numbers, memory and space.

b) *Mechanical Aptitude Tests :* These tests measure the capacities of spatial visualisation, perceptual speed, and knowledge. These tests are useful for selecting apprentices, skilled, mechanical employees, technicians, etc.,

c) *Psychomotor tests :* These tests measure abilities like manual dexteriy, motor ability and eye- hand coordination of candidates. These tests are useful to select semi-skilled workers.

ii) *Achievement Tests :* These tests measure the skill or knowledge which is acquired as a result of training programme and on the job experience. These tests are classified into a) Job knowledge test and b) work sample test.

a) *Job knowledge Test :* These are administered to determine knowledge of typing short-hand and in operating computers, or simple mechanical equipment. Such tests are useful for office workers, supervisors, stenographers, sales girls etc.,

b) *Work sample test :* Under this test a price of actual work is given to the candidate as a test and the candidate is asked to do it. For example, a typing test would provide the material to be typed and note the time taken and mistakes committed.

iii) *Situational Test :* Situational 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.

iv) *Interest Test :* These tests are designed to discover a person's areas of interest and to identify the kind of work that will satisfy him. The purpose of this test is to find out whether a candidate is interested or disinterested in the job and to find out in which area of the job / occupation the candidate is interested.

v) Personality Tests : These tests measure a projective employees motivation in a particular working environment and prise deeply to discover elves to are individual's value system, his emotional reactions and motivation and his characteristic mood.

The assess his motivation interests, his ability to adjust himself to the stresses of every day life and his capacity for inter - personal relations and self - image. Examples of such tests are Bell's Adjustment inventory, the California test of Personality scale, Minnesota multiphasic personality inventory thematic Apperception test, The Thurstone temperaments survey, and guild ford - zimmerman temperament survey.

a)   *Objective tests :* These tests measure neurotic tendencies, self - sufficiency, dominance - submission, and self - confidence. Most personality tests are objective tests as they are suitable for group testing and can be scored objectively.

b)   *Projective tests :* Candidates are asked to project their own interpretation of certain standard stimulus situations basing on ambiguous pictures, figures etc., under these test. The way in which he responds to these stimuli depends on his own values, motives and personality.

vi) Graphology test : It is designed to analyse the hand writing of an individual. An individual's hand writing can suggest the degree of energy, inhibitions and spontaneity, and elements of balance and control. For example, big letters and emphasis on capital letters indicate a tendency towards domination and competitiveness. A slant to the right, moderate pressure and good legibility show leadership potential.

vii) Polygraph tests : These tests are designed to ensure accuracy of the information given in the application. These tests record on paper posological changes in blood pressure, pulse, skin, sensitivity caused by stress.

d) Employment interviews : The interview is a selection tool which enables the employer to view the total iduvidual and directly appraise him and his behaviour. By 'interviewing' is meant deliberate, active testing 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. According to Scoot and others an interview is a purposeful exchange of ideas, the answering of question and communication between two or more persons."

An employment interview should serve three purposes i) obtaining information ii) giving information and iii) motivation.

Types of interviews :

The types of interviews are

i)   Informal interview

ii)   Formal interview

iii)   Planned interview

iv)   Patterned   interview

6

v)   Non- directive   interview

vi)   Depth interview

vii)   Stress interview

viii)   Group interview and

ix)   Panel interview.

i) Informal Interview : This is the interview which can be conducted at any place by any person to the basic and non-job related interview. The interaction   between the candidate and the personnel manger to examine about the vacancies or additional particulars in connection the employment advertisement.

ii) Formal Interview : This is held in a more formal environment by the employment officer help of and questions this for discussion are items and experts are allotted different structured areas and questions to be asked.

iii) Planned Interview : This is a formal interview planned carefully. The interview has a plan of action worked out in relation to time to be devoted to each candidate, type of information to be sought, information to be given, etc.,

iv) Patterned Interview : This is the most common method of interview. It is also a planned interview but planned to a higher degree of accuracy and precision. In this type of interview, every pertinent detail bearing on waht is to be acomplished what kind of information to be sought or given, how the interview is to be conducted, and how much time is to be allotted to it, must be worked at in advance. A list of questions and areas is carefully prepared and interviewer goes down the list of questions, asking them one after another, with very little deviation.

v) Non - directive Interviews : This is designed to let the candidate speak his mind freely. It is unstructured and is reatively non-planned. In this interview the candidate is given freedom to tell about himself by revealing his knowledge on various areas his back ground and expectations and interest etc. The purpose of such interview is to determine what kind of person a candidate really is.

vi) Depth interview : In this type of interview, the candidates would be examined extensively in core areas of knowledge and skills of the job. It is designed to intensively examine the candidates' background and thinking so that a correcive evaluation and desision may be made.

vii) Stress Interview : This is designed to test the candidate and his conduct and behaviour by putting him under conditions of stress and strain. In the stress interview, the interviewes puts the candidate on the defensive by typing to aunoy him. Interviewer tests the candidate by putting him under stress and strain by interuptly the applicant from answering criticising his opinons, asking questions pertaining to unrelated areas, keeping silent for   long period and putting him in an awkward situation by dropping some thing an the floor and asking him to pick it up. Accusing him that he is lying and so on.

viii) Group Interview : This is designed to see the candidates react to and against each other. All the candidates are brought into one room and one topic is given for discussion to the candidate and they are asked to discuss the topic is detail. Their type of interview helps the interviewer in appraising certain skilss of the candidates like intiative, inter - personal skills, dynamism, presentation leading etc.

ix) Panel Interview : This is done by members of the interview board or selection committee. (The candidate may be asked to meet the panel individually) A panel of experts interviews each candidate, judges his performance individually and prepares a consolidated judgement based on each experts' judgement. This is done usually for maneger and manegerial positions. It pools the collective judgement and wisdom of member of the panel.

Activity D :

Recall your selection placess and Explain what types of interview you have seen. Give your opi

....

....

....

e) Physical Examination : Certain jobs require certain physical qualities like clear vision, perfect hearing, unusual stamina, clear tone, tolerance of hardworking conditions etc., Medical examination reveals whether or not a candidate posseses these qualities.

f) Reference cheeks : After completion of the final interview and medical examination, the personnel department will engage in cheeking references. Candidates are required to give their names of references in their application form. There may be his previous employer friends or prefessional colleagues. They are approached by mail or phone and requested to furnish their opinions about the candidate.

Selection is considered as a negative process, where as placement is a positive one. Once the employee is accepted, he must be introduced to his job, fellow employees and his work environment. A proper placement reduces employee turnover assenting, accident rates and improve morale.

Selection is usually regarded as a negative process i.e., rejection of candidates for a position. Placement, on the other, is a positive process and consists of filling positions with qualified candidates.

When once the candidate reports for duty, the organisation has to place his initially in that job for which he is selected. The condidate will be trained in various related jobs during the probation period. Probation period generally various between six months to two years.

Placement is the determination of the job to which an accepted candidate is to be assigned and his assignment to that job. It is a matching of what the superior has reason to think he can do with the job demands, it is a matching of what he imposes, and what he others in the form of payroll, companionship with others promotionatianl possibilities etc.

5.5 Orientation or Induction concept

Induction is introduction of an employee to the job and the organisation yoder at al defines it, "once the employee is accepted, he must be introduced to his job, his fellow employee and his environment." The process of guiding and councelling the individual variously called induction or orientation. Any neglect in the area of induction or orientation may lead to high labour turnover, contusion, wasted time and expenditure.

a) Purposes of orientation

The following are the principal purposes of orientation.

1. To reduce the start - up costs for a new employee

2. To reduce the amount of anxiety i.e fear of failure on the job

3. To reduce new employee turnover

4. To save time for superior and co - workers

5. To develop realistic job computation, positive attitudes towards the organisation.

6. To reduce grievances

b) Steps in Induction programme

A typical induction programme should consist of three steps :

i) General orientation by the staff of the personnel departments : This is normally conducted by the personnel department. It gives necessary general information about the history and activities of the organisation. The purpose is to help an employee to build up some pride and interest in the organisation. Information is also given on specific employee series, such as personal, health, provident fund, gratuity, welfare to safety programmes, etc.

ii) Specific orientation by the job superior : This type of induction given by the job superior. The employee is shown the department and his place of the employee is shown the department and his place of work, introduced to other employees, and location of facilities, and is told the organisations specific practices and customs. The purpose of specific induction is and enable and employee to adjust himself to his work and environment.

iii) Follow - up orientation by either the personnel department or the superior : Follow - up orientation is conducted with in one week to six months of the initial induction by a foreman or a specialist Its purpose is to find - out whether the employee is reasonably well - satisfied with him.

A good induction programme should cover the following

The company, its history and products, process of production and operation involved in his job.

Structure of the origination of function of various departments.

The significance of the job with all necessary information including job hazards.

Personnel policy and sources of information

Terms of conditions of service, amenities and welfare activity

Rules and regulations

Grievance procedure and discipline handling

Social benefits and recreational services

Opportunities, promotions, transfers, suggestion schemes, and job satisfaction.

c) Advantages of Induction are

First impression about organisation results in less turnover.

Reduces employee dissatisfaction and grievances

New employee adjusts himself to the work environment very quickly and easily.

Develops a sense of belongingness and commitment.

5.6 Summary :

The selection involves three stages - recruitment, preliminary screening and selection. The selection process includes - preliminary screening; application scrutiny, employment tests, comprehensive interview, back ground investgation, physical examination and final employment decission to here. In each stage different tests are conducted to predict the job success of the candidate.

Placement is a positive process and consists of filling positions with airlifted candidates. Selective placement offers benefits to both organisation and undiluted. Orventation Induction is introducing new employee to his job, his fellow employees and to his work environment.

5.7 Key words

Selection: It is the tool in the hands of management to differentiate the qualified and unqualified applicants by applying various techniques like interviews, tests etc. It is the process in which candidates are divided into two classes those who are to be offered employment and those who are not.

Psychological testing: It is systematic procedure for comparing behaviour of two or more persons.

Performance Tests: In this test, the applicant is asked to demonstrate his ability to do the job.
Aptitude tests: An aptitude test measures the potential ability of a candidate to learn a new job.

Personality test : These tests seek to assess an individuals motivation, adjustment to the stresses of every day life, capacity for interpersonal relations and self image. These are expressed in terms of the relative significance of such traits within the person as self confidence, ambition, decisiveness, optimism, patience, fear and distrust.

Interviews: It is a conversation between the interviewer and interviewee to access the potentialities of the later by gestures, facial expressions and other communicative behaviour.

Stress Interview: It is a deliberate attempt to create pressure to observe how an applicant performs under stress.

10

Exit interview: It is the final step in the employment procedure. It is conducted in the personnel department during the terminating employeeís last day on the job. Here the employee will be permitted to express freely about the reasons for leaving. Any misunderstanding that might have resulted in his leaving will be corrected.

Placement: It is offering the job to the finally selected candidate.

Induction: When a candidate is finally selected he is issued the appointment letter and is asked to join the organization on or up to a specified date. Induction is follow up action of hiring and concerned with problem of introducing or orienting new employees to the organization.

5.8 Self Assessment Questions

1.   What is selection? Examine its significance
2.   Which types of tests are most useful in employee selection?
3.   Define selection - Explain the process of selection.
4.   Discuss the main principles of selection.
5.   Present the procedure for selecting the personnel.
6.   Write a note on Induction.
7.   What is difference between Selection and placement? Indicate the importance of selection is hiring manpower?
8.   What is meant by selection procedure. Indicate the overall selection process.
9.   What are the various Hurdles of selection procedure?
10.   Assess the objectives of a good selection policy.
11.   How can employment tests be classified? Explain briefly various kinds of tests used in various organisations.
12.   Explain various types of interviews and point out their merits.
13.   Describe placement and Induction. What are the benefits of induction?
14.   Explain different steps in induction programme.

5.9 Further Readings :

Yolder Dale and Pavid. Staudohar, 1982, Personnel Management and Industrial relations" printice Hall of India : Engleword cliffs.

Dessler Gari 2001 : Human Resource Management, parson Alia, New Delhi.

Aswathappa K. 2002 : Human Resource Management, Tata MC Grow Hill, New Delhi.

Bhagoliwal T.N. 1991 : Personnel Management and Industrial Relations, Sahitya Bhavan, Agrar.

Sharma AM, 1996 : Personnel and Human Resource Management, Himalaya Publishing House, Mumbai.

Mandell, M.M. 1964, Selection Process DB, Taraporevala and Sons, Mumbai.

Dr. T. Srinivas

LESSON - 6

PERFORMANCE APPRAISAL AND COUNSELLING

Objectives

After reading the lesson, you should able to

- define the concept and purposes of performance appraisal;
- evaluate performance techniques; and
- know the concept of performance counselling.

STRUCTURE

6.1 **Introduction**

6.2. **Performance Appraisal**

6.3 **Methods, Techniques for appraising Performance**

6.4 **Traditional Evaluation Methods**

6.5 **Modern Evaluation Methods**

6.6 **Problems in Appraisals**

6.7 **Performance Counselling**

6.8 **Summary**

6.9 **Key words**

6.10 **Self Assessment Questions**

6.11 **Further Readings**

6.1 Introduction

Performance Appraisal is the process through which an individual employee's behaviour and accomplishments for a fixed time period are measured and evaluated. It is the process of evaluating an employee's performance of a job in terms of its requirments. Heyel observes, it is the process of evaluating the performance and qualifications of the employees in terms of the requirements of the job for which he is employed, for purposes of administration including placement, selection, for promotion, providing financial rewards and other actions which require differential treatment among the members of a group as distinguished from actions affecting all members equally.

6.2 Performance Appraisal

Performance Appraisal is alternatively known as performance evaluation, personnel rating, merit rating, employee appraisal or employee evaluation.

According to Decenzo and Robbins, "It is an assessment of how successful the employees have been in meeting their individual goals".

Dale Yodev and Paul D. Standhor defined it as " Personnel appraisal refers to the formal procedures used in working organisations to evaluate the contributions and potential of group members. Performance refers to the outcomes of behaviour or behaviour that has been evaluated.

Objectives of employee performance appraisal are

i)   To enable an organisation to maintain an inventory of number and quality of all managers and to identify and meet their training needs and aspirations;

ii)   To determine increments, rewards provide a reliable index for promotions and transfer to positions of greater responsibility;

iii)   To maintain individual and group development by informing the employee of his performance standard;

iv)   To suggest ways of improving the employees' performance when he is not found to be up to the mark during the review period;

v)   To identify training and development needs and evaluate effectiveness of training and development programmes;

vii)   To plan career development, human resources planning based on potentialities.

Functions: Lennson has given three functions of performance appraisal

i) It seeks to provide an adequate feedback to each individual for his or her performance.

ii) It purports to serve as a basis for improving or changing behaviour toward some more effective working habits.

iii) It aims at providing data to manager with which they may judge future job assignments and compensation.

6.3 Methods, Techniques for Appraising Performance

Several methods and techniques of appraisal are available for measurement of the performance of an employee strains and sayles classified performance appraisal methods into traditional and modern methods are graphic rating scale, Essay appraisals, critical and incident appraisal, check lists and forced choice and relative methods of appraisal. Modern methods are Behaviourally Anchored Rating Scales (BARS), Management by Objectives (MBO), Assessment Centres and 360 Degree Performance Appraisal.

6.4 Traditional Evaluation Methods

a) Graphic rating scale: This is the oldest and widely used method of performance appraisal. This method is also known as linear rating scale or simple rating scale. In this method, judgements about performance are recorded on the scale. The rater is presented with a graph and asked to rate each employee on each of the dimensions listed. Rating scales are of two types viz., continuous rating scale and discontinuous rating scale. Performance regarding each character is known by the points given by the rater. The points given by the rater to each character are added up to find out the over all performance.

This method is most popular because of its simplicity, and less time consuming to develop and administer. It permits quantitative analysis and comparison.

Limitations: It is difficult to get an employee's strong and weak points. Halo, over rating , central tendencies are other problems of this method.

b) Essay or free form appraisal : Under this method, the manager / superior makes a free form, open - ended appraisal of an employee. This format emphasises evaluation of overall performance, based on strengths / weakness of employee performance. Essay may be combined with graphic scale. Since essays are unstructured they vary in length and content. So comparing individuals across the organisation is difficult.

The advantages of this method are :

☞ It can provide a good deal of information about the employee.

☞ It minimise supervisory bias and halo effect.

The limitations of this method are :

☞ It contains a subjective evaluation of the reported behaviour of an individual.

☞ The appraisal may be loaded with flowery language about the rater than with the evaluation of performance.

☞ A skill writer can present a beautiful case about an employee than a awkward writer or manager.

☞ The appraisal depends more on the appraiser's literary skills than on an employee's abilities and performance.

c) Critical incident appraisal : This method attempts to measure workers performance in terms of certain 'events' or 'episodes' that occur in the performance of the ratee's job. These events are known as critical incidents. Under this method, the supervisor continuously records the critical incidents of the employees performance or behaviour relating to all positive and negative characteristics in a specially designed note book.

Advantages are

✍ This method provides an objective basis for conducting a discussion of an individuals' performance.

✍ Critical incidents focus on behaviour rather than on personalities.

✍ It avoids recency of events occur.

Limitations are

☺ Since raters are required to write critical incidents for all their subordinates on regular basis it is time consuming and burdensome.

☺ Negative incidents are generally more noticeable than positive ones.

3

☺ Comparison and ranking of subordinates is difficult.

d) Check list Method : The check is a simple rating technique in which a superior is given a list of statements representing the characteristics and performance of each employee.

Activity A :

Do you think traditional performance Appraisal methods seve the purpose of modern enterprise? If yes, explain How with your experience is your organisation.

....

....

....

There are three types of check list methods viz.,

i)   Simple Checklist

ii)   Weighted Check List and

iii)   Forced Choice Method.

i) Simple checklist Method : A check list is a set of objective or descriptive statements concerning an employee behaviour. The checks to indicate if the behaviour of an employee is positive or negative to each statement. Employee performance is rated on the basis of number of positive checks.

ii) Weighted check list : The weighted checklist method involves weighting different items in the checklist, having a series of statements about an individual, to indicate that some are more important than others. Under this method, the final rating of the employee are multiplied by weights of statements and the coefficients are added up. The cumulative coefficient is the weighted performance score of the employee. Weighted performance score is compared with the overall assessments standards in order to findout overall performance of employee.

Weaknesses are :

☺   It is expensive to design and time consuming.

☺   It is difficult to assemble, analyse, and weigh a member of statements about employee characteristics and contributions.

☺   A separate checklist must be developed for different class of jobs.

iii) Forced choice Method : It is a special type of checklist. In it the rater must choose from a set of descriptive statements about employees which may be favourable or unfavourable. The actual weightages of the statements are kept secret. The appraiser is asked to select one statement that mostly describes employee's behaviour our of two favourable statements and one statement from the two unfavourable statements. The intention is to reduce the rater's personal bias, specially the tendency to assign all high or low ratings. Since the rater does not known right answers, it reduces raters bias and leniency error.

Relative Methods of Appraisal

The above methods so far are individual evaluation methods in the sense that person being evaluated is not compared with any other person or persons. Relative methods are used to evaluate an employee in comparison with other. The Relative Methods are a) Individual ranking b) Group ranking or forced distribution and c) Paired comparison.

a) Individual Ranking : It is the oldest and simplest method of performance appraisal. Under this method the employees are ranked from best to worst on some characteristics or criteria. The rater first finds the employee with the highest performance and the employee with the lowest performance in that particular category and rates the former as the best and latter as the poorest. Then the rater selects the next highest and next lowest and so on until he rates all the employees in that group.

Advantages are

☺   This is the simplest method of separating the most efficient from the least efficient

☺   It is relatively easy to develop and use.

Limitations are

☺   In practice it is very difficult to compare a single individual with other human being.

☺   This method only tells us how a man stands in relation to others in the group but it does not indicate how better or worse he is than others.

☺   The task of ranking individuals is difficult in case of large group.

2) Group Ranking or Forced Distribution Method

The rater may rate his employees at the higher or lower end of the scale in the above method. Forced distribution method is developed to present the rates from rating too high or too low. It requires the rater to appraise an employee according to a pre - determined distribution scale. Under this method, the rate after assigning the points to the performance of each employee, placing them in certain ranked categories (10% - low; 20% - below average; 40% - average; 60% - high; 80% - high)

Advantages are :

☺ This method eliminates central tendency and leniency biases.

☺ The method is highly simple to understand and easy to apply.

3) Paired comparison

Under this method, the appraiser ranks the employees by comparing one employee with all other employees in the group, one at a time. Under this method, judgement is easier than with the ordinary ranking method. On one - to - one basis appraiser ranks each individual in comparison to all others. The number of decisions is determined by the formula N(N-2), where N represents the number of persons to be compared. If there are 20 employees, the number of comarison will be 20(20-1)/2= 90.

Advantages are

☺ This method is easier and more reliable.

☺ It is relatively simple to administer.

Limitations :

☺ This method is easier and more reliable.

☺ The employees are simply compared to each other on total performance rather than job criteria.

6.5 Modern Methods

a) Behaviourally Anchored Rating Scales (BARS) : The Behaviourally Anchored Rating Scales (BARS) method combines elements of the traditional rating scales and critical incidents methods. Using BARS, job behaviours from critical incidents whether effective or ineffective are described more - objectively. The evaluator appraisers behaviours rather than traits. This method employs individuals who are familiar with a particular job to identify its major components.

Procedure for BARS :

Step 1. People with knowledge of the job to be appraised are asked to describe specific examples of effective and ineffective behaviour relation to their job performance.

Step 2. These people then cluster the individuals into a smaller set generally between 5 to 10 of performance dimensions.

Step 3. Any other group who also know the job is asked to retranslate the critical incidents developed previously by the first group. They are given the cluster's definitions by critical incidents, and asked to redesign each incident to the dimension that it best describes.

Step 4. The other group rates the behaviour described in each incident in terms of effectiveness and ineffectiveness on the appropriate dimension by using seven or nine - point scale. Average effectiveness ratings for each incident are then determined and a standard deviation criterion is set for determining which incidents will be included in the final anchored scale.

Step 5. A subset of the incidents that meets both the retranslation and standard deviation criterion is used as a behavioral anchor for the final performance dimension.

b) Management by objectives (MBO) : Management by objectives can be described as "a process where by the superior and subordinate managers of an organisation jointly identify its common goals, define each individual's major areas of responsibility in terms of results expected of them and use these measures as guides for operating the unit and assessing the contribution of each of its members".

MBO focuses attention on participatory set goals that are tangible, verifiable and measurable the emphasis is on what must be accomplished rather than how it is to be accomplished.

Under MBO programme, the subordinate and superior meet and together define, establish, and set certain goals or objectives to be accomplished during the appraisal period. They also discuss the ways and methods of measuring employee progress. The subordinate periodically meets his superior

to evaluate his progress. Frequent feed back and subordinate - superior interaction are the other key features of MBO.

The benefits of MBO can be categorised into benefits to subordinates, superior and the organisation.

Benefits to Subordinates: include greater role clarity, measurement of performance and increased job\Psatisfaction.

Benefits to Superior : The benefits for superiors are that MBO motivates subordinates, strengthens superior - subordinate relationship, and provides an objective appraisal method.It provides an objective basis for reviewing performance on the basis of achievement rather than personality traits.

Benefits of MBO to organisation are :

- focuses on managerial effectiveness

- focuses on objectives improves concentration and coordination of managerial effort.

- creates many centres of accountability as against one centralised unit/

- leads to greater decentralisation interms of setting and achieving objectives.

- provides more objective appraisal criteria.

- reduces role clarity and ambiguity.

- identities performance deficiencies and enables the management and the employees to set individualised self-goals.

c) Assessment Centres:

An Assessment Centre is a place where managers may come together to have their participation in job - related exercises evaluated by trained observers. There centres basically meant for evaluating the potential of candidates to be considered for promotion, training and development. The characteristics assessed in an assessment centre include assertiveness, persuasive ability, communicating ability, self confidence, resistance to stress, creativity, sensitivity to others, decision making and alertness. Assesses are requested to participate in in-basket excises, work groups, computer simulations role playing, transactional analysis, etc.,

4) 360^0 performance Appraisal

360 Degree feed back is a multi source feedback system. In this system the candidate is assessed by a number of assess, which includes his seniors (including No.) disent reports (msordinates) colleagues, and interval and external custumers. The assessment is made on the basis of a questionaire, specifically designed to measure behaviours considered intical for performance.

360 degree is inceanigly becoming a popular HRD system in India. However it needs to be handled with skill and needs expertise for its implementation. Thus the candidate taking 360 degree feed back not only needs to be prepared adequately to rate the feed back, but also requires help in interprcting and using it appropriately.

The 360 degree feed back appraisal provides a broader perspective about employee's performane. It facilitates greater self development of the employee. It is very effective in identifying and measuring interpersonal skills, customer satisfaction. It tries to focus on client/beneficiary satisfaction. It provides more objective and acceptable feed back and helps in understanding the chemistry.

Activity B :

Develop performance evaluation forms for production manager, production supervisor of your organisation.

....

....

....

6.6 Problems in Appraisals

Performance appraisals are subject to bases referred to as "rating errors". These errors occur in the rater's observation, judgement, and information processing and can seriously affect assessment results.

i) **The leniency and Strictness problem :** The rater has his own value system which with as a standard against which he makes his appraisals. Some raters have a tendency to be liberal is their rating by assigning higher rates. Such ratings do not serve any purpose.

ii) **The Central Tendency problem :** It is the most commonly found error. The rater assigns "average ratings" to all the employees and avoid rating the people at both the extremes of the scale. They Follow play safe policy because of answerability to management or lack of knowledge about the behaviour of the employee.

iii) **Similarity Error :** This type of error occurs when the rater rates other people in the same way he percieves himself.

iv) **The Recency error :** The raters generally remember the recent actions/behaviour of the employee at the time of rating and rate their Subordinates on the basis of there recent actions rather than on the whole activities.

v) **Halo Effect :** It is a tendency to rate high or low on all factors due to impression of a high or low rating on some specific factor.

vi) **Personal Prejudice :** If the rater dislikes any employee or group, he may rate them at the lower end which may distort the rating purpose and affect the career of these employees.

vii) **Raters effect :** It includes favouritism, stereotyping and hostility. Exclusively high or low scores are given only to certain individuals or groups based on the rater's attitude towards the ratee, not on the actual outcome or behaviour. Examples of such errors are sex, age, race, religion and friendship.

viii) **Perceptual Set :** This occurs when the raters' assessment is influenced by his beliefs.

ix) **Spill over effect:** This refers to allowing past performance ratings whether they are good or bad to influence current ratings.

x) **Status effect:** It refers to overrating of employees in higher - level held in high esteem, and understanding employees in lower-level jobs held in low esteem.

Solving Raters problem: The best way to overcome the problem is to provide training to the raters. Training can help improve the appraisal system to the extent of distortion that occurs due to the rater's errors such as halo, leniency, central tendency and bias.

6.7 Performance Counselling:

The purpose of performance counselling is to improve the performance of the employee. Counselling provides an opportunity to the manager to give feedback to the subordinate. Counselling is to help employees / subordinate to overcome his weakness and to reinforce his strength.

Counselling is helping the employee to grow and develop in the organisation. An effective counsellor is the one who helps his employee to overcome his weakness and to improve strong points. The counselling process includes three phases. 1) Rapport building 2) Exploration and 3) Action planing.

In the rapport building phase the counsellor attempts to establish a climate of acceptance, warmth, support, openness and mutuality. In the exploration phase, he attempts to help the employee to understand himself and diagnose his problems properly. In the action planning phase, the counsellor and the employee jointly work out action steps for development.

Conditions for effective counselling: Udai Pareck and T.V. Rao identified seven conditions for effective counselling

They are

i) General climate of openers and mutuality

ii) General helpful and empathetic attitude of management

iii) Sense of uninhibited participation by the subordinates in the performance review process

iv) Dialogic relationship in goal setting and performance review

v) Focus on work oriented behaviour

vi) Focus on work - related problems and difficulties

vii) Avoidance of discussion of salary and other rewards

6.8 Summary

Performance appraisal refers to the assessment of an employee's actual performance, behaviour on jobs, and his potential for future improvement. Broadly, performance appraisal methods are categorised into traditional and modern methods. Performance counselling is helping the employee to grow and develop in the organisation.

6.9 Key words :

Performance appraisal: It is a technique to know relative worth of employees ñ qualitatively and quantitatively on the job, so that his potentiality may be known and developed.

Job evaluation: A complete analysis of all positions in a company, with a view to establish their comparative value to the firm. Each job is ranked according to such factors as physical or mental effort required, skill and working conditions.

Likert scale: This is often used in organization which allow the respondent to indicate the degree of agreement or disagreement with a set of statements. This allows a greater choice and allows a wider range of opinion to the examining.

Behaviourally anchored rating scales: A performance evaluation method that involves developing a series of critical incident behaviours, ranking them on a scale and then using the scale to evaluate the personal.

Ranking Method: Under this method, the employees are ranked from the best to worst on some characteristic. The rater first finds the employee with the highest performance and the employee with the lowest performance in that particular job category and rates the former as the best and latter as the poorest.

Forced Distribution Method: Under this method, the rater after assigning the points to the performance of each employee has to distribute his ratings in a pattern to conform to normal frequency distribution.

Human Resource Accounting: It deals with cost of and contribution of human resources to the organization.

Assessment Centers: These are basically meant for evaluating the potential of candidates to be considered for promotion, training or development. In this approach, individuals from various departments are brought together to spend two or three days working on an individual or group assignment similar to the ones they would be handling when promoted. Observers rank the performance of each and every participant in order to merit.

Counseling: It is a discussion with concerned employee on an emotional problem so that the problem may be solved. Under this method, the problem of the employee is listened carefully and the suggestions are given to him to reduce the problem.

Non-Directive Counseling: Here the employee is encouraged to explain his problem in detail. This method concentrates on the employee rather than counselor. The employee himself controls the direction of discussion and he himself tries to find out the solution of his problem. This method stresses on deep analytical study of the emotional problems of the employee.

Management by Objectives (MBO)

It is a process where by superiors and subordinates jointly identify the common objectives and set the results that should be achieved by subordinate, assess the contribution of each individual to make best use of organizational resources.

6.10 Self Assessment Questions :

1.   What is performance appraisal and explain its purposes?

2.   Evaluate Traditional Appraisal methods?

3.   Explain Modern Methods of Performance Appraisal ?

4.   What is Performance counselling ? Explain its Significance.

5.   Briefly examine the BARS and its applicability in modern enterprise.

6.   List out the advantages of management by objectives as part of performance appraisal methods.

7.   What is meant by merit rating? Discurs its importance.

8.   Outline the important pre requistes or rules of an effective appraisal plans.

9.   State the limitations of personnel Appraisals.

10.   Explain the process of performance appraisal.

11.   What are the essentials of Good performance appraisal?

6.11 Further Readings :

Rudrabasva Raj MN. personnel administration. UMN Institute of Management, Pune, 1990.

Flippo EB Principles of personnel management, Mc Graw Hill, New York, 1976.

Dawar Rs, Personnel management and industrial relations, Vikas publishers, Delhi, 1976.

Bhagoliwala TN, Personnel management and industrial relations, Sahitya Bhavan, Agla, 1991

Mamoria CB, Personnel management, Himalaya Publishing Company : Mumbai, 1998

Chhabra TN, Human Resource Management, Dhanpat Rao Company, New Delhi, 2000

Sharma AM, Personnel and Human Resource management, Himalaya Publishing House, Mumbai, 1996.

Dr. T. Srinivas

Lesson - 7

TRAINING AND DEVELOPMENT

OBJECTIVES

After reading this lesson, the student should be able to

☆ present the need for training and development in pursuit of organisational objectives

☆ review the steps involved in designing Training programmes.

☆ describe the training process.

☆ discuss the what management development is and why it is important.

☆ identify on - the - Job and off - the - Job training methods

STRUCTURE

7.1 Introduction

7.2 Training and Development

7.3 Importance of Training

7.4 Need for Training

7.5 Objectives of Training

7.6 Benefits of Training

7.7 Kinds of Training

7.8 Training Policy

7.9 Training Methods

7.10 Management Development

7.11 Methods of Management Development

7.12 Career Planning

7.13 Summary

7.14 Key words

7.15 Self Assessment Questions

7.16 Further Readings

7.1 Introduction

From previous sections, we learnt that the procurements function involves systematic planning of human resources, recruitment, selection and induction. After introduction of new employee to his colleagues, his supervisors and sister departments, it is the responsibility of the HR Manager to look in to the issue of improving effectiveness of the organisation. The effectiveness of an organisation largely depends on the extent of Training and Developmental opportunities are made available to employee which enables them to realise their growth potential and also to make significant contribution towards achievement of organisational objectives at an Earliest. Training and Development tries to integrate the individual goals with organisations. Hence, In this chapter all attempt is made to explain the importance of training. Development and also tries to relate these activities with the vision and mission of the organisation. On the other hand, the jobs in the organisations have become complex and rapid changes are taking place in technology. In this connection, employee training is not only an activity that is desirable but also an activity that an organisation must commit resources to bring out aviable and knowledgeable work force.

Training is the process which tries to increase the knowledge and skill of the employee. There by making him better equipped to perform his job or take on greater amount of responsibilities. Thus, Training is such area where employer and employee both have mutual interest. Training tries to improve the efficiency of the employee and on the other hand, training gives better employee to the enterprise.

7.2 Training and Development

All these terms are often used to transmit the same meaning. But there exists difference. These terms have different connotations and scope. The term training used to indicate the process by which attitudes, skills and abilities of the employees to perform specific jobs are increased. The term Development means growth of the individuals in all respects. The term 'Development' is used in relation to managerial personnel where as the term. "Training" is used in relation with operative personnel. On the other hands the term Education is used in broader sense and border in scope. Education is a process by means of which knowledge, learning and mental out look of the individuals are improved.

Training may be defined as any organisation planned effort to change the behavior or attitudes of employees so that they can perform jobs. There fore, it becomes necessary that the worker and employees of the enterprise must be trained in scientific and systematic method so that they discharge their duties easily and effectively and they may adjust with the changed circumstances. The term Training has been defined by many eminent authors as follows :

According to Brech, "Training is the organised procedure by which people learn or skills for a deginite purpose".

Edwin B. Flippo defines training as "the act of increasing the knowledge and skills of an employee for a particular job".

From the above definitions, it may be said that the art of acquiring knowledge and skill of doing a particular job in a particular manner is called training.

7.3 Importance of Training

The term 'Training' denotes a systematic procedure for transferring technical know how to the employees so as to increase their knowledge and skills for doing particular jobs. Placing employees in jobs does not ensure their success. New employees are after uncertain about their roles and responsibilities. Job requirements and employee skills are balanced through training. Since training reduces obsolescence, modern managements give adequate importance to it. Multinational Industries and gaint organisations spend huge sums on training programme these organisations have their own training departments which organise their training programmes round the year.

Unfortunately, small organisalions have hardly realised the growing needs and importance of training. If at all they send any body for training they send the top Managers and senior most employees. Still in India most of the organisations don't feel necessity of giving any kind of training to their employees. However, there is every need to provide training facilities to enable all employees to carry out their jobs effectively and to prepare them for advancement.

7.4 Need for Training

(i)   Training renders better service to the customer.

(ii)   It reduces the wastage.

(iii)   Helps in filling higher level posts.

(iv)   Helps in promoting safety measures.

(v)   It helps in updating the employees in new methods and procedures.

(vi)   Training tries to fill the gaps between employee specifications, job requirements and organisational needs.

(vii)   Effective training helps to increase.

Activity A

List out various training programmes attended by you in you organisation.

....

....

....

Activity B

How training needs are determined in your organisation ?

....

....

....

7.5 Objectives of Training

-- To enhance effectiveness in the present position.

-- To establish the feelings of loyalty among the workers, and employees towards the enterprise and its management.

-- To increase the morale of the employees.

-- To update the developments in Technical and Management fields.

-- To develop Capabilities and competencies of employees in order to assume higher responsibilities

-- To enable the workers to do their work in the best possible manner

-- To make them efficient to do their work in the changed circumstance.

7.6 Benefits of Training

a)   To the organisation

-- Leads to improved profitability and more positive attitudes toward profit orientation.

-- Improves the job knowledge and skills at all levels of the organisation

-- Improves morale

-- Helps the people in identifying the organisational goals

-- Helps in creating better corporate image.

-- Fosters authenticity, openness and trust.

-- Improves the relationship between boss and subordinate.

-- Eliminate suboptimal behaviour

-- Creaters an appropriate climate for growth and communication.

-- Aids in handling conflict, there by helping to prevent stress and tension.

b) **To the Individual :**

-- Helps in making better decisions and effective problem solving.

-- Aids in encouraging and achieving sedllf development and self confidence.

-- Helps a person handle stress, tension, frustration and conflict.

-- Moves a person toward personal goals while improving interaction skills.

-- Develops a sense of Growth in learning

c) **Benefits to the personnel :**

-- Improves communication between groups and individuals.

-- Provides information on governmental laws

-- Improves inter personal skills

-- Improves morale.

-- Builds cohesiveness in groups.

-- Provides a good climate for learning, growth, and co. ordination

-- Makes the organisation a better place to work and live.

Activity C

What do you think are the aspects of your development that are being emphasised and those which you world, inaddition, like be empharised.

....

....

....

7.7 Kinds of Training :

i) **Induction Training :** It is also called as orientation Training. It is concerned with the problem of orienting a new employee to the organisation and its proceedings, rules and regulations. It helps in getting him introduced to the organisation and help him to get a general idea about the rules, regulations, working conditions.

ii) **Job Training :** Training for a Job is the most common of formal in plant training programme. It is necessary for new employees to acquaint them whith the jobs they are expected to perform. Various on- the - job and off - the - job training techniques are adopted to educate the employees.

iii) **Refresher Training :** It is meant for the old employees of the enterprise. The basic purpose of refresher Training is to acquaint the existing work force with the latest methods of performing their jobs and improve their efficiency further.

iv) **Internship Training :** Under this method, the vocational or professional institute enters is to arrangement, witer a big business enterprise for providing practical knowledge to its students by gaining actual work experience. The period of such training varies from 6 months to two years.

v) **Remedial training :** It intends to refresh the skills and knowledge which are being used. It is tailored to individual needs.

vi) **Craft Training :** Training for craft manship involves preparation, not for a single job but for the many types of related jobs which can be as assigned to a competent crafts man. The intensity differs from issue to issue. Apprenticeship Training is the major method adopted for the type of training.

vii) **Safety Training :** If involves imparting workers as to how various equipments can be handled safely precotions that must be undertaken to ensues safety, action to be taken when an accident occurs.

7. 7. 1 Recognition of Training Requirements :

Need for Training exists when there is a gap between present performance level of an employee and the desired perfomance level of an employee. This can be determined in the following manner.

i) By analysis the typical behaviour of an employee one can determing training need.

ii) Based on job requirements training needs can be determined.

iii) Organisational weaknesses act as clues for individual as well as group training needs.

iv) Conduct of Brain storming sessions determine the training needs.

v) One way of identifying training needs is conduct of conferences.

vi) Out side consultants are the best judges to identify organisational gaps which inturn acts as basis for training.

vii) Identification of special problem of the job and analysis of any particular skill needed to meet the problem.

7.7.2 Training objectives :

i) To train the employees on transfer, or on promotion in order to impart required skill and knowledge.

ii) To Motivate the employees towards their betterment and to function more effectively in their present positions.

iii) To build line authorities in order to occupy more responsible positions.

7.7.3 Learning :
Apart from the building up training methods, the concept of learning and the various factors which influences the training and learning principles are to be considered. The major factors affecting learning are as follows.

i). Motivation level of the learner is one important issue that one has to consider.

ii). Mental set refers to the preparation for an action. With out mental set. Learning cannot go smoothly and easily

iii). Environment affects learning

iv). Practice affects all types of learning

Principles of learning includes

i) Every human being is capable

ii) Learning is active and not passive.

iii) People learn more by doing them by learning alone.

iv) Time must be provided to practise what has been learnt.

v) The rate of learning decreases when complex skills are involved.

vi) Learning is closely related to attention and concentration.

7.8 Training policy :

The objectives of the training programme must be clearly defined and communicated. The training policy must indicate how the training will be carried out, who will be responsible for its administration, who will bear the cost, etc. Another factor of the training policy to be considered is the selection of trainees. The trainees should be selected objectively and the selector should not be subject to undesirable pressure. While selecting candidates, the selector should ensure a match between the needs of the candidates and the contents of the training programme. The training policy must state the criteria for selection, such as seniority, ability, qualification, potential, need etc.,

Activity D

Writedown the training policy that you have experienced in your organisation.

....

....

....

7. 8. 1 Training Evaluation :

While evaluating of training, the following points should be kept in mind :

i) A Comprehensive evaluation and assessment of training plans as related to the defined needs should be undertaken.

ii) Measures must be evolved to evaluate the effectiveness with which the methods procedures, training aids and materials are used by the training instructors.

iii) There should be some effective means by which the progress of the trainees during the training programme ' y be assessed and evaluated.

iv) Finally, the achievements of those who have received training must be followed up over a period of time to assess whether performance has improved.

7. 9 Training Methods :

All training methods can be broadly classified as (a) On - the - job training methods (b) off - the job training methods. All these methods are briefly described below :

7.9.1 On-the-job training methods :

a) **Coaching :** It is a procedure by which a superior teaches job knowledge and skills to a subordinate. The emphasis in this method, will be . learning by doing.

b) **Under study :** Here a superior gives training to a subordinate as his understudy. This training helps the Management in developing second line of authrity.

c) **Position Rotation :** It is intended to broaden the back ground of the trainee in various positions. The trainee is periodically rotated from job to job instead of sticking to one job so that he acquires a general back ground or ..erent jobs.

d) **Demonstration :** It is applicable where some physical process is to be learnt, particularly one that involves the use of equipment of some type. A demonstration in which the instructor actually shows the trainees how to do some thing has wide applications. Eg : A sales manager may show sales trainees how to deal with a potential customer.

e) **Vestibule training :** Vestibule training is an attempt to duplicate the actual material equipment and conditions found in real work. Here the training area is usually away from the work place in vestibule training. Vestibule training permits the instructor to arrange other kinds of learning conditions as may be necessary such as immediate of reinforcement, accurate feedback of knowledge and results etc. There is ample opportunity for practice and repetition. Learning seguence lan prognessively be arranged in order of difficulty.

f) **Simulation :** It is an extention to vestibule training. The trainee works in closely duplicated real job conditions. This is essential in cases in which actual process in expensive might result in serious injury.

ℊ **Apprentice ship :** Each trainee is given a programme of assignments according to a predetermined schedule which provides for efficient training in trade skills. It is relatively long training.

7.9.2 Off-the-job training methods :

a) **Lecture method :** As the name implies, it provided to the employee away from his job. It is generally theoretical in nature and is imparted in a class room type atmosphere. It is associated with knowledge than with skills.

b) **Conference Method :** It is directed discussion on a specific topic conducted with a relatively small group of trainees. Trainees have a large degree of verbal interaction with the discussion leader and with other. This method is useful for teaching and exploring difficult conceptual material and for changing attitudes and opinions.

c) **Role play :** It teaches interpersonal skills by having two or more trainess interact with in the context of a realistic situation. The situation is defined in a case format so that each trainee receives the same information. Each trainee plays a role of specific person in the situation.

d) **T - Group Training :** It is also called as Sensitivity Training. They meet with a passive trainer and gain insight into their own and others behavior. Meetings will have no formal agenda. T - groups are highly involving and give participants some opportunity to practise new behaviours, but material to be learned is very unstructured.

e) **Inbasket technique :** This Method places the trainee in the role of a person who must suddenly replace a manager. Here trainee receives back ground information about the organisation and the person he is replacing, the trainee also receives letters, Memos and phone messages. He has to organise the information, make decisions, and prepare memos and letters to handle problems that present themselves. This method represents the major features of managerial jobs.

Activity E

What type of training methods, in general, are being used in your organisation.

....

....

....

7.10 Management Development :

Management Development means the development of knowledge, efficiency and aptitude of different officers of managerial level so great that may contribute with their feeling, co. operation and best efforts to wards the accomplishment of the one organisational objectives.

According to Michael J. Jucius, "Management Development is a programme by which executive capacities to achieve desired objectives are increased."

Dale S. Beach defines managerial Development as a systematic process of development and growth by which individuals gain and apply knowledge, skill, insights and attitudes to manage the work of organisation effectively.

7.10.1 Objectives of Management Development :

(i)   It is to establish harmony and co. ordination in the changed circumstances

(ii)   To implement effective communication system in the organisation.

(iii)   To bring stability in the organisation

(iv)   To establish friendly human relations in the enterprise.

(v)   To assure the organisation of availability of required numbers of managers with the required skills to meet the present and anticipated future needs of the business.

(vi)   To improve perfor mance of managers at all levels.

7. 11 Methods of Management Development :

a)   **Coaching :** This a method of training by which an executive learns by doing the jobs. He is trained by a senior officer who continuously guides and instructs him.

b) **Committee Assignment :** It is a group of persons appointed to investigate, take action and make recommendations regarding some matter relative to the organisation. The committee studies the problem in accordance with the terms of reference. The committee will study the question of feasibility of new product from all directions and make recommendations.

c) **Special projects :** It is highly useful device. The trainee is assigned a project that is closely related to the work of his department. The trainee will study the problem and make the recommendations upon it. Here the trainee would acquire knowledge of the assigned project and also would learn to work.

d) **Multiple Management :** Here the Junior boards may be setup in a company. The Junior board is given the power to discuss any problem which the seniors should discuss. Membership of the Junior board becomes a prerequisite to the membership of the senior board.

e) **Temporary promotions :** The candidates may be moved upto the next rung of managerial hierarchy and tested for his perfomance and made accountable during the period of temporary tennure.

f) **Business Games :** It revises trainees to take sequential decisions here trainees work by themselves in teams in which team member takes the role of the manages of a functional area. These games are high motivative because the score is kept and trainees develop. Though these games involve expenditure, well run business games provide a unique method of teaching.

Activity F

What Management Development programes have you attended so you.

....

....

....

7.12 Career Planning

The employees in an Organisation work towards the achievement of the organisational objectives, but they themselves have their own personal goals, objectives and aspirations. The organisation benefits in the long run if it satisfies the personal aspirations of its employees by taking suitable steps like career planning, even while keeping in mind the overall organisational objectives.

Carrer planning in organisational context means helping the employees to plan their careers with reference to their capacities and involves devising a system of carrer movement and growth opportunities right from the time the employee enters the organisation till he ultimately leaves or retires. It is a progression of the career of young employees through various stages, from clinical to supervisory to managerial positions or form workers of lower skills to one of higher skills to supervisor to Manager. Career

planning a developmental activity in other words, and involves spotting talents, nurturing it, deploying it and redeploying it. Career planning in its broadest sense is an integration of the personal goals of employees to overall organisational goals.

A career is not just a job which is just a work experience, totally separate from other work experiences. A career is a sequence of different but related work experiences. There is a continuity about it. It makes the persons life meaningful. The different roles offered by a career means increasing levels of authority, responsibility, status and rewards. Career planning is not an end by itself but is a development as process and is significant as it helps obtaining optimum result while managing men.

The key elements of a career planning programme include (i) Individual assessments of abilities, interests, Career needs, and goals, (ii) organisational assessments of employee abilites and Potential (iii) Communication of information concerning carrer options and opportunities with the organisation and (iv) career counselling to set realistic goals and plan for their ttainment. Career planning programmes vary in the degree to which certain elements the emp

7.12.1 Objectives of Career Planning :

The objectives of the Carrer planning include :-

(i) To attract talented people and retain them in the organisation.

(ii) To enable the employees to develop and make them ready to meet the future challenges.

(iii) To correct employee placement

(iv) To improve motivation and Morale of the employees.

7.12.2 Steps in Career Planning

(i) Analysis of individual skills, knowledge, abilities, aptitude etc.

(ii) Analysis of Career opportunities both with in and outside the organisation.

(iii) Analysis of career demands on the incumbent interms of skills ; knowledge, abilities, aptitude etc. interms of qualifications, experience, Training received etc.

(iv) Relating to specific jobs to different carrer opportunities.

(v) Establishing realistic goals both short term and long term

(vi) Formulating career strategy covering areas of change and adjustment.

(vii) Preparing and implementing action plan including acquiring resources for achieving goals.

Thus career planning is the focal point of a Human Resource Management Programme of an organisation. A Career is a sequence of separate but related work activities that provides continuity, order and meaning to a person's life. The increasing rate of change in the existing political, economic, technological and social systems has made carrer planning and development much more important than it was in the past.

7.13 Summary :

The basic purpose of Training is to develop skills and efficiences of the employees. The trained employees are assets to the organisation. Training is not only benificial to the employees but also benificial to the employees. Skills, attitudes and knowledge are the basic inputs of training. The training programmes should have cutain objectives. The objectives should be for mulated keeping inview the overall objectives of the organisation. training helps to communicate better, helps to percolate values down the line, and assist in building skill and Healthy attitudes. The various steps in the evaluation of training and bevelopment include reaction, learning, behaviour and results. Training can be of significant value only when it coutributes to organisational exculence. To summarise, training and development helps to understand how systematically the managerial personnel can be developed and make them to grow in all respects to managenial work in their organisations effectively and efficiently.

7.14 Key words

Training: Systematic development of an individuals ability to perform a specific task or a job.

Development: It is planned, systematic and continuous process learning as to induce behavioural change in individuals.

Education: It is concerned with general knowledge and understanding of the employees total environment.

Job rotation: In order to provide wider exposure if the employee sent through different jobs in systematic way, it is called job rotation.

Sensitivity training: A form of training based on behaviour of persons in groups and undirected group interchange, designed to make these persons more aware of their own feelings of others towards them.

Induction Training: It deals with the problem of orienting a new employee to the organization and its procedures, rules and regulations. It helps in getting him introduced to the organization.

Refresher Training: It is intended to acquaint the existing workforce with the latest methods of performing their jobs and improve their efficiency further.

Craft Training: It involves preparation, not for single job but for many types of related jobs, which can be assigned to a competent crafts man.

Under Study: A supervisor gives training to a subordinate as his understudy.

Position Rotation: The trainee is periodically rotated from job to job instead of sticking to one job so that he acquires a general background of different jobs.

Simulation: Here the trainee works in closely duplicated environment, which resembles real job conditions.

T-Group Training: Also called as Sensitivity training. They meet a passive trainer and gain insight into their own and others behaviour. Meetings will have no formal agenda.

Multiple Management: In this method, Junior Boards will be set up. The boards are given all the powers to discuss on any problem, which the seniors have taken as task.

Career Planning: It means helping the employees to plan their careers with reference to their capacities and involves in devising a system of career movement and growth opportunities right from the time the employee enters the organization till he ultimately leaves or retires.

7.15 Self Assessment Questions

1. "A well thought out orientation programme is necessary for employees who have no work Experience - Explain

2. Explain the importance of principles of Learning.

3. Explain different on the job methods

4. What all the problems involved in off the job methods in Training.

5. Describe the need for Training and Development ? How do you asses the Training needs.

6. Outline the Training objectives and Methods.

7. What is meant by Executive Development ? What are its Objectives ? How is it planned ?

7.16 Further Readings.

Ahmed Abad, Management and Organisation Development, Rachance prakhasam, New Delhi 1972

Davis, Keith, Human Behaviour at work : Dynamics of Organisational Behaviour, Tata Mc. Graw Hill, New Delhi 1975

Memoria CB, Personnel Management, Himalaya Publishing House, Mumbai 1993

Subba Rao P, Rao VSP, Personnel / Human Resource Management, Konark Publishing House, New Delhi. 1995

J.J.R.L Barathi Devi

LESSON : 8

PROMOTIONS, DEMOTION, TRANSFERS AND SEPERATION

Objectives

After studying this lesson, the student in able to :

• understand the meaning of the terms - Promotions, Demotion, Transfers and Separation.

• present the Promotion and training polices

• familiarise the problems and prospects of Promotions, Transfers

• discuss the key issues relating to Demotion.

• present the conceptual back-ground of Seperations

STRUCTURE

8.1 Introduction :

One of the important responsibility of the HR Manager in the modern organisation is to bring employees into conduct with the organisation in such a way that the objectives of both groups are achieved. In every organisation whether it be commercial or charitable, there will be movement of employees into and out of organisation. This may be due to top management's decision to conduct the business more effectively by making contain changes in the organisation structure. The expansion activities necessitate creation of new jobs and the promotion of some employees to positions of greater scope and responsibility.

8.2 Promotions

Promotion is upward movement or advancement of an employee in an organisation to another job, which commands better pay, better status or prestige, higher challenges and responsibilities and opportunities. Some people consider that promotion means the increment in pay. The reality is not so. It the salary of any employee increases or the pay scale changes to the higher one, it is only known as upgrading or salary increment. If is regarded as promotion. Promotion is the advancement of an

employee to a higher job involving more work, greater responsibility and higher status. It may or may not be associated with the increment in the salary. Some times, salary of the employee also increases with the promotion. Some times it is not so. When an employee is promoted, but this salary does not increase, it is called as dry promotion. Generally, promotion is associated with the increase in salary, status, facilities, responsibilities and job.

According to Edwin B. Flippo, "promotion involves a change from one job to another that is better in terms of status and responsibilities".

Promotion is defined by igours and Myers as. "It is the advancement of an employee to all better in terms of greater responsibility, more remuneration or status, greater, skill and specially increased rate of pay or salary."

8.2.1 Bases for Promotion:

Depending on the size and nature of the organisation, the bases for promotion differs. The well established bases of promotion are seniority and merit. Merit is taken to denote are individual employees skill, knowledge, ability, efficiency and aptitude as measured from educational, training and part employment record. In this method, the resources or higher order of an employee can be better utilised at higher level. It results in maximum utilisation of human resources in an organisation. Further, it continuously encourages the employees to acquire new skill, knowledge etc. for all round development. Despite of the above advantages the merit system suffers from demerits like, Measurement of Judging of merit is highly difficult and the techniques of merit measurement are subjective. On the other hand, seniority refers to relative length of service in the same job and in the same oganisation. This system is based on the custom that the first in should be given first chance in all benefits and privileges. The advantages of seniority as a basis of promotion are it is easy to administer and there would be support of the trade unions to their system and it gives sense of certainity of getting promotion to every employee and of their turn of promotion. It minimises the scope of grievances. In spite of the above merits, their system also suffers from certain limitations. They are the assumption that the employees learn more relatively with length of service is not valid as their assumption has reverse effect. It demotivates the young and more competent employees and results in employee turn over. Thus merit and seniority bases of promotion have both advantages and disadvantages. A combination of the both may be taken as are effective basis of promotions. This method satisfies the management for organisational effectiveness and the employees and trade unions for respecting the length of service.

8.2.2 Promotion policy :

There should be a promotion policy in every organisation to motivate the employees for higher productivity. The ladder of promotion must be clearly established and communicated to the employees. The promotion policy must consider the merit, potential for advancement, and seniority of the employees. The merit factor requires a good procedure for evaluating the performance of employees. The quantity and quality of performance should be measured periodically and should form a part of the personal records. The evaluation of performance should cover such factors as out put, cooperation, initiative, willingness to accept responsibility and degree of reliability and dependability. The

lines of promotion should be clear so that every employee knows where the possibilities of promotion lie. The management must also decide now the promotions are to be handled.

Activity A :

List out the bares on which your organisation given promotions.

....

....

....

8.3 Demotions :

Demotion refers to the lowering down of the status, salary and responsibilities of an employee. It is used as a punitive measure when there are serious breaches of duty on the part of an employee. It is the reassignment of an individual to a job of a lower rank and pay usually involving lower level of responsibility. Individuals may be demoted in view of their in adequacies to meet job standards. Demotion may be used as a disciplinary measure. The habitual patterns of behaviour, such as, violation of the rules of the conduct, poor attendance record, in subordination, still continue on the lower jobs where the individuals are demotivated. It serves as a useful purpose in keeping the employees alert and alive to their responsibilities and duties.

8.4 Transfers :

A transfer involves the shifting of and employee from one job to another without special reference changing responsibilities or compensation. It means shifting of an employee from one job to another, one unit to another or one shift to another and may involve a new geographical location. Transfers may be initiated by the organization or by the employee with the approval of the organization. Transfers have a number of objectives such as moving employees to positions with a high priority interms of goals, placing employees in positions more appropriate to their interests or abilities or filling vacancies in a department with employees from department having surplus staff. Dale Yolder and others define transfer as a lateral shift causing the movement of individuals from one position to another, usually without involving any marked change in duties, responsibilities, skills needed or compensation. Employees may be transferred either because of the needs of the business or at their own request. Transfers usually effected to build up a more satisfactory work team and increases the effectiveness of the organisation. It increases the versatility and competence of key positions. It corrects the incompatabilities in employee relations.

8.4.1 Types of Transfers:
a) **Production Transfers:** This type of transfer is effected to meet the company requirements and at times, to forestall lay-offs. When production is declaring in one department, where additional help is needed, some employees from the formal may be transferred to the latter.

b) **Replacement Transfers:** This takes place to replace a new employee who has been in the organisation for a sufficiently long time, the purpose being to give some relief to an old employee from the heavy pressure of work.

c) Remedial Transfers: In case an employee does not feel comfortable on his Job, he may be transferred to some other Job. His initial placement might be faulty, his health might have gone down, he may not be getting along with his supervisor or workers i.e. he might have developed personal friction with his boss or fellow employees. Remedial transfer is made to rectify the situation caused by faulty selection and placement procedures.

d) Job Rotation Transfers: It is used to train the employees in different jobs with the aim of increasing their versatility and improving their chances of promotion.

e) Shift Transfers: In case industrial concerns, there are normally three shifts. Usually these shifts are rotating. In case shifts are not rotating, some employees may be transferred from one shift to another.

f) Interplant Transfers: If a transfer is from one plant to another, it is known as interplant transfer. This may be done to oblige a good worker by moving him to the plant of his choice or to punish worker by moving him to the plant which may far away from his residence.

8.4.2 Transfer policy: Every organisation should have fair and impartial transfer policy, which should be known to each employee. The responsibility for effective transfers is usually entrusted to an executive with power to prescribe the conditions under which requests for have transfers are to be approved. For successful transfer policies, it is necessary to have a proper job description and job analysis. One should be taken to ensure that frequent or large scale transfers are avoided by laying down adequate selection and placement procedures for the purpose. A Good transfer policy should clarify the types of transfers and the conditions under which these will be made and it should indicate whether transfers can be made only within a submit or also between departments, divisions. The policy should indicate the basis for Transfer.

8.4.3 Benefits of transfer
- Transfers reduce the employees monotony boxdom and causes the morale.

- Transfers correct the erroneous placement and interpersonal conflicts.

- Transfers prepare the employee to meet the organisational changes and meet the fluctuations in business and organisational requirements.

8.4.4 Disadvantages :
- It causes and cost to the employee.

- There will be in loss to mandates.

- Reduction in employee contributions.

- Adjustment problems arises.

Activity B :

Think of various types of transfers implemented in your organisation.

....

....

....

8.5 Seperations:

Employees may move out of the organisation or be seperated for a variety of reasons like retirements, resignation, suspension, discharge, dismissal, redundancy, retrenchment and out placement.

Some employees may die in service. Such deaths may cause by accidents or other reasons. Where the death occurs due to the occupational hazards, the provisions of acts may apply. Organisations may additionally have insurance and family benefit schemes. Typically all employment contracts stipulate the age of superannuation. Some organisations have a policy to reappoint professions for at limited duration. Voluntary quits and resignations by employees when they are dissatisfied with the present job and/or when they get better employment in other organisations. Organisations may also terminate the services of the employees when the jobs are eliminated or reduced due to technology. Organisations terminate services of employees if they are dissatisfied with the performance of conduct of employees.

8.6 Summary

In every organisation, whether it be a commercial, charitable or governmental, there is considerable shifting of employees from job to job. There is also movement of employees into and out of the organisation. A promotion may be designed as an upward movement or advancement of an employee in the organisation to another job, which commands better pay or wages, better status or prestige and higher challenges and responsibilities and opportunities. On the other hand, transfer is a lateral movement of an employee from one position or from one plant to another. Generally without involving any significant change in compensation, duties, responsibilities and status. No matter what system or policy is applied to the problem of promotion and transfer, whether the rules are stated or unstated, rigid or flexible, the human equation is of paramount importance. Employees may move out of the organisation or be seperated for a variety of reasons like retirements, resignations, suspension, discharge, dismissal, redundancy. retrenchment and out placement.

8.7 Key words :

Promotion: It means transfer of person to a higher post carrying higher status, more pay and increase responsibilities in some organization.

Transfer: Transfer is movement of an employee from one job to another without involving any substantial change in his duties, responsibilities, required skill, status and compensation.

Versality Transfer: It is designed to benefit both the Company and the employee. The employee is moved from one job to another to provide ample opportunities for gaining a varied and broader experience of work.

Production Transfers: When production is declining in one department and increasing in another department, some employees from the former may be transferred to the latter. These are very much necessary for employment stability.

Demotion: Transfer of individual to a post resulting lower status, decreased responsibilities and lower pay.

Separation: It means cessation of service of agreement with the organization for one or the other reason. It may be separated from pay roll of a company as result of: (1) Resignation (2) Discharge (3) Suspension (4) Lay off.

8.8 Self Assessment Questions :

1. What is career planning and career development?
   Examine the various Career Development action?
2. What is promotion? Describe the promotion policy.
3. What are the bases for promotion? Explain?
4. What do you mean by promotion? Explain reasons,
   Objectives and types of promotion? Discuss its principles
5. What do you mean by Transfer? Explain Various types of transfers.
6. Write shot note on
   a) Demotion.
   b) Seperation.
7. Explain principles in a transfer policy?
8. Draw a promotion and transfer policy in your organisation.

8.9 Further Readings :

Pigors P. and Mayor C.A. Personnel Administration, 1951.

Robbins, Stephens, P. The Administrative procers, Printice Hall of India, New Delhi, 1978.

Rudra Basavaraj MN, Dynamics of Personnel Administration, Bomaby, 1985.

Davis Keith, William G. Human Relations and organisational Behaviour, Mc Graw Hill, New York, 1975.

J.J.R.L. Bharathi Devi

LESSON - 9

COMPENSATION

Objectives

P   After reading this lesson, the student should be able to **:**

P   explain employer concerns in developing in compensation programme

P   identify the various factors that influence the setting of compensation function.

P   explain the purpose of wage survey.

P   discuss the different types of compensation

P   present various incentive plans

P   discuss the wage policy

P   examine the key considerations in fringe benefits.

P   review the current approaches to fringe benefits

Structure

9.1.   **Introduction**

9.2.   **Types of compensation**

9.3.   **Pre - requisites of good compensation system.**

9.4.   **Types of Incentive plans**

9.5.   **Wage policy**

9.6.   **Principles of wage and salary system.**

9.7.   **Incentives**

9.8.   **Summary**

9.9.   **Key words**

9.10.   **Self Assessment Questions**

9.11.   **Further Readings**

9.1. Introduction

Compensation refers to the establishment and implementation of sound policies and practices of wages and salaries of employees in an organisation. The organisation pays wages and salaries to the employees for the work rendered by them. The wages are paid on time basis or production basis. The management may also adopt incentive schemes to remunerate the employees for their increased production. The incentive compensation to employees increases the production to the management and gives higher wages to the employees. The soundness of compensation management depends on the amount of wage and salary paid to an employees for a fair days work. Hence, formulation and administration is considered to be one of the important and complex managerial function. The complexities stem from the fact that on the one hand, a majority of the union. Management problems and disputes relate to the question of wage payment and on the other, remuneration is often one of the largest components of cost of production. Thus compensation is any form of payment given to the employees in exchange for work they perform.

The compensation function contributes to the organisational effectiveness in four basic ways. First, compensation can serve to attract qualified applicants to the organisation. Other things being equal, an organisation offering a higher level of pay can attract a larger number of qualified applicants than its competing units. Compensation helps to retain competent employers in the organisation. Compensation policies help by maintaining a fair internal pay structure and by providing attractive benefits. Compensation serves as an incentive to motivate employees to put forth their best efforts. Thus employee average productivity of labour increases. Thus labour costs are reduced and organisational profitability in increased. Minimising the costs of compensation can also contribute to organisational effectiveness. Thus compensation is a reward for past service to the enterprise and as a stimulus to increased performance in the future.

Compensation function is considered as a personnel function. Personnel engage in a number of activities to facilitate compensation goals attracting, retaining and motivating employee while also laying to control compensation costs. The compensation function directs employees the human resource planning, Job analysis, performance appraisal, and labour relations.

9.3. Types of compensation

Financial compensation is of significance from the stand points of the individual, the enterprise and the national economy. Obviously, remuneration is the major source of purchasing power of the individual, which inturn, relates to his standard of living. The principle of equity necessitates that the individual is fairly compensated for the work he accomplishes in the enterprise. Furthermore, compensation is a determinant of the status, prestige and worth of a individual in the society. There are three types of incentive pay systems:

(a)   Individual level incentive pay system : Under this system, employees who perform at minimal levels receive their standard pay for the Job, but those who perform above the minimal level receive their standard pay plus incentive pay.

(b) **Group level incentive pay system:** This system links incentive pay to group performance. All members of group receive the same amount of incentive pay which is determined by the level of groups output. Group level incentive system is used when co-operation is required or when group output is more easily measured than individual output.

(c) **Organisation wide incentive pay system:** This system bases incentive pay on performance and organisational results. Typical measures of organisational performance include an organisations overall profitability ratio of total labour costs to the value of production, scrap rates, reduction of overtime and adherence to production schedules. Employers use cost-control system to minimise compensation costs which attaining other desired goals of compensation.

9.3. Pre - requisites of a good compensation system

The aim of an incentive plan are to increase productivity and efficiency reducing costs, and increasing employee earnings. These objectives can be achieved by fulfilling the following requirements.

i) The organisation should have a set of good wage and salary Administration policies. The policies should be fair both to the Management and Employees.

ii) In order to give incentives to employees, there must be standard production. The incentives shall be paid to employees on the production over and above the standard production.

iii) The incentive plan that is developed should be easy to understand. The employee should able to know the incentives offered and what is expected to.

iv) Management should discuss the wage incentive system with the employees and their representatives.

v) An incentive wage plan must ensure certain minimum wage payment to every workers per month. This should be irrespective of the production he gives. This creates sense of security and confidence among the workers.

vi) Incentive plan should not place any maximum limit on earnings. As the employee produce more the employee earnings will increase and cost to management will reduce.

vii) The incentive plan must be definite. This means frequent changes should not be made as such changes create confusion and doubts in the minds of the workers. Such plan must give clear benefit to workers.

Activity A : Try to Analyse the wage policy in your organisation.

An incentive plan should not be restricted for employees of certain sections only. It should have wide coverage and almost all employees should be covered by such plan. Such coverage would make the plan popular at all levels and among all categories of workers.

There must be constant and carefully follow-up to see whether employees are adhering to the specifications. Management must observe whether the standards are being met or not. The reasons for deficiency should be investigated and corrective steps taken to facilitate the smoother functioning of wage incentive system.

Activity B : Develop a productivity linked bonus scheme for your organisation.

9.4. Types of incentive plans

The incentive wage systems are of the following types:

a) Halsey Premium Plan

b) Rowan Premium Plan.

c) Emerson Efficiency Premium Plan

d) Bedaux Point Premium Plan.

e) Merrick Piece Rate System

f) Taylor Differential Piece Rate System

g) Gantt Bonus Plan

a) **Halsey Premium Plan:** It was introduced by the famous Canadian Scholar F.A. Halsey. Under this system, the average time required for every activity is calculated on the basis of average efficiency of worker. It is called standard time. The workers, who complete their work within this standard time, are paid the wages at a standard rate. The workers who complete their work in less than standard time are paid wages according to the standard rate and bonus on the basis of time saved by them.

The rate of bonus may be 33 1/3% or 50 %. The bonus is calculated as under:
Bonus = 50 % (Time saved x rate per hour)

Example: Standard time = 10 hours
Actual time = 6 hours
Rate of wages = Rs. 2 per hour
Bonus – 50%

Answer: Wags of 6hours = 6x2 = 12 Rs

Bonus = 50% (4x2) = Rs.4
Total wages = Rs 12 + Rs 4 = Rs. 16

Features of Halsey Premium Plan:

i) Standard time of production is determined well in advance.

ii) Standard rate of wages is also determined

iii) The workers who complete their work within standard time, are paid the wages at the standard rate.

iv) The workers who complete their work in less than standard time are paid the wages according to the standard time.

v) The rate of bonus may be 33 1/3 % or 50 %

Pros of Halsey Premium Plan:

P   Every worker gets a guarantee of minimum wage

P   The workers are encouraged to do more and more work.

P   This system helps in maximum utilisation of time.

P   It is helpful to both the employers and workers

P   In this system, the satisfaction levels will be high

P   System is easy and convenient

P   It encourages mutual co-operation and co-ordination among employees.

Cons of Halsey Premium Plan:

P   This system can't be considered as scientific.

P   The workers become ignorant of work due to the reason that they get minimum gurantee wages.

P   Because there is minimum guarantee, it depends on the discretion of workers to do or not to do extra work.

b)   Rowan Premium Plan:

This plan was introduced by James Rowan. In this method, the standard time and the standard rate of wage payment are determined in the same manner as Halsey plan. The workers who complete this work within standard time are paid the wages at standard rate. The workers, who complete their work in less time than the standard, are paid wages at the standard rate plus some Bonus. This Bonus is calculated in proportion of time saved. In this system, the bonus is calculated as under.

$$\text{Bonus : } 50\% \text{ (Time x rate per hour)} \quad \frac{\text{Saved time}}{\text{Std. time}} \text{ X Actual time take X Rate per hour}$$

Illustration : Standard time = 10 hours

Actual time = 6 hours

Rate of wages = Rs. 2 per hour

bonus = 50%

Answer : Wages of 6 hours = 6 x 2 = 12 Rs.

Bonus = 50% (4 x 2) = Rs. 4

Total wages = Rs. 12 + Rs.4 = 16.

Features of the Roman plan :

i) Standard time of wage is decided.

ii) Standard time of work is decided.

iii) The workers who complete their work within standard time are paid the wages according to standard time.

iv) The workers who complete their work before standard time, he is paid according to standard Rate plus bonus.

v) Bonus is calculated in the ratio of time saved with standard time.

Pros:

P This is based on scientific calculations.

P The workers get higher bonus under this system.

P It checks over speeding as workers will not get bonus more than 25% of the standard time.

Cons:

P The bonus is always in decreasing proportion.

P Due to decreasing proportion of bonus, the workers do not get due encouragement

P the bonus of the very efficient and less efficient worker are the same.

P It is difficult to understand.

c) **Emerson Efficiency Plan:**

This plan was introduced by Mr. Hemington Emerson. Here wages are paid at the standard rate and the amount of bonus paid to the workers depends on the individual efficiency of the workers. Under this plan, the tools and equipment are standardised and the standard time for completing the work is

determined so that an average worker of average efficiency may also complete the work within that standard time. The efficiency of the worker is determined in the ratio of actual time taken by the worker with standard time of the work. The bonus is calculated on the basis that bonus must be 20% of his daily wages if the efficiency exceeds 10%. If efficiency exceeds by 10% over 100% bonus will be 20% + 10% =30%. In the same way, the rate of bonus will be 40%, 50% and 60% at 120%,130% and 140% level of efficiency respectively.

d) Bedaux Point Premium:

Under this plan, the standard time for every work is determined and this standard time is expressed in minutes. Standard performance is expressed in terms of points. One minute of standard time for a particular work is considered to be one point. Every point is equal to standard rate wage per minute. Under this plan, the standard time and standard wage rate are expressed in terms of point.

e) Merric Differential Wage Multiple Piece Rate Plan:

Under this plan, three rates of wages are determined in place of two rates – (i) upto 80% of standard performance, (ii) upto standard performance and (iii) above standard performance. Under this system, the workers who complete 80% of standard production get minimum wages. They do not get any bonus. The workers who achieve the level of performance between 80% and 99%, get 10% bonus also in addition to their wages.

f) Taylor Differential Piece Rate System:

This system was introduced by F.W. Taylor. Under this system, standard time for every work is determined on the basis of time and motion study. Two rates of wages are determined as High rate and low rate. The workers, who complete their work within standard time, or before standard time, are paid wages according to the high rate. The workers, who complete their work in more time than standard time, are paid the wage according to lower rate.

Features:

i)   Two rates of wages are determined.

ii)   standard time of the work in determined.

iii)   The workers, who complete their work in standard time or before standard time, are paid the wages at high rate.

iv)   The workers, who complete their work in more time than the standard time, are paid the wages at lower rate.

Pros:

P   This system is based on scientific calculations, proper work and Job Standardisation.

P   It rewards an efficient worker and penalises inefficient worker.

P   It helps in eliminating the workers are quite inefficient.

P   Very easy to understand.

P   It helps in reducing the cost of production per unit.

Cons:

P   The greatest demerit of this system is that it does not guarantee minimum wages.

P   The system classifies the workers into two categories.

P   It is not suitable for the unity of workers.

P   It may cause great dissatisfaction among the workers.

Gantt Bonus Plan:

This system was introduced by Mr. H L Gantt. Under this system, the minimum amount of wages to be paid to the workers is determined. The workers, who complete their works within standard or before standard time are paid a bonus of 25% of their wages. The rate of bonus will be 33 1/3 % also. The workers, who complete their work in more than standard time, are also paid the wages determined earlier.

Pros:

P   It is easy to understand and calculate.

P   There is guarantee for minimum wages.

P   The system encourages the workers to complete their work in standard time.

P   It is also useful for employer.

P   Supervisor also gets bonus in proportion to the bonus earned by his workers.

Cons:

P   Workers may not bother for more work.

P   This system also classifies workers into efficient and inefficient.

P   It is against to the interests of the unions.

Activity C :   Identify the areaas in your office where wage incentives can be introduced.

9.5.   Wage Policy:

The aim of the wage policy is to set down the company's policy with regard to wages and salaries. It is the responsibility of all who apply it to explain it fully to their subordinates. A wage policy should aim

(i)   To take account of wage rates paid by companies of similar size, product and philosophy,

(ii) To recognise value of all the Jobs.

(iii) To ensure stable earnings.

(iv) To enable individuals to reach their full earning potential as far as is reasonably practicable.

(v)   To ensure employees, share in the company's prosperity as a result of increasing efficiency.

Activity D : Generate new suitable wage policy for your organisation.

9.6.   Principles of Wage and Salaries System:

(i)   There should be flexible wage plans.

(ii)   These plans must always be consistent.

(iii) The plans should be inconformity with the social and economic objectives of the country.

(iv)   These programmes should be responsive to the changing local and National conditions.

9.7.   Incentives

The needs of the individuals serve as driving forces in human behaviour. In the context of these needs, management tries to govern the behaviour of employees in satisfying their needs. Individuals have varied types of needs. Some of them can be satisfied by money, while others can't be satisfied by money alone. On the basis of this, the various incentives which may be used by the organisation may be classified into two parts- a) Financial Incentives b) Non Financial Incentives.

a)   Financial Incentives: Money has become a means not only to satisfy the physical needs of daily life, but also of obtaining social position and power. Human beings first take care of their primary needs of food, shelter, clothing etc. Since the money has the exchange values – these they can have in exchange of money – Money becomes a basic incentive for individuals. The organisation offer wages which become incentives for individuals to join the organisation. The wage structure should be such that it motivates the present and prospective employees of the organisation.

b)   Non Financial Incentives: People at comparatively higher level of managerial hierarchy attach more importance to socio- psychological needs which can't be satisfied by money alone. Thus management, in addition to the financial incentives, provides non financial incentives to motivate people in the organisation. Non – financial incentives does not mean that organisation has nothing to spend on these. However, the emphasis here is to provide psychological and emotional satisfaction rather than financial satisfaction. The various forms of individual non financial incentives are as follows:

    i)   Status

    ii)   Promotion

    iii)   Responsibility

    iv)   Making Job pleasant and interesting.

    v)   Recognition of work.

    vi)   Job Security

Collective Incentives: People may be motivated in groups also they perform their duties in groups and are affected by the group. If the group in general is efficient, an individual tends to become efficient. Some of the collective non financial Incentives are

    P   Social Importance of work

    P   Team spirit

    P   Competition

    P   Informal groups

Institutional Incentives: These incentives are related with the environmental factors in the organisation. Conducive and Congenial atmosphere of the organisation motivates the employees to produce better results. Following incentives fall in this category:

    P   Human Relations in Industry

    P   Participation

    P   Communication

    P   Building Morate

    P   Discipline.

Activity E : Listout suitable incentived plans for your organisations.

9.8.   Summary

      The aim of compensation administration is to bring cost – effective structure which attract, motivate and retain competent employees. It is usually composed of the base wage or salary, any incentive or bonuses. It also consists of an organisation's policies, procedures, rules determining the compensation system. Pay dissatisfaction can influence an individuals feelings about his Job. The

question of fair pay involves both internal and external equity. The organisations pay incentives to its employees on the basis of the productivity. There are several incentive plans which can be classified as individual incentive plans and group incentive plans.

9.9. Key words

Wage: Compensation for services rendered by the person whose output is related to production.

Salary: Salary is compensation for services rendered by the persons whose output is difficult to be measured.

Living wages: These are the compensation for the services which is sufficient to ensure the bear necessities of food, shelter and clothing and comforts and provision for evil days.

Minimum wages: Payment to a workman, which is just sufficient to cover food, shelter and clothing for himself and his family.

Fair wage: It is something more than the minimum wage. Minimum wage is lower limit and higher limit is fair wage. Between these two limits, actual wages should depend on considerations of such factors as 1) productivity of labour 2) National income and its distribution.

Incentive or reward: Incentive or reward can be anything that attracts a worker's attention and stimulates him to work. It is a plan to motivate individual or group performance. It may be of monitory or non-monitory.

Fringe benefits: Supplements to wages received by workers at a cost of employers. This includes a No. of benefits such as paid vacation, pension, medical bills and insurance plans etc.

9.10. Self Assessment Questions

1. Review the current wage policy in India?

2. Discuss the major aspects influencing wage and salary Administration at company level?

3. Review the major behavioural considerations which influence the reward system in an organisation?

4. Write a short note on Fringe Benefits

5. What do you mean by incentives? Explain various types of incentives?

6. What do you mean by Financial and Non Financial incentives?

7. What are the basic principles of wage and salary Administration?

9.11. Further Readings

Chabra T.N. Human Resource Management, Bhampat Rai & Sons, New Delhi, 1998.

Henderson, Richand R, Charles E, Compensation Management, Reston publishing House, Reston, 1976.

Mc Beath, Salary Administration, Business Books, London, 1968.

Monappa A, Saiddin M.S. Personnel Management, Tata MC Graw Hill, Publishing Co., New Delhi, 1993.

Sharma A.M, Personnel and Human Resource Management, Himalaya publishing House, Mumbai.

J.J.L.R. Bharathi Devi

MOTIVATION AND JOB SATISFACTION

Objectives:

After studying this lesson, the student should be able to :

- explain the Concept of Motivation.
- describe the Motivating factors
- illustrate the theories of Motivation.
- describe job satisfaction.
- explain employee's participation and decision effectiveness.

STRUCTURE:

10.1 Introduction:

The purpose of motivation is to create conditions in which people are willing to work with zeal, initiative, interest and enthusiasm, with a sense of responsibility, loyalty and discipline and with pride and confidence in the most cohesive manner, so that the goals of an organisaion are achieved effectively. It is a bare fact that most of us use only a small portion of our mental and physical abilities. To exploit the unused potential in people, they are to be motivated. People can be motivated by two ways. One is a positive approach or pull - mechanism and another is a negative approach or push - mechanism.

10.2 Motivation:

The word motivation is derived form "Motive" which means any idea, need or emotion that prompts a man into action. Whatever may be the behaviour of human being, there is some stimulus behind it. Stimulus is dependent upon the motive of the person concerned. Motivation represents a

satisfied need which creates a state of tension or disequlibrium , causing the individual to move in a good - directed pattern towards restoring a state of equilibrium by satisfying the need.

According to the Encyclopaedia of Management, "motivation refers to the degree of readiness of an organisation to pursue some designated goal and implies the determination of the nature and locus of the forces, including the degree of readiness."

Dubin has defined "motivation is the complex of forces starting and keeping a person at work in an organisation."

Motivation is the process that starts with a physiological or psychological deficiency or need that activates behaviour or a drive that is aimed at a global or incentive. Thus the process of motivation lies in the meaning and relationship among needs, drives and incentives.

(Deficiency)	(Deficiency with Direction)	Needs Drives Goals/ Incentives (Reduction of drives and fulfils deficiencies)
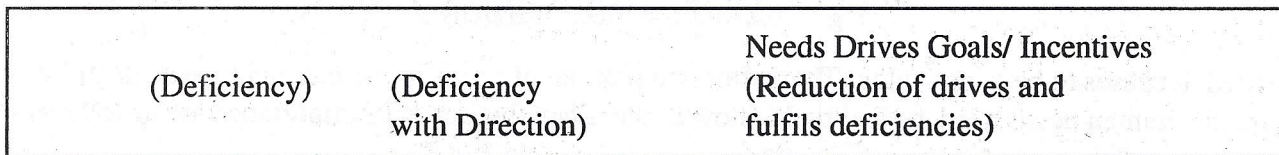
Fig 10.1 - The basic Motivation process

Needs: Need is the starting point of motivation. Need is deficiency. Needs are created whenever there is a physiological or psychological imbalance.

Drives: Drive is a deficiency with direction. They are action oriented and provide an emerging thrust towards goal accomplishment.

Incentives: Incentive is anything that will alleviate a need to reduce a drive.

Activity A :
Do you think traditional performance Appraisal methods seve the purpose of modern enterprise? If yes, explain How with your experience is your organisation.

....
....
....

10.3 Theories of Motivation:
Management can do its job effectively only through motivating people to work for the accomplishment of organisational objectives. But according authors like MC Gregor, Maslow, Herzberg and Vroom, It is difficult to understand motivation without considering what people want and expect from their work. Three are several theories on motivation.

a) Maslow's theory of Hierarchy of Needs: - People go to work in order to satisfy their needs and aspirations. Abraham Maslow saw human needs in the form of a hierarchy starting in an ascending order from the lowest to the highest needs and concluded that when one set of needs is
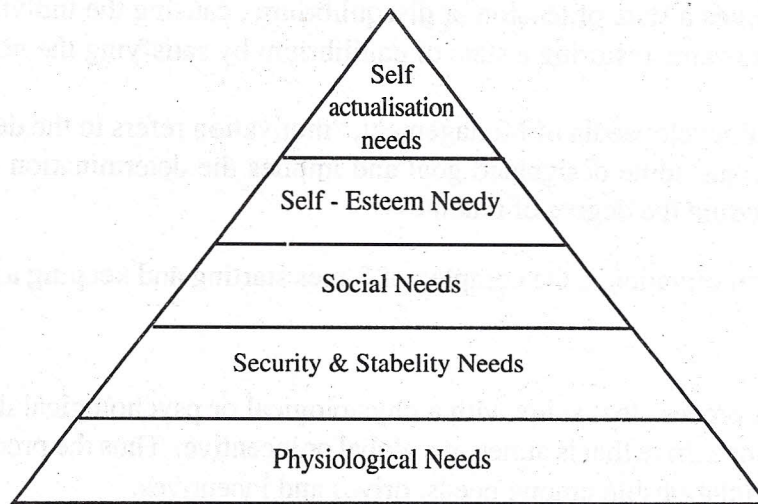
Fig : 10.2 Maslows Need Hierarchy

satisfied, it ceases to be a motivator. Thereafter two next set of needs in the hierarchy takes its place. The basic human needs as identified by Maslow in the ascending order of importance are as follows in the figure 10.2.

i. **Physiological Needs:** These are the basic needs for sustaining human life- Food clothing, shelter, sleep and sexual satisfaction. Maslow says that until these needs are satisfied to the required extent, other needs do not motivate a person.

ii. **Security or Safety needs:** These are the needs to be free from physical danger and fear of loss of job, property, food, clothing or shelter. This is exactly the reason why attitude towards security is an important consideration in choosing job. These needs as far as work organisation is concerned include: conformity, security plans, membership in unions, severance pay etc.

iii. **Social Needs (Affiliation or Acceptance Needs):** These needs relate to one's desire for social acceptance and friendship. Since human beings are social animals, they desire to belong to others and to be accepted others - Every person wishes to be affiliated to a particular social group.

iv. **Esteem Needs: The** esteem needs focus on oneís desire to have a positive image to receive recognition, attention and appreciation from others for one's contribution. This kind of need produces satisfaction as power, prestige, status and self confidence.

v. **Self actualisation needs:**

   Maslow regarded the self-actualisation need as the highest level need in his hierarchy. Human being tries to maximige his potential and accomplish something, when this need is activated in him.

b) Herzberg's Two - Factor Theory: -
   A significant development in motivation research was by Frederick Herzberg (1959) and associates who distinguished between motivational and maintenance factors in job situation. On the

basis of their research, two job factors were identified, namely, motivators and hygiene factors. That is why, Herzbergís theory is also called two factor theory.

Hygienic factors include job content, extrinsic factor, company policy and administration, Quality of suspension, relation with supervisors, peer relations, relations with subordinates pay, job security, work conditions, status. The presence of these factors at a satisfactory level prevents job dissatisfaction, but does not provide motivation to the employees.

Motivational factors all on the other hand, all essential for increasing the productivity of the employees. They are also known as satisfiers and include such factors as job content, intrinsic factors, recognition achievement, advancement, work itself, responsibility, posibility of growth etc.

Herzberg further started that managers have hither to been very much concerned with hygienes factors. He also said that to-day's motivators are tomorrow's hygienic because they stop influencing the behaviour of persons when they get them.

c) MC Gregor's Theory X and Theory Y

Prof. Douglas MC Gregor has presented two opposite sets of assumptions about employees viz Theory X and Theory Y.

Theory X represents bureaucratic and authoritarian attitude towards employees and it based on certain assumptions such as (a) The average human being dislikes work and whenever possible, will avoid it, (b) most people are not ambitious, have little desire for responsibility and prefer to be directed; (c) to get human beings to work; it is necessary to use strict control, threats, constant pressure, coercion, persuasion and even punishment; (d) most people have little capacity for creativity in solving organisational problems; and people actually like to be directed and supervised very closely He observes: "Management by direction and control may not succeed because it is a questionable method for motivating people whose physiological and safety needs are reasonably satisfied and whose higher level needs are becoming predominant." He therefore, developed an alternative theory of human behaiour called theory Y.

Theory Y assumes that people are not by nature lazy and unreliable. They enjoy work, show initiative and imagination in self- direction and self-control. Assumptions of theory Y are: (a) work is a natural activity, like playing and rest, if the conditions are comfortable. (b) Close monetoring, supervision and threats of punishment are not the only ways to get people to do things. (c) Motivation occurs at the social esteem and self actualisation levels, as well as at the physiological and security levels. (d) People can be self-directed, and be creative at work if properly motivated.

d) Vroom's expectancy Theory of Motivation:

Expectancy theory, as applied to behaviour at work, has been formulated mainly by Victor H. Vroom. According to his theory, motivation of any individuals depends on the desired goal and the strength of his expectation of achieving the goal. There are three variables of Vroom ës model given in the form of an equation.

Motivation = Valence X Expectancy X Instrumentality.

Valence: Valence is the strength of an individual's preference for a particular reward; It can be take as equivalent of value, incentive, attitude, and expected utility.

Instrumentality: Instrumentality denotes an individual's estimate that performance will result in achieving the reward. Thus, if an individual has particular goal, some behaviour must be produced in order to achieve that goal. In this case, the person is motivated to achieve superior performance because he has the desire to be promoted.

Expectancy: Expectancy is the probability that a particular action will lead to a desired reward.

Motivation is the product of valence, expectancy and instrumentality. These three factors in the expectancy model may exist in an infinite number of combinations depending upon the range of valence and the degrees of expectancy and instrumentality. The combination that produces strongest motivation is high positive valence, high expectancy and high instrumentality. In essence, Vroom emphasised the importance of individual perception and assessment of organisational behaviour. His model attempts to explain how individualís goals influence his efforts.

e) Alderfer's ERG Theory:

Alderfer identifies three groups of needs, viz. Existence, Relatedness and Growth and that is why his theory is called ERG theory. The existence needs are concerned with survival or physiological well - being. The relatedness needs talk of the importance of interpersonal and social relationships. The growth needs are concerned with the individualís intrinsic desire for personal development. The ERG theory is more consistent with our knowledge of individual differences among people, such as education, age, family background, cultural environment etc.

Although, there is some evidence to counter the theory's predictive value, most contemporary analysis of work motivation tends to support Alderfer's theory over Maslow's and Herzberg's But unlike Maslow and Herzberg, he does not assert that a lower level need has to be satisfied before a higher level need, nor does he say that deprivation is the only way to activate a need.

10.2 Job Satisfaction:

The term job satisfaction was brought to limelight by Hoppock. He describes job satisfaction as 'any combination of psychological, physiological and environmental circumstances that cause any person truthfully to say that I am satisfied with my job'.

Factors of Job Satisfaction:

Hoppock identified sixfactors that contributed to job satisfaction among employees are as follows

a) The facility with which he adjusts himself to other persons.

b) The way individual reacts to unpleasant situations.

c) The nature of the work in relation to the abilities, interests and preparation of the worker.

d) His relative status in the social and economic group with which he identifies himself.

e) Security.

f) Loyalty,

What management can do to increase job satisfaction?

Factors controlled by the Management include job enlargement, job rotation, change of pace, scheduled rest periods, shorter hours, greater autonomy, Automation, wage rate, nature of supervision, kind of work group, promotional policy transfer policy etc.

A wide range of factors affects an individual's level of satisfaction. A high level of satisfactions leads to organisational commitment, while a low level, or dissatisfaction, results in a behaviour detrimental to the organisation. For example, employees who like their jobs, supervisors and factors related to the job will probably be loyal and devoted.

Activity B :

"Productivity is linked with job satisfaction" Justify with four personal experience.

....

....

....

10.5 Employees' Participation and decision effectiveness:

The concept of employee's participation in Management is nothing new. It is considered as a mechanism where workers have say in the decision - making process of an institution formally.

In its narrow sense, Participative Management referes to the constitution of consultative councils and committees, comprising representatives of employees and employers, to recommend steps for improving productivity, machine utilisation, job loading, for effecting savings in power, light, for identifying lazy workers etc. In its broad sense, employee participation means associating representatives of employees at every stage of decision- making partcipative management is considered as a process by which the workers share in decision- making extends beyond the decisions that are implicit in the specific contents of the job they do.

According to Davis, 'it is a mental and emotional involvement of a person in a group situation which encourages him to contribute to goals and share responsibilities in them.'

10.6 Importance of Employees' participation

Employees' participation in management has assumed great importance these days because of the following benefits:

- Reduced industrial unrest
- Increased organisation balance
- Reduced misunderstanding.
- Improved communication.
- Increased commitment.
- Higher productivity.

Development of individuals

- Industrial democracy.

- Less resistance to change.

10.7 Objectives of Employees' Participation:

The following are the main objectives of employee participation.

a) to increase the productivity for the general benefit of the enterprise.

b) to provide a better understanding to employees about their role in the working of organisation and the process of attainment of enterprise goals,

c) To satisfy the employee's needs.

d) To achieve industrial peace, better relations and increased co- operation in industry.

e) To develop the most dynamic human personality.

f) To promote the leadership qualities among the employee's

10.8 Modes of Employees' par ipation

The modes of employee's participation in management vary from Industry to industry and from country to country. The modes of employee's participation in management are:

a) **Participation through works committees:** A works committee consists of equal number representatives of both employers and workers. The Industrial Disputes Act, 1949, provides for setting up of work committees as a scheme of worker's participation in management. The Act provides for these bodies, in every undertaking employing 100 or more workmen. After discussion, joint decisions are taken and such decisions are binding on both the parties. Matters like wage payment, bonus, training, discipline, etc. are discussed in such meetings, works committees are extremely popular and effective in France and also in England. In India, the Bombay Industrial Relation Act, 1946, also provides for these bodies, but under the provisions of this Act, they can be setup only in units which have a recognised union and they are called joint committees.

b) **Participation through joint Management councils:** Joint councils of management scheme was started in the UK with formation of Whitley councils on the recommendations of the Whitley committee which was appointed by the British Government to recommend measures for the permanent settlement of differences between the workers and the management. In India, the second Five year plan recommended the setting up of joint councils of management consisting of representatives of workers and the management. The Government of India deputed a study proup (1957) to study the schemes of worker's participation in management in countries like France, UK, Belgium and Yugoslavia. The subject matter of joint councils includes such problem areas as labour welfare, safety measures, grievance redressal, training, working houses etc.

c) **Participation through Joint councils:** The joint councils are for the whole unit and its membership remains confined to those who are actually engaged in the firm. The tenure of the joint councils is generally for two years. The CEO of the organisation becomes its Chairman. Worker's members of the council nominate the Vice-Chairman. The joint council appoints the secretary who is responsible for discharging the functions of the council. The joint councils will meet once in four months, but the periodicity of the meeting varies from unit to unit and periodicity may change i.e. once in a month or quarter. This scheme was implemented by the major units of the central and State governments.

d) **Participation through collective Bargaining:** Collective bargaining is an industrial relations process in which workers through their elected leaders participate on equal basis with management in negotiating labour agreements in administrering the agreements and in redressing grievances of the employees. Collective bargaining is no - substitute for workers participation in management.

e) **Participation through quality circles:** Quality circle is a small group of employees in the same work area or doing similar type of work who voluntarily meet regularly for about an hour every week to identify, analyse and resolve work related problems not only to improve quality, productivity and the total performance of the organisation, but also to enrich the quality of work life of workers. The quality circles are voluntary associations of workers of the same work place. Quality circles involve people in solving problems and tap their brainpower effectively. During the groups initial meetings, members are trained in problem solving techniques borrowed from group dynamics, industrial engineering and quality control. These techniques include brainstorming, pareto analysis, cause - and effect analyses, histo grams, control charts, stratification and scatter diagrams.

Quality circles benefit both the organisation and members. Benefits to the organisation include (a) solutions to the identified areas, (b) improvement in the job performance of members, (c) improvement in two way communication among members and the management. (d) generation of pride among the members in doing a purposeful job. (e) encouragement of participative management (f) increased managerial effectiveness. Benefits for members include: (a) improved job satisfaction (b) Satisfaction of social and psychological needs (c) self development in terms of knowledge, skills and sensitivity skills etc. (d) Satisfaction of self esteem and esteem from others.

10.9 Levels of Participation:

Participation is possible at all levels of management. The areas and degree would differ considerably at different levels of management. The levels of participation are as follows;

a) **Information participation:** It is the information sharing on such items as may be agreed to, like balance sheet, production, economic condition of the plants, etc.

b) **Consultative participation;** It is one under which the workers are consulted in such matters as welfare programme and methods of work and safety. Management may or may not accept the suggestions.

c) **Associate participation: -** The management is under a moral obligation to accept and implement the unanimous decision of council.

d) **Administrative Participation:** - Here a decision, already taken, comes to the council for implementation with alternatives to select from. Matters covered here are welfare measures and safety operation of vocational training, schedule of working hours, breaks and holidays, payment of rewards for valuable suggestions received and any other matter.

e) **Decisive participation:-** Here decisions are jointly taken on matters relating to production, welfare etc.

10.10 Summary :

Motivation means not only willingness to work but also willingness to work in a desired manner which may help to attain organisational objectives. The incentive can be meant to motivate employees to better performance. Every human problem has a motivational element. This is confirmed by, motivation theories indicate the factors including human needs, which influence employee motivation. Job satisfaction is the end state of feeling. Measures of job satisfaction focussed on aspects directly or indirectly related to work. Workers participation is an essential step in the direction of industrial democracy. It is believed that workerís participation in management enhances productive efficiency, fosters industrial hormony, enriches human personality and renders workers participation a vehicle of industrial democracy. Participation is possible at all levels of management.

10.11 Key words :

Motivation: It means motivation is the act of stimulating someone to set on a desired course of action. It is a process of stimulating people to action to accomplish desired goals.

Morale: It is referred to "willingness to work". Job satisfaction is indicator of higher morale.

Job Satisfaction: It is mental pressure that a person derives from the job that he is employed.

Organizational Climate: It refers to those external and internal environment conditions in which an organization exists, grows and in which people of the organization work for achievement of goals.

Theory X, Theory Y: Mc Gregorís Theory that behind every management decision, there is a set of assumptions that a manager makes about human behaviour. The theory X manager assumes that people are lazy, dislike work, want no responsibility and prefer to be closely directed. The theory Y Manager assumes that people seek responsibility, like to work and are committed to doing good work if reward is received for achievement.

Trait theory: This theory attempts to specify which personal characteristics (physical, personality) are associated with leadership success. Trait theory relies on research that relates various traits to success criteria of a leader.

Decision Effectiveness through Participation: It is considered as a mechanism where workers have to say in the decision making process of an institution formally.

Works Committees: These are set up where 100 or more workers employed. These consist of equal No.of workers and employers these committees try to settle day to day disputes.

Joint Management Councils: These are consultative bodies that are to be created where 500 or more employees. It is bipartite instructive, its jurisdiction is retrenchment, rationalization, closure etc.

Adhoc committee: A committee is formed for a specific purpose and disbanded upon completion of job.

10.12 Self Assessment Questions :

1. Define motivation. Explain Maslow's and Herzberg is theories of Motivation and their relevance to labour conditions in India.

2. Define job satisfaction and explain the factors influencing the job satisfaction.

3. Define the term employee participation in Management. Explain the objectives of worker's participation in management

4. What are the different models for employee's participation?

10.13 Further Readings :

Sarma A.M. Personnel and Human Resources Management, Himalaya Publishing House (Pvt) Ltd., Mumbai, 1998.

Davis; Keath, Human Behaviour at work, MacMillan, New York, 1995.

Luthan, Fred organisational Behaviour, MC Graw Hill Book Co., New York, 2000.

Monappa, Arun, and Saiyadain, Mirza S. Personnal Management. Tata Mc Graw Hill Publishing Co Ltd, New Delhi, 1979.

Bolles, R.C., Theory of motivation, Harper & Raw, New York, 1969, 1967.

Bhagoliwal, T.N; Personnel Management & Industrial Relations, Sahitya Bhavan, Agra, 1991

Chandan, Jit. S, Organisational Behaviour, Vikas Publishing House Pvt. Ltd, Delhi, 1995.

Dr. B.K.S. Prakash Rao

LESSON - 11

EMPLOYEES SAFETY AND HEALTH

Objectives

After studying this lesson, the student should be able to :

P explain the concept of Employee Safety and Health.

P identifying the role of Grievance Settlement and its Procedure.

P describe the concept of domestic Enquiry and disciplinary actions.

P to illustrate absenteeism and its causes.

P explain Labour turnover, causes of turnover and measures to control labour turnover.

Structure

11. 1. Introduction

11. 2. Types of Accidents

11. 3. Causes of Accidents

11. 4. Safety Programme

11. 5. Industrial Health

11. 6. Occupational Hazards and Risks

11. 7. Occupational Diseases

11. 8. Concept of Discipline

11. 9. Forms of Discipline

11. 10. Causes of Indiscipline

11. 11. Disciplinary Procedure

11. 12. Domestic Enquiry

11. 13. Absenteeism

11. 14. Types of Absenteeism

11. 15. Computation of Absenteeism

11. 16. Causes of Absenteeism.

11. 17. Effects of Absenteeism.

11. 1. Introduction

Working conditions have attracted a great deal of attention of management of business and other organisations in the recent. A revolutionary change in the attitude toward the prevention or reduction of industrial accidents and illness and toward alleviation of the undesirable results of such accidents and illness has occured. 'Every twenty seconds of every working minute of every hour throughout the world, someone dies as a result of an industrial accident'. This was how the seriousness of industrial accidents in the words of the Director General of the British Council.

Safety in simple terms, means freedom from the occurance or risk of injury or loss. Industrial safety or employee safety refers to the protection of workers from the danger of industrial accidents. Industrial safety and efficiency are directly related to a great extent. Safety measures not only relust in reduced industrial accidents but also raise industrial efficiency. Therefore, employees should lay emphasis on safety measures in their plants.

11. 2. Types of Accidents

Major and Minor : Accidents may be classified as major and minor ones, depending upon the severity of the injury. An accidents which ends in a death, or prolonged diability to the injured is a major one. A scratch or a cut which does not seriously disable to worker is a minor accident, but an accident nevertheless.

Internal and External : Accident may be internal or external. If a worker falls, or an object falls on him or her, it is possible he or she may show external signs of injury, but he or she may have fractured a bone or strained a muscle or nerve - which is an internal injury.

According to T.W. Hawell, "Accident Proneness is the continuing tendency of a person to have accidents as a result of his stable and persisting characteristics".

Need for Safety : An accident - free plant enjoys certain benefits.

Cost Saving : Two types of costs are increased by the management when an accident occurs. The direct costs, in the form of compensation payable to the dependents of the victim if the accident is fatal , and medical expenses increased in treating the patient if the accident is non-fatal. The indirect costs or hidden costs are more serious than and direct cost, which the management can not avoid. In fact, the direct costs are three to four times higher than the direct costs. Hidden costs include loss on account of down-time of operations, slowed-up production rate of other workers, materials spoiled and labour for cleaning and damages to equipment.

Increased Productivity : To a large extent, safety promotes productivity. Workers in safe plants can devote more time to improving the quality and quantity of their output and spend less time worrying about their safety and well being.

Moral : An employee is a worker in the factory and the bread winner for his family. The hapiness of his family depend upon the health and well being of the worker. The management must undertake accident prevention measures to minimise the pain and suffering the injured worker and his family.

Legal : There are laws covering occupational health and safety and penalities foe non-compliance have become quite severe. The Supreme Court held :

"An enterprise which is ingaged in a hazardous or inherently dangerous industry which posses a potential threat to the health and safety of the persons working in the factory and industry in the surrounding areas, owes and absolute and non-delegate duty to the community to ensure that no harm results to any one on account of the hazardours or inherently dangerous nature. This implies unlimited liability.

11.3. Causes of Accidents

According to safety experts, there are three basic causes / factors that contribute to accidents in organisations.

- Unsafe conditions include (work related causes)

- Improperly guarded equipment.

- Defective equipment.

- Hazdous arrangement or procedure in and around, machines or equipment.

- Unsafe storage, congestion, overloading.

-       In adequate safety devices.

-       Wrong and faulty layout and bad location.

-       Improper illumination - glare, insufficient light.

-       Improper ventilation.

-       Poor house keeping.

The other work related causes of accidents are

a)   The job itself - some jobs are inherently more dangerous than others, such as the job of crane man in comparison to that of foreman. Similarly, work in personnel department is inherently safer than the production department.

b)   Work schedules, accidents increase late in the day. They are more frequent during the night shift.

c)   Psychological climate of the work place, also affects the accident rate. Psychlological, mental and emotional imbalances are at the root of several accidents.

Unsafe acts : These acts may be the result of lack of knowledge or skill on the part of employee, certain bodily defects and wrong attitudes.

-       Operating without authority.

-       Failing to secure equipment or warning other employees of possible danger.

-       Failing to use safe attire or personal protective equipment.

-       Throwing materials on the floor carelessly.

-       Working at unsafe speeds, either too fast or too slow.

-       Making safety devices in operative by removing, adjusting, dis connecting them.

-       Using equipment unsafely.

-       Using unsafe procedures in loading, placing, mixing, combining.

-       Taking unsafe positions.

-       Lifting improperly.

-       Cleaning, adjusting, Oiling, repairing etc. moving a dangerous equipment.

-       Distracting, teasing, abusing, startling, quarreling, day-dreaming, horseplany.

Other causes : These causes arise out of unsafe situational and climate conditions and variations - such as bad working conditions, rough and slippery floors, excessive glare, heat, humidity, dust and fume laden atmosphere, very long hours of work, unsatisfactory behaviours of domineering supervisors, excessive noise and carelessness in the handling of such inflammable materials such as gasoline, solvents, oil and grease, explosives, etc.

On the basis of experience and studies undertaken by psychologists other causes are

- Young, untrained new workers

- Those addicted to alcholism and drugs

- The way the management motivates employees affects the rate and frequency of accidents.

- Unmarried employees

- During night shift.

- Woman employees have a better safety record than their male counterparts.

11.4. Safety Programme

Safety programme deals with the prevention of accidents and with minimising the resulting loss and damage to persons and property. Five basic principles must govern the safety programme of an organisation.

i) Industrial accidents result from a multiplicity factors such as faulty management system arising from poor leadership from the top, inadequate supervision, insufficient attention to the safety design into the system, an unsystematic approach to the identification, analysis and elimination of hazards, and poor training facilities.

ii) The most important function of safety programmes is to identify potential hazards, provide effective safety facilities and equipment and to take prompt remedial action.

iii) The safety policies of the organisation should be determined by the top management who must be continuously involved in monitoring safety performance and in ensuring that corrective action is taken when necessary.

iv) Management and supervision must be made fully accountable for safety performance in the work places they control.

v) All employees should be given through training is safe methods of work and should recieve continuing education and guidance on elimination safety hazards and on the prevention of accidents.

11. 5. Industrial Health

Concepts of Health : The term 'health' is a positive and dynamic concept and implies more than an absence of illness.

The World Health Organisation (WHO) has defined health as "a strate of complete physical, mental and social well being and not merely the absence of disease or infirmity".

Industrial health refers to a system of public health and preventive medicine which is applicable to industrial concerns. According to the joint ILO and WHO committee on Organisational Health, industrial health is :

i) The prevention and maintenance of physical, mental and social well being of workers in all occupations.

ii) Prevention among workers of ill-health caused by the working conditions.

iii) Protection of workers in their employment from risks resulting from factors adverse to health; and

iv) Placing and maintenance of the worker in an occupational environment adapted to his physical and psychological equipment.

The basic objective of industrial health is the prevention of disease and injury rather than the cure of disease. The modern concept of industrial hygiene differs from the traditional concept. Veil observes that the aim of industrial hygiene is "the promotion and maintenance of the highest degree of the physical, mental and social well-being of workers; the prevention of factors which make for ill health in their working conditions; their protection in their occupations from risks arising from factors which are adverse to the maintenance of health, the placing and maintenance of the worker in an occupational environment which is adapted to his psychological and physiological equipment; and, to summarise, the adaptation of work to man and each man on his job."

Importance of Industrial Health : In 1959 I L O Recommendation No. 112 was envisages that:

Occupational health services should be established in or near a place of employment for the purpose of

i) protection the workers against any health hazard arising out of work or conditions in which it is carried on;

ii) contributing to establishment and maintenance of the highest possible degree of physical and mental well-being of the workers.

In India, the Royal Commission on Labour (1931),

the Labour Investigaiton Committee (1946),

the Health Survey and Development Committee (1943),

the Labour Welfare Committee (1969) and

the National Commission Labour (1969) all emphasised upon the "creation and maintenance of as health an environment as possible, in the homes of the people as well as in the places where they congregate for work, amusement or creation are essential."

11.6. Occupational Hazards and Risks

According to Ronald Blake, the normal occupational health hazards may be classified into chemical, biological, environment and psychological hazards.

Chemical substances, such as carbon monoxide, carbon dioxide, nitrogen oxide, sulphur dioxide, hydrocarbons, ozone, sulfuric acid, acetic acid, fumeric acid and tannic acid, limes and alkalies cause injury when they are absorbed by the skin or when they are ingested or inhaled. The results are often disastrous. Workers may suffer from respiratory diseases, skin deseases, allergy, heart disease, cancer and neurological disorders, all of which often shorten life expectancy.

Gases, fumes and dust raised by such processes as grinding and crushing of stones or minerals may be inhaled by workers and cause a serious injury, or even death. Coalminers often suffer from what is known as "black lung" disease.

Some of the deseases which caused by bacteria, fungi, viruses, insects, dietary dificiencies, excessive drinking, imbalances, allergies, brain fever, tetnaus, emotional stress and strains with their psychological comitants of fear, rage, worry and anxiety are called biological hazards.

Radiation, noise, vibrations, shocks and improper atmospheric conditions are included in environmental hazards.

Many manufacturing processes are accompained by big noise as is capable of impairing the hearing of a worker, making him irritable and inefficient and making it difficult if not impossible from him to hear any warning cries of an impending danger.

11.7. Occupational Diseases

Occupational diseases are the results of physical conditions and the presence of industrial poisonous and non-poisonous dust in the atmosphere. Raw materials, products, by products and waste productsmay, in the process of being extracted or manufactured, enter the body in such quantities as to endanger the health of the workers. For example, workers on lead are subject to "painter's colic" or 'wrist drop' disease which may result in loss of appetite, nausea, vomiting, stomach pains, muscular and joint pains,. anaemia and intestinal disorders and it might even cause death.

Similarly manganese miners, ferro-manganese workers and dry cell battery makers are often affected by inhilation and absorption of manganese dust.

Protection Against Health Hazards : An industrial establishment should protect its employees against health hazards.

i)   By substituting a less toxi substance for the hazardous chemical, by isolating the process, or by providing protective clothing, handling and warning devices, and by providing safety education.

ii)   By ensuring the firms using radiation in their manufacturing process insist that thier employees wear badges which indicate the amount of radiation they have been exposed to;

iii)   By devoting adequate attention to lighting, temperature and atmospheric conditions, by controlling dust, fumes and gases, and by providing protective devices, clothing, goggles and shields.

The National Commission on Labour's observation need be noted in regard to protection against health hazards. It says "There are two aspects of such protection : a) preventive and   b) curative.

11.8. Concept of Discipline

Maintenance of harmonious human relations in an organisation depends upon the promotion and maintenance of descipline. Rules and regulations are essential to maintain peace, prevent anarchy, regulate behaviour of people and to hold the pieces together. Moreover, most of the employees prefer to work under disciplined environment as fair rules protect the individuals and the organisation and enable team work. Further, disciplinary measures ensure just and equal treatment to all employees, efficient two-way communication, encourages cooperation and builds team pride.

Discipline in the brodest sense means a strict and technical observance of rigid rules and regulations. It simply means working, cooperating and behaving in a normal and orderly way, as any responsible person would expect an employee to do.

According to Ordway Tead, discipline is "the orderly conduct of affairs by the members of an organisation, who adhere to do necessary regulations because they desire to cooperate harmoniously in forwarding the end which the group has in view, and willingly recognise that. To do this, their wishes must be brought into a reasonable union with the requirements of groups in action."

Discipline is said to be good when employees willingly follow company's rules and it is said to be bad when employees follow rules unwillingly or actually disobey regulations.

11.9. Forms of Discipline

These are two aspects of discipline, viz Positive and Negative aspects.

a)   **Positive Aspect :** Employees believe in and support discipline and adhere to the rules regulations and desired standards of behaviours. Discipline takes the form of positive support and reinforcement for approved actions and its aim is to help to individual in moulding his behaviours and developing him in a corrective and supportive manner. This type of approach is called positive approach or constructive discipline or self discipline.

b) **Nagative Aspect :** Employees sometimes do not believe in and support discipline. As such they do not adhere to rules, regulations and desired standard of behaviours. As such, a disciplinary programme forces and constraints the employees to obey orders and function in accordance with set rules and regulations through warnings, penalities and other forms of punishment. This approach to discipline is called negative approach, corrective approach or punitive approach.

Objectives of Discipline : The objectives of Discipline

- To impart an element of certainty despite several differences in informal behaviour patterns and other related changes in an organisation.

- To develop among the employees a spirit of tolerance and a desire to make adjustments,

- To give and seek direction and responsibility.

- To obtain a willing acceptance of the rules, regulations and procedures of an organisation.

- To increase the working efficiency and morale of the employees, and

- To create and atmosphere of respect for the human personality and human relations.

11.10. Causes of Indiscipline

The main causes of indiscipline are as follows :

- Non-placement of the right person on the right job;

- Undesirable behaviour of senior officials and supervisors;

- Faulty evaluations of persons and situations by executives leads to favouritism and nepotism;

- Lack of upward communication;

- Leadership which is weak, flexible, incompetent, and distrustful of subordinates is often an instrument which makes for the creation of indiscipline among employees;

- Defective supervision and an absence of good supervisors.

- Lack of porperly drawn rules and regulations;

- The divide and rule policy of the management;

- Illiteracy and the low intellectual level of workers as well as their social background.

- Workers' reactions to the rigidity and multiplicity of rules and their inproper imterpretation;

- Workers' personal problems

- Intolerably bad working conditions.

- Absence of enlightened, sympathetic and scientific management.

- Discrimination based on caste, colour, creed, sex, language and place in matters of selection, promotion, transfer, placement and discrimination in imposing penalities and handling out rewards.

- Undesirable management practices, policies and activities aiming at and control of workers.

- Improper co-ordination, delegation of authority and fixing of responsibility, and

- psycholosical sociological reasons, including misunderstanding rivalry and distrust among workers and supervisors.

11.11. Disciplinary Procedure

Disciplinary procedure in industry comprise of the following steps :

a) **Charge sheet is Framed and Issued :** When the top management of the organisation comes to the conclusion that an act of misconduct committed by an employee warrants disciplinary action, the concerned employee should be issued a charge - sheet. The charge sheet should indicate the charges of indiscipline clearly and precisely and also the sufficient time should be given to the employee.

b) **Consideration of the Explanation :** When the delinquent employee admits, in an unqualified manner, about his misconduct, there is no need for conducting any enquiry further. When the management is not satisfied with the employee's explanation, there is need for serving a show cause notice.

c) **Show - Cause Notice :** In the show-cause notice, the employer provides another change to the employee to explain his conduct and rebut the charges made against him. This notice is issued by the manager, who decides to punish the employee.

d) **Issue of Notice of Enquiry :** If the explanation received from the employee is found to be unsatisfactory, a notice of enquiry, mentioning the time, date and place, has to be given to him in which the name of the person or officer who would conduct the enquiry would also be mentioned.

e) **The Holding of Enquiry :** On the appointed day and at the appointed place and time, the enquiry is held by the enquiry officer in the presence of the employee. The details of the enquiry are recorded and the report is signed by the enquiry officer and the employee. All the supporting evidence and documents may be called by the enquiry officer and throughly examined.

f) **The Findings :** Once the enquiry is over, the enquiry officer has to give his findings, which should invariably contain the procedure which was followed, the parties statements, the documents produced and examined, the charges made and the explanations given and the evidence produced. He should specifically mention which charges have been proved and which have not been proved. He then submits his findings to the authorities empowered to take a disciplinary action against the employee.

g) **Decision :** On receiving the report, the executive authorised to take a decision thereon passes an order of punishment.

h) **Communication of the order :** A copy of the order is then handed over to the employee.

Activity A : Present grievance procedure of your organisation or the organisation you are familiar with.

11.12. Domestic Enquiry

Concept : There is no statutory regualtion of disciplinary actions or procedures. However, case law has been developed by the various courts such as the supreme court, the High courts, Labour Courts and Industrial Tribunals in India. Their various awards have indicated a detailed procedure for taking disciplinary action and made it compulsory on the part of the management to hold a domestic enquiry before the worker is punished for misconduct.

For holding enquiry, the management appoints the company officer / immediate superior / the personnel manage incharge of discipline may act as an enquiry officer. Sometimes, officer from other than the personnel department and the department to which the employee belongs, may be appointed as the enquiry officer. Domestic enquiry has to be held in the presence of the accused. The law does not permit a non-employee at the enquiry nor does it permit outside interference. Examination and cross examination should be free and proper and all documents are open to be seen by the parties. In case the accused does not turn up before the enquiry officer without any notice or reasonable cause or refuses to participate in the enquiry, then it could be conducted exparte. The findings of the enquiry officer then go to the management for proper action. Management implements the report, it is satisfied with the enquiry. Otherwise, management may order for an external enquiry.

Activity : A

Listout your comments on the process of holding Domestic Enquiry in your organisation.

Disciplinary Actions

a)   Oral Warning

b)   Written Warning

c)   Suspension or lay off

d)   Pay cut

e)   Demotion

f)   Dismissal or Termination

11

11.13. Absenteeism

Absenteeism is one of the image human problems in many organisations. Employee's presence at work place during the scheduled time is highly essential for the smoothly running of the production process in particular and the organisation in general. Despite the significance of their presence, employees sometimes fail to report at the work place during the scheduled time, which is known as 'absenteeism'.

Edwin B. Flippo defined the term absenteeism as "absenteeism is said to be there when an employee fails to come to work when he is scheduled to work".

According to Webster's Dictionary, "absenteeism is the practice or habit of being an absence and an absentee is one who habitually stays away."

Labour Bureau, Simla, defined the term absenteeism as "the failure of a worker to report for work when he is scheduled to work".

11.14. Types of Absenteeism

Absenteeism is of four types. They are :

a) **Authorised Absenteeism :** If an employee absents himself from work by taking prior permission from his superior.

b) **Unauthorised Absenteeism :** If an employee absents himself from work withou taking prior permission from his superior.

c) **Wilful Absenteeism :** If an employee absents himself from duty wilfully is called wilful absentecism.

d) **Absenteeism caused by circumstances beyond one's control :** If an employee absents himself from duty owing to the circumstances beyond his control like involvement in accidents or sudden sickness.

11.15. Computation of Absenteeism

The two rates are calculated by using the following methods :

$$\text{Absence Rate} = \frac{\text{authorised leave + Unauthorised leave}}{\text{man shifts actually worked}} \times 100$$

a) $$\text{Absenteeism Rate} = \frac{\text{Number of Mandays lost through absence}}{\text{Number of Mandays Scheduled to work}} \times 100$$

12

b)   Absenteeism Rate $= \dfrac{\text{Total hours of absence}}{\text{Total hours Scheduled to work}} \times 100$

It has been observed that the absenteeism rates may be calculated for all employees, monthly or annually, department and division wise, long term and shorterm absences may also be calculated.

Absenteeism is a universal problem in industry. It becomes a problem when it exceeds 10% as it distrurbs the production schedules and creates many problems. Personnel researches have found that generally a small percentage of employees account for a large percentage of absenteeism. Research studies have further revealed that :

a.   The day before and after a holiday are liable to higher rate of absentecism.

b.   Women are absent more often than men.

c.   Bad weather increase rate of absenteeism, especially among employees who live at distant places.

d.   Employees under the age of 25 years and above the age of 55 years are absent more often than those in the age group of 26 to 55 years.

e.   Operative employees are absent more frequently than the suprevisors and managers.

11.16. Causes of Absenteeism

The main causes of absenteeism are :

i)   Nature of work

ii)   poor working conditions

iii)   Absence of Regular Leave arrangement

iv)   Accidents

v)   poor control

vi)   Social and Religious Ceremonies

vii)   Irregular Transport facilities

viii) Unsatisfactory Housing

ix)   Alcoholism and Gambling Habits

x)   Attraction to village life

xi)   Unsound personnel policies

11.17. Effects of Absenteeism

Absenteeism of labour is harmful to both the employers and the workers as follows :

a.   Disturbance of Normal work-flow

b.   Aggregate production in the factory goes down.

c.   Difficulty is faced in executing the orders in time.

d.   Casual workers any have to be employed to meet production schedules. Such employees are not trained properly.

e.   Overtime allowance bill increases due to higher absenteeism.

f.   Workers lose wages for the unauthorised absence from work.

g.   Habitual absentees may be removed from service causing them great heldship

11.18 Measures to control Absenteeism

Absenteeism affects the organisation from multiple angles. It severely affects the production process and the business process. The possible measures which an employer can adopt are as follows :

i)   Proper selection

ii)   Proper orientation

iii)   Better working conditions

iv)   Provision of Transport and housing facilities

v)   Incentive bonus to regular employees

vi)   Disciplinary action

vii) Prevention of accidents

viii) Effective supervision and counselling

Activity : C

What mechanism the top management adopt to control high absentecism rate.

11.19. Labour Turnover

Labour or employees who are not satisfied with their career in the present organisation may seek suitable employment in other organisations. It means movements, shifting or migration or workers from one unit to another or from one industry to another. Labour turnover may be defined as "the rate of change in the working staff of a concern during a definite period." Turnover is the net result of the exit of some employees and entrance of others to the organisation.

11.20. Computation of Turnover

The rate of labour turnover is generally computed in a number a different formulas which involves such forms as accessions i.e additiorts of new canditdates separations i.e quits, deischarges, retirements, replacements i.e one accession plus separation, and average work force i.e the number at the beginning of a period plus the number at the end divided by 2.

$$\text{Accession Rate} = \frac{\text{Total Accessions per year}}{\text{Average number of Employees for the year}} \times 100$$

$$\text{Separation Rate} = \frac{\text{Total separatiors per year}}{\text{Average number Employees for the year}} \times 100$$

$$\text{Composite Rate} = \frac{\text{Total Accessions per year} + \text{Total separatiors per year}}{\text{Average number of Employees for the year}} \times 100$$

Example : In Sai Industries ltd, the average work force per month is 2000, and there are 40 accessions and 50 separations during that period.

i.   Accession Rate $= \dfrac{40}{2000} \times 100 = 2$ Percent

ii.   Separation Rate $= \dfrac{50}{2000} \times 100 = 2.5$ Percent

iii.   Composite Rate $= \dfrac{(40+50)/2}{2000} \times 100 = \dfrac{45}{2000} \times 100 = 2.25$ Percent

Impact of Turnover : A small percentage of labour turnover is inevitable and is bound to exist in all industrial units including even those where wages and working conditions are extremely attractive and satisfactory. The heavy rate of turnover is a great handicap for workers and industry alike, for it implies a reduction in skill and efficiency on the part of the worker and reduced out put for the industry.

With in the reasonable level of labour turnover is inevitable and even natural, particularly when it stems from the retirement of old employees and the accession of new blood. Such turnover may not only be avoidable but is welcome to some extent. This turnover is harmful to the efficiency of the worker and impairs the quality of production. It is a serious obstacle to the full utilisation of a countrys' human and material resources. High labour turnover is not desirable as it affects both employers and workers adversely.

11.21. Costs of Labour Turnover

Turnover may prove to be a costly process. The following costs are involved when an employee leaves an organisation.

i) Procurement costs, involving time and facilities for recruitment, interviewing and placements.

ii) Training costs, involving the time of supervisor, personnel departmental and trainee.

iii) Loss of production in the internal between separation of old employee and replacement by the new.

iii) The pay of a learner is in excess of his productivity.

iv) The pay of a learner is in excess of his productivity.

v) Accident rates of new employees are often higher.

vi) Scrap and waste rates increase when new employees are involved.

vii) Overtime pay may result from an excessive number of separations causing trouble in meeting contract delivery dates.

viii) There may be low employee morale and team spirit due to labour instability.

11.22. Causes of Labour Turnover

Labour turnover is the outcome of resignations and dismissals. Resignations may be due to such causes as dissatisfaction with working conditions, insufficient wages, bad health, sickness, old age, family circumstances and exodus to the village for agricultural operations. All these causes are avoidable. The unavoidable causes are not due to the fault of management but are due to other factors which are not under its control. Employees may leave because of personal betterment, illness, accident, unsuitable for job or misconduct on his part, transport problem, housing problem, retirement, death, domestic affairs like marriage, pergnency in case of female employees etc.

11.23. Measures to Control Labour Turnover

Abnormal rate of labour turnover is bad both for the worker and the industry. Remedial measures should be taken after ascertaining the exact reasons for leaving. Labour turnover may be reduced by proper planning of manpower requirements so that it is not redundant. Other remedial measures are

i)   Use of proper tests and interviews while selecting the personnel.

ii)   Improvement in recruitment and practices.

iii)   Adequate training to the as well as existing employees.

iv)   Security of service in the organisation.

v)   Impartial promotion and transfer policies.

vi)   Introduction of a satisfactory wage plan.

vii)   Reasonable amenities and welfare measures.

viii) Settingup of grievances and redressal machinary.

ix)   Provision of retirement benefits.

x)   Improved channels of communication.

11.24. Summary

Safety in simple terms, means freedom from the Occurance or risk of injury or loss. Employee safety refers to the protection of workers from the danger of industrial accidents. Every twenty seconds of every working minute of every hour throughout the world, someone dies as a result of an industrial accident. Safety programme deals with the prevention of accidents and with minimising the resulting loss and damage to persons and property. The basic objective of industrial health is the prevention of disease and injury rather than the cure of disease. Discipline is said to be good when employees willingly follow company's rules unwillingly or actually disobey regulations. Absentecism is one of the major human problems in many industrial organisations. Absenteeism is harmful to both the employers and the workers and it affects the organisation from multiple angles. Labour is a serious obstacle to the full utilisation of a country's human and material resources. High labour turnover is not desirable as it affects both employers and workers adversely.

11.25.   Key words

Industrial Safety: It refers to the protection of workers from the danger of industrial accidents.

Industrial health: A state of complete physical, mental, and social well being and not merely the absence of disease.

Accident: It is occurrances in an industrial establishment causing bodily injury to a person, which make him, unfit to resume his duties in the next 48 hours.

Proneness: Some people may be more often involved in accidents than others. They are accident-prone. Causes: Muscular weakness, emotional instability, visual disability, recklessness, hostility and indifference etc.

Discipline: It is regarded as force that prompts the individual and the group to observe rules, regulations and procedures to attain the objectives of organization.

Industrial dispute: It is "any dispute or difference between employers and employers and employees and employees or between employers and employees which is connected with the employment or non-employment or with the conditions of work of any person.

Absenteeism: It is absence of the employee from work when he is scheduled to be at work. It is unauthorized, unexplained, avoidable and willful absence from work.

Turnover: It signifies the shifting of the work force into and out of an organization. It is a measure of extent to which old employees leave and new employees enter into a service in a given period of time.

11.26. Self Assessment Questions

1) What is employee Safety ? Explain the steps in safety programme ?

2) What is industrial health ? Explain the importance of Industrial health in organisation ?

3) Eloborate occupational Hazards and Risks. What are the protections against Health Hazards in industries ?

4) What is discipline ? Identify the different forms or discipline and its procedure ?

5) How do you conduct domestic enquiry in an organisation ?

6) What is meant by absenteeism ? What are its causes? Discuss in brief the steps to reduce absenteeism?

7) Define labour turnover. How is it measured ? What are its effects on employers and employees ?

11.27. Further Readings

Chabra. T.N., Human Resource Management, Dhampati Rai & Co New Delhi, 2000.

Dessler, Gary. Human Resource Management, Pearson - Asia, New Delhi. 2002.

Dale, S. Beach, Personnel - The Management of people at work, Mc-Millan & Co, New York, 1980.

Mamoria, C.B, Personal Management, Himalaya Publishing Co, Mombay, 1998.

Chandra, Grivance procedure, Administrative Staff College, Hyderabad, 1968.

Dr. B.K.S. Prakasa Rao

Lesson - 12

INDUSTRIAL RELATIONS

Objectives

After studying this lesson, the student should be able to :

P identify the role Industrial Relations at enterprise level

P understand the meaning of collective bargaining

P explain the contract and its administering

P describe union-Management cooperation

Structure

12.1   Introduction

Human resources practices result in creation of relationship between the employer and employee in an industry or a firm. Where willing cooperation emanates from employees towards the achievement of organisational goals, that is said to be good industrial relations. A correct perspective of the industrial relations position is possible on an appreciation of the stages of development through which a country has passed over a period of time to the present moment.

The Concept : The concept of industrial relations has generally developed as a consequence of the Industrial Revolution as, prior to this, the master and servant relationship which existed was simple and of a personal nature, with acceleration in industrialisation, the relations aspect became complex and impersonal. Under the early factory system, the worker was looked upon as a commodity which could not only be easily secured but also replaced. The attitude was that of considering the supply and demand position as in case of a commodity.

Definition : According to Dale Yoder, industrial relations is a "whole field of relationship that exists because of the necessary collaboration of men and women in the employment process of an industry."

According to the International Labour Organisation (ILO)

"Industrial Relations deal with either the relationship between the state and employer's and worker's organisations or the relation between the occupational organisations themselves."

The concept of industrial relations has been extended to denote the relations of the state with employers, workers and their organisations.

The importance of industrial relations in the words of Pandit Jawaharlal Nehru, "The alternative (to industrialisation) is to remain in a backward, under developed, poverty stricken and a weak country, we cannot even to retain our freedom without industrial growth."

12.2.   Industrial Relations at Enterprise Level

The industrial relations function was not given the importance it deserved, both in terms of manpower as well as in terms of continuity of action or thought. The managerial response was quite often adhoc in dealing with a problem - a patch up job rather than a detailed understanding of the symptoms and subsequent formulation of both long-term and short term strategies. As the employer was in a domination situation, he dictated both the wages as well as the conditions of service of the workers resulting in many industrial and social ills such as low wages, unduly long hours of work, poor working conditions and persecution of trade union activity. The flight of workers was miserable, not only in India but in other countries such as the United Kingdom and other European countries.

A new awakening among the working class was brought about after the First World War and the industrial relations position took a new turn. Employees began to take retaliatory action to help them-

selves get a new deal . They began to strike. In their turn, the employers retaliated by declaring lock-outs and industrial war began. In the beginning, the government did not intervene to settle disputes or ensure good industrial relations except in case of prolonged strikes where it appointed committees of in enquiry.

Causes of Poor Industrial Relations at Enterprise Level : The major source of poor industrial relations resulting in inefficiency and labour unrest is mental laziness on the part of both management and labour. Management is not sufficiently concerned to ascertain the causes of inefficiency and unrest following the laissez - faire policy, until it is faced with strikes and more serious unrest. The following are the causes of poor industrial relations.

     i)   mental inertia on the part of management and lobour.

     ii)   an intolerant attitude of contempt towards the workers on the part of management.

     iii)   inadequate fixation of wage and wage structure.

     iv)   Unhealthy working conditions

     v)   indicipline

     vi)   lack of human relations skill on the part of supervisors and other managers.

     vii)   desire on the part of the workers for higher bonus and DA;

     viii) inappropriate introduction of automation without providing the right climate;

     ix)   Unduly heavy workloads.

     x)   inadequate welfare activities.

     xi)   dispute on sharing the gains of productivity.

     xii)   unfair labour practices, like victimisation and undue dismissal.

     xiii) retrenchment, dismissals and lockouts on the part of management and strikes on the part of the workers.

     xiv) inter-union rivalries.

Conditions for Good Industrial Relations at Organisational Level : Every organisation should strive to induce good industrial relations, thus ensuring industrial peace and avoiding lobour unrest such as strikes, work stoppages, demonstrations, gheraos and slogan shouting. Importance of good industrial relations and concern for welfare of the labour is best expressed in the words of J R D Tata " The welfare of the labouring classes must be one of the first cares of every employer. Any betterment of their

conditions must proceed more from the employers downward rather than be forced up by demands from below, since labour, contented well housed, well fed and generally well looked after, is not only an asset and advantage to the employer, but serves to raise the standard of industry and labour in the country."

The following are the conditions for good industrial relations :

i) Recognition by the employer that the workers are a part of a team working towards common objectives;

ii) An attitude on the part of the employee of delivering the goods, that is, giving their money's worth;

iii) Fair redressal of the employee's grievances such as regarding working conditions, facilities, attitude of superiors and other rights.

iv) Avoidance by workers of being unduly influenced by political leaders staging strikes as a protest or a publicity for their own political gains.

v) Payment of fair wages and adequate wage structure.

vi) Adoption of a policy which ensures to the workers an equitable share of gains of increased productivity

vii) Introduction of a suitable system of employee's education at all levels.

viii) Training in industrial relations and human relations to workers; technical staff and at all managerial levels.

ix) Sufficient communication network system.

x) Establishment of an atmosphere of participation whether through joint committees or other methods.

12.3. Collective Bargaining

The word collective bargaining is coined by Sydney and Beatice Webb. According to them it is a method by which trade unions protect and improve the conditions of their members. In the broadest sense, collective bargaining about wages and salaries and other conditions of work.

According to the Encyclopaedia of Social Sciences, "Collective bargaining is a process of discussion and negotiation between two parties, one or both of whom is a group of persons acting in consent. The resulting bargain is an understanding as to the terms and conditions under which a continuing service is to be performed.. More specifically, collective bargaining is a procedure by which employers and a group of employees agree upon the conditions of work."

In the words of Edwin B-Flippo, "collective bargaining is a process in which the representatives of a labour organisation and the representatives of business organisation meet and attempt to negotiate a contract or agreement, which specifies the nature of employees - employer - union relationship."

According to Dale Yoder, "collective bargaining is the term used to describe a situation in which the essential conditions of employment are determined by a bargaining process undertaken by representatives of a group of workers on the one hand and of one or more employers on the other."

Collective bargaining may be classified into two major categories

a) Single - employer bargaining and

b) multi - employer bargaining.

Single employer bargaining takes place between one organisation and either one union, or more than one unions where there are several unions at different plants. Multi - employer bargaining signifies collective bargaining between the employee's federation and the workers of an industry represented by the federation of all the trade unions

12.4. Features of Collective Bargaining

The main features of collective bargaining are as under

i) It is a group process of representatives of both the management and the workers.

ii) It is a collective action as opposed to individual action and is initiated through the representative of employees.

ii) It is a flexible, mobile and dynamic process.

iv) It is a continuous process between the management and trade unions.

v) It is based on give and take approach.

vi) It is a method of participation of employers in management.

vii) It is an attempt in achieving and maintaining discipline in industry.

viii) It is an attempt in achieving and maintaining good human relations.

12.5. Purpose of Collective Bargaining

The purpose of collective bargaining is very wide and it covers a variety of issues affecting employment relationships between the workers and the management.

The Indian Institute of Personal Management, Culcutta suggested the following purposes.

i)   purpose of agreement, its scope and the definition of important terms;

ii)   Rights and responsibilities of the management and of trade union;

iii) Wages, bonus, production norms, leave, retirement benefits and terms and conditions of service;

iv)   Grievance redressal procedure;

v)   Methods and machinary for the settlement of possible future disputes, and

vi)   Termination clause.

12.6. Functions of Collective Bargaining

Over the past few decades, collective bargaining plays an important role in preventing industrial disputes, settling these disputes and maintaining industrial peace by performing the following important functions.

i)   Establish uniform conditions of employment;

ii)   Increase the economic strength of employees and management;

iii) Promote the stability and prosperity of the company.

iv)   Lay down fair rates of wages and other norms of working conditions.

v)   Secure a prompt and fair redressal of grievances.

vi)   It provides a solution to the problem of sickness in the industry and ensures old age pension benefits and other fringe - benefits.

vii) It creates new and varied procedures for the solution of the problems as and when they arise.

viii) As a vehicle of industrial peace, collective bargaining is the most important and significant aspect of labour, management relations, and extends the democratic principle from the political to the industrial field.

Administering of Collective Bargaining Contract : The administering of collective bargaining has been suggested by Indian Institute of Personal Management in the following stages.

---   Composition of the Negotiating team.

---   Make a good beginning.

6

--- Maintain continuity of talks.

--- Develop a problem - solving attitude

--- Encourage leadership

--- Bringing in other managers.

12.7. Process of Collective Bargaining

There are three stage in collective bargaining, viz i) Negotiation of Agreement, ii) Implementation of Agreement and iii) Renewal and Revision of Agreement.

Negotiation of Agreement : After careful advance preparations by employers and employees are necessary because of the complexity of the issue and the points to be discussed during negotiations. The negotiating phase with each side presenting its initial demands. The negotiation goes on for days until the final agreement is reached. Agreements,, when possible, reflect a sense of compromise in a give and take spirit and also manipulation power equilibrium between the parties. The success of negotiation depends on skills and abilities of the negotiations. The signed agreement becomes a contract between the parties.

Implementation of Agreement : After an initial agreement has been made, the two sides usually return to their respective constituencies to determine whether what they have informally agreed upon is acceptable. Agreements are also to be made for implementation and for attending to complaints arising out of interpretation of the agreement. Infact, it may specify the modus operandi to resolve disputes arising out of the agreement.

Renewal and Revision of Agreement : At times agreements mention the period of their operation after which they can be determined, renewed or revised. Some times provision is made for revising the agreements during the period of its operation to meet the contingencies arising from changes in economic and other conditions. Management may sincerly have to start informal consultations for its revision during its operation, or when it is about to expire. Generally unions start demanding the revision of the agreement before its expiry.

Activity A : Explain the collective Bargaining procedure with respect to your organisation.

12.8. Prerequisites for successful Collective Bargaining

Collective bargaining is an institutionalised representative process. The following are prerequisites for the success of collective bargaining.

a) Freedom of association.

b) Mutual trust and confidance.

c) Strong and Stable Union.

d) Permanent Bargaining Machinery.

e)   Political environment

f)   Bargainer's Authority

g)   Government encouragement

h)   Right of employees and employers to strike and lockout.

12.9. Factors responsible for the Limited growth of Collective Bargaining

Though it is fact still remains that in India Collective bargaining has not made that much of headway as in developed and some developing countries and its influence on industrial relations in general and determination of wages and other conditions of employment is only marginal. The causes for the limited development of collective bargaining in India are

a)   Lack of mutual acceptance.

b)   The Unions are too weak to bargain.

c)   Excessive regulation by Government.

d)   Restriction on the rights of employees and employers.

e)   Unfavourable political and economic climate

f)   Lack of mutual trust and goodwill.

g)   Attitude of management.

h)   Reduced area of collective bargaining due to encouragement of other institutions like wage boards, statutory fixation of minimum wages and payment of bonus, hours of working, overtime payments, holidays, leaves etc.

Recommendations of National Labour Commission for successful functioning of collective bargaining : Aspects relating to the factors responsible for the limited growth of collective bargaining were examined by the National Commission on labour in 1969 and recommended the following steps for considering the problem.

a)   Government intervention in industrial relations particulary in the settlement of industrial disputes should be reduced gradually to the minimum possible compulsory adjudication of disputes should be used only as a last resort.

b)   Trade unions should be strengthened both organisationally and financially by amending the Trade union Act of 1926 to make registration of unions compulsory, enhance the union membership fee, reduce percentage of outsiders in the union executive and among the office - bearers, and increase the minimum number of members of union applying for registration.

c)   Legal provision may be made either by a separate legislation or by amending an existing enactment for :

---   compulsory recognition of trade unions and certification of unions as bargaining agents.

---   prohibition and penalisation of unfair labour practices.

---   Bargaining in good faith by both employers and unions.

---   Conferring legal validity and legitimacy on collective agreements.

12.10. Union - Management Cooperation

Trade Union represents a challenge thrown by modern industry which has been accepted by workers by organising themselves. The term trade union has been defined variously by different authors . A trade union may be defined as an organisation of employees formed or a continuous basis for the purpose of securing diverse range of benefits. Sec 2 (h) of the Indian Trade Unions Act, 1926 defined trade union as "any combination whether temporary or permanent, formed primarily for the purpose of regulating the relations between workmen and employers or between workmen and workmen, between employees and employers or for imposing restrictive conditions on the conduct of any trade or business and include any federation of two or more trade unions."

Dale Yoder defined a trade union as "a continuing long term association of employees, formed and maintained for the specific purpose of advancing and protecting the interest of the members in their working relationship."

According to G.D.H. Cole, a trade union means "an association of workers in one or more professors - an association carried on mainly for the purpose of protecting and advancing the member's economic interests in connection with their daily work."

Edwin B. Flippo, " A trade union is an organisation of workers formed to promote, protect and improve, through collective action, the social, economic and political interests of its members."

Trade unions are also seens as moral institutions which will uplift the weak and downtrodden and render them the place, the dignity, and justice they deserve.

Activity B : Please Describe below you experiences in union Management relations in your organisation and the organisation you are familian with.

Why do employees join Trade Unions : In earlier days, employees used to join trade unions to protect themselves against exploitation by management with different practices viz,. Hire and fire policiess, inhuman working conditions, niggardly wage payments and long hours of work. Specially, employees join trade unions due to the following reasons :

    i)   Securing permanent employment with higher salary and benefits.

    ii)   Improving their bargaining power and balance it with that of the management. Employees would like to resist the management's irrational, illogical and discriminatory actions.

    iii)   Informing employee's views aims, ideas and dissatisfaction to the management.

    iv)   Securing protection from unexpected economic needs like illness, accidents, injury etc.

    v)   Satisfying their social needs, psychological needs and belongingness and

    vi)   Securing power

Functions of Trade Unions : The basic function of unions is to protect and promote the interest of the employes and conditions of their employment. The other functions are as follows :

    i)   Collective bargaining with the management to settle terms and conditions of employment.

    ii)   Advise the management on personal policies and practices.

    iii)   Taking up the individual and collective grievances of the workers with management.

12.11 Summary

With the presence of recognised unions, unionism, collective bargaining has its importance in regulating employment relations and securing harmony in industrial relations through bipartite agreements. The process of negotiation, the preparation and skills required for effective bargaining have also been cosidered. Administration of collective bargaining agreement is as important contract. Mainly there are two approaches to industrial relations - conflict and cooperation.

12.12. Keywords

Industrial Relations: It is the creation of relationship between employer and employee in an industry.

Collective Bargaining: Process of negotiations between two or more parties or group of persons acting in consent with a view arriving at mutually acceptable labour agreement.

Discharge or dismissal: It involves separation of an employee from the pay roll of the organization for violation of organization rules or for inadequate performance or for misconduct.

Lay off: It is a situation where employer is unable to provide the employment to workman whose name is on the muster roll. The purpose of lay off is to reduce the financial burden on the organization.

Redeployment: Reallocation and retraining of labour as changes the technology and business situation call for labour mobility between skills.

Trade Union: A trade union is any combination of persons whether temporary or permanent, primarily for the purpose of regulating relations between workers and so on.

Arbitration: Settlement of disputes between two parties by binding decision of impartial outsider.

Adjudication: It is compulsory reference of disputes to agency set up by state for settlement of disputes.

12.13 Self Assessment Questions

1. Explain the importance of 1R. What are the major reasons for the poor I R in India.

2. What is collective Bargaining ? Explain collective bargaining theories and strategies.

3. Discuss the process of C B and prerequisites for successful collective bargaining.

4. What is the significance of union - management cooperation ?

12.14. Further Readings

Davan R.S, Personnel Management and Industrial Relations, Vikas publishing House; New Delhi, 1998.

Clhabra, T.N. Human Resource Management, Dhanpat Rai & Sons, New Delhi, 1.2000.

Carvel, Fred J. Human Relations in Business, Mac Millan, Toranto, 1970.

Aswathappa, K. Human Resource and personnel Management, Tata Mc Graw Hill, New Delhi, 2002.

Dr.   B.K.S. Prakasa Rao

LESSON - 13

HUMAN RESOURCE DEVELOPMENT

Objectives

After reading this lesson, you should be able to :

➢ explain the concept and nature of human resource development.

➢ identify the various elements involved in human resource development.

➢ spell out the attitudes of human resources in the organisation.

➢ outline the skills and skill development human resource.

Structure

13.1. Introduction

Human Resource Development (HRD) is a newly emerging field of study. Although development of human beings has been in existence in some form or the other since the beginning of civilisation, a planned and systematic approach to HRD in the corporate sector emerged in the later half of the 20th century. In the past training was the only planned way of development human resources. But now HRD has emerged as an inter-disciplinary and integrated approach to the development of human resources.

Of all the resources, the 'human resource' is the most significant and the active factor of production. All other factors like capital, materials, buildings, plant and machinary, etc. remain inactive unless there are competent people to utilise them for production of goods and services desired by the society. Human brain which is the creation of nature has limitless energy to 'think and act'. The goal of achieving greater quality and higher productivity depends on the skills of people. Developing human resources, upgrading their skills and extending their knowledge and competencies would lead to organisational development. Therefore, human resource development is the key to enhancing and effective utilisation of intellectual, technological and entreoreneurial skills of human resources.

Human Resource Development is a process concerned with an organised series of learning activities designed to produce behavioural changes in the human resources in such a way that they acquire desired level of competence for present and future role.

13.2. Concept of H R D

In simple words, HRD is an organised learning experience aimed at matching the organisational need for human resource with the individual need for career growth and development. It is a system and process involving organised series of learning activities designed to produce behavioural changes in human beings in such a way that they acquire desired level of competence for present or future role.

According to Prof.T.V. Rao the best known Indian HRD expert: HRD is a process in which the employees of an organisation are continually helped in a planned way to:

➢ acquire or sharpen capabilities required to perform various functions associated with their present or expected future roles.

➢ Develop their general capabilities so that they may be able to discover their own inner potentialities and exploit them to full for their own and organisational development purpose. And

➢ To develop an organisational culture where superior-subordinate relationship, teamwork and collaboration among different sub-units are strong and contribute to organisational wealth (or professional well-being) and motivation and pride of the employees".

On the basis of these definitions the following features of HRD may be identified:

i) Human resource development is a planned and systematic approach to the development of people. It is not a fragmented or piece-meal approach but a total system of interacting elements designed to improve the total personality.

ii) Human resource development is a continuous process of developing the competencies, motivation, dynamism and effectiveness of employees. It is based on the belief that there is no end to the development of an individual and learning continues throughout life.

iii) Human resource development is an interdisciplinary concept. Ex—perts belonging to different disciplines tend to adopt a compartmentalised approach to HRD. But HRD involves confluence of

2

ideas from many sciences. Sociology provides new insights in the growth and development of human systems through the study of families, communities and other groups. Psychology provides explanation of human behaviour in terms of perception. Motivation, morale, etc. It provides instruments for use in selection, introduction, training, counselling, etc. of employees. Anthropology focuses on traditions, kinship, culture etc., which is helpful in conflict management, intercultural relationships etc. Political science provides conceptual base for power, status, politics etc. Economics and management also contribute to HRD in their own ways.

iv)   Human resource development has both micro and macro aspects. At the micro level, HRD is concerned with improving the skills, attitudes and behaviour of employees in organisational settings for the benefit of both the individual and the organisation. At the macro level, HRD involves improving the quality of life of people in a country. Development of people is done by providing the right environment wherein the individual may grow to his fullest stature and realise his fullest potential. HRD is a part of educational and developmental planning for nation's welfare.

v)   HRD is a process not merely a set of mechanisms and techniques. The techniques like performance appraisal, counselling, training and organisation development are used to initiate, facilitate and promote this proposes. The process has no limit and, therefore, the techniques have to be reviewed and revised periodically.

13.3.   Nature and Scope of H R D

i)   System perspective. HRD is said to be core of a larger system known as Human Resource System. It is concerned with providing learning experience for the organisational members to develop their competencies. HRD is only a sub-system of the organisation which is integrated with all other sub systems such as production, finance, marketing, etc.

HRD is viewed as a system consisting of several interdependent and interrelated sub-systems. These include performance appraisal, potential, appraisal, role analysis, training, job enrichment, communication, etc. In designing a human resource development system, enough attention should be paid to building linkages between the various sub-systems. These linkages can be established in number of ways depending upon the components of the system.

ii)   Behavioural Science Knowledge. Human Resource Development makes use of principles and concepts of behavioural sciences for the development of people. It uses knowledge drawn from psychology, sociology and anthropology for planning and implementing various programmes for the development of individuals, groups and the organisation.

iii)   Continuous Process. As a dynamic and pro-active, HRD believes in and emphasises the need for 'continuous development' of personal to face the innumerable challenges in the functioning of an organisation. However, HRD mechanisms, processes, policies, etc. differ from organisation

to organisation to suit the need of the situation. HRD sub-systems are deeply interlinked with the social, cultural, economic and political factors.

iv) Quality of Life. In general, HRD has its relevance to the "quality of human life improvement". At the organisation level, it is concerned with improving the quality of work life so as to achieve greater satisfaction of employees and higher level of productivity.

HRD as stated earlier, is mainly concerned with developing the competencies of people. When we call it as a people-oriented concept then several questions come to mind like should the people be developed in the larger and national context or in the smaller institutional context? Is it different a t the macro level and micro level? As things stand now, HRD applies to both institutional (micro) as well as national (macro)issues. The main objective, however, is to develop the newer capabilities in people so as to enable them to tackle both present and future challenges while realising organisational goals. However, it is useful both at macro and micro levels.

a) **Macro Level :** At the macro level HRD is concerned with the development of people for the nation's well being. It takes health, capabilities, skills, attitudes of people which are more useful to the development of the nation as a whole. While calculating the national income and economic growth, the prospective HRD concept examines the individuals potentialities, their attitudes, aspirations, skills, knowledge, etc. and establishes a concrete base for economic planning. However, HRD's contribution at macro level has bot gained popularity as yet.

b) **Micro level :** HRD has concern for grass root development in the organisations. It is small wonder, HRD is well received by companies 'management's as they realised its importance and foresaw its future contribution for the individual and organisational development. Generally, HRD at micro talks of the organisations' manpower planning, selection, training, performance appraisal, development, potential appraisal, compensation, organisational development etc. HRD's involvement in all these areas is mainly with as objective to develop certain new capabilities in people concerned to equip them to meet the present job challenges and to accept future job requirements.

13.4. Elements

As per as Elements/components /sub-systems of HRD are concerned, various tinkers and professionals have given divergent views and designed the mechanisms of HRD in different ways. T.V. Rao is of the opinion that HRD sub-systems comprise performance appraisal, potential appraisal, career planning, training, performance coaching organisation development, employee welfare, rewards, quality of work life and human resource information system. Udai Pareek refers to performance appraisal, feedback, counselling, potential appraisal, career advancement, career planning and training as dimensions of HRD. Though there is diversity among these views, but one can trace out that on some of the dimension there is unanimity of opinion among various HRD practitioners.

A well designed HRD programme should have the following elements :

a)   Performance Appraisal :   Performance appraisal is the process of determining how well a worker is performing his job. It provides a mechanism for identification of qualities and deficiencies observed in an employee in relation to his job performance. The object of appraisal is to determine the present state of efficiency of a worker in order to establish the actual need for training. The process of performance appraisal consists of:

- ➢   Setting standards for performance.

- ➢   Communicating the standards to the employees.

- ➢   Measuring the performance.

- ➢   Comparing the actual performance with the standards set.

b)   Potential Appraisal : Potential provides necessary data which helps in preparing career plans for individuals. It aims as development of latent abilities of individuals. When organisation is diversifying its operations or introducing changes, capacities to perform new roles and responsibilities must continually be developed among employees. The HRD function has a long way to go in introducing a streamlined potential appraisal system which ensures a good match between the employees and the job.

c)   Feedback Counselling : Feedback of performance data can be used to monitor individual development and for identifying training needs. Career counselling and verbal rewards care integral parts of review discussions between the superior and the subordinate.

Counselling serves several purposes in any organisation. IT helps in strengthening the superior and subordinate relationship, helps the executives to understand the limitation of his seniors and problems of his juniors, improves communications thereby facilitating quality decision, helps employees in recognising their strengths and weaknesses and also help evaluate the impact of their dec9isions and soon. This would help the employees in overcoming the barriers emanating from either ignorance or poor knowledge in the field. It would also help the employees in designing their action plans for their overall development and acquiring greater competencies.

d)   Training : The success of any development programme depends on the quality of training facilities. Training is a process that involves the acquisition of skills, concepts and attitudes in order to increase the effectiveness of employees in doing particular jobs. Training is expected to provide the needful stimulus to initiate impulses of changes in management and improve efficiency, productivity and administrative effectiveness.

e)   Role Analysis : Role analysis is a participatory process which aims at defining the work content of a role in relation to all those with whom the role occupant has significant interaction in the performance of his job.

Jobs have to be analysed for proper planning of work which is necessary for improving efficiency. Such an analysis is known as job/task analysis. It is very useful for semi-skilled and skilled jobs. However, the

nature of managerial/supervisory job is more complex and interdependent on the performance and expectations of all those who are concerned with the accomplishment of the tasks in a work situation and thus one is judged not only on individual contribution but also on his 'role' in channellising the willing co-operation and efforts of those who are concerned.

f)   Career Planning : Career planning means helping the employees to plan their career in terms of their capacities within the context of organisational needs. It is the planning of one's career and implementation of career plans by means of education, training, job search and acquisition of work experiences. It is aimed at generating among employees an awareness of their strengths and weaknesses and at helping them to match their skills and abilities to the needs of the o organisation. Without development of people in the organisation, the organisation cannot prosper. Individual career development is considered to be a three step process:

> ➢   Identifying and organising skills, interests, work-related needs and values;

> ➢   Converting these inventories into general careers, fields and specific job-goals; and

> ➢   Testing the possibilities against the realities of the organisation or the job market.

g)   Job Rotation : The work-tasks should be rated among employees so as to broaden their field of specialisation as well as their knowledge about the organisation's operation as a whole. The work-tasks, therefore, should be rotated once a year among the various employees depending upon their qualifications and suitability to perform new roles.

h)   Quality Circle : A quality circle is a small group of employees doing similar or related work who meet regularly to identify, analyse and solve product-quality problems and to improve general operation. The quality circles are relatively autonomous units (ideally about 10 workers), usually led by a supervisor or a senior worker and organised as work units. The workers, who have a shared area of responsibility, meet periodically to discuss, analyse, and propose solutions to ongoing problems.

The objectives of quality circles are :

> ➢   to develop, enhance and utilise human resource effectively;

> ➢   to satisfy the workers psychological needs to motivate them;

> ➢   to improve supervisory skills of employees like leadership, inter-personal and conflict resolution; and

> ➢   to utilise the skills through participation, creating and work interest inculcating problem-solving techniques etc.

i)   Reward system : Rewarding employees performance over and above their normal wages and salaries is considered to be an important task of the HRD. In any organisation, the managers and workers have similar motivations, although the manager controls the means of achieving need-satisfaction at work and each employee seeks self-development to go as far as possible on his own ability. But frustration, slow and depression come in the way of need satisfaction. One way of overcoming of such frustration

is rewarding the efficient workers for their work which may be termed as incentive. It will lead to better utilisation of human resources at all levels, which is the cheapest, quickest and surest means of increasing productivity.

j)   Organisation Development(OD) : Organisation Development is an organisation-wide, planned effort managed from the top, placing emphasis on making appropriate intervention in the ongoing activities of the organisation. OD provides a normative framework with in which changes in the climate and culture of the organisation towards harnessing the human potential for realisation of organisational objectives is brought out. Thus, OD is a planned change strategy aimed at developing and revitalising the adaptive capacities of organisations so as to enable them respond to their internal and external environments in a pre-active manner. OD exercises include team-building programme, interpersonal sensitivity, role clarity, management by objectives and stress management.

k)   Quality of working Life(QWL) : The conditions under which the workers work and live, assume the form of another important factor contributing to workers satisfaction or otherwise and consequently the job satisfaction. In order of priorities, it comes next to the earnings of a worker in the Indian context. For an employee to be able to work at his best, it is necessary to understand that inadequate working and living conditions produce adverse mental and physical effect on the employee, ultimately causing decline in the efficiency.   The HRD system takes care of employees health and well-being of their families by providing them with better working and living conditions which generally promote a healthy atmosphere of development and motivation among employees.

l)   Human Resource Planning : It is the process aimed at ensuring that the organisation will have adequate number of qualified persons, available at proper time, performing jobs which would meet the needs of the organisation and also provide satisfaction for the individuals involved. It is an endeavour to match demand and supply for various types of human skills in the organisation.

m)   Recruitment, Selection and Placement : Recruitment is generation of applications for specific positions for anticipated vacancies. The ideal recruitment efforts will be to generate adequate number of suitable applicants. Selection is the process of ascertaining the qualifications, experience, skills, knowledge, etc. of applicants with a view to appraising their candidate with the most suitable job. It underlies the need for placing right men at the right job so that the best results could be obtained.

13.5. Attitudes

The HRD philosophy is based on the following Attitudes :

i)   Human resource is the most important asset in the organisation.

ii)   Unlike other resources, human resource can be developed and increased to an unlimited extent.

iii)   A healthy climate, characterised by the values of openness, enthusiasm, trust, mutuality and collaboration is essential for developing human resource.

iv) HRD can be planned and monitored in ways that are beneficial both to the individuals and the organisation.

v) Employees feel committed to their work and the organisation, if the organisation perpetuates a feeling of belonging.

vi) Employees feel highly motivated if the organisation provides for satisfaction of their basic and higher level needs.

vii) Employees commitment is increased with the opportunity to discover and use one's capabilities and potential in one's work.

viii) It is very manager's responsibility to ensure the development and utilisation of the capabilities of subordinates to create a healthy and motivating work climate and to set examples for subordinates to follow.

ix) The higher the level of manager, the more attention should be paid to the HRD function in order to ensure its effectiveness.

x) The maintenance of a healthy organisational climate and the development of its human resource are the responsibility of every organisation.

13.6. Skills and Skill Developments

According to Rao, a successful HRD manager requires the following skills and skill developments:

a) **Essential Qualities :**

> Positive thinking and positive attitudes towards people.

> A high desire to learn.

> Interest in people

> Helpful attitude.

> Initiative taking or proactivity.

> Practice and perseverance.

> Communication skills.

> Objectivity in approach.

> Personal example and sense of discipline.

b) **Functional Competencies :**

> Knowledge of appraisal system and their functioning in various organisations.

> Knowledge of potential appraisal, assessment centres, inbasket exercises and such other potential development mechanisms.

➢ Knowledge of various tests, questionnaires and other measures of human and organisational processes.

➢ Ability to design and co-ordinate training programmes for managers, supervisors and workers.

➢ Professional knowledge of personnel management and basic understanding of the industrial relations.

➢ Knowledge of organisational culture and organisational diagnosis and development skills.

➢ Knowledge of career planning practices and skills to develop systems.

➢ Knowledge and skills in behavioural science research.

➢ Knowledge of role analysis methods, team building interventions, job rotation, etc.

➢ Knowledge of learning theories and personality development.

c) **Managerial Competencies :**

➢ Organising ability—the ability to identify talent and organise work, maintenance and monitoring and feedback of information.

➢ System design and development skills.

➢ Implementation skills.

➢ Change agentry skills

➢ Leadership abilities.

13.7. Summary

Of all the resources, the 'human resource' is the most significant and the active factor of production. All other factors like capital, materials, buildings, plant and machinery etc., remain in active unless there are competent people to utilise them for production of goods and services desired by the society. Developing human resource, up grading their skills and extending their knowledge and competencies would lead to organisational development. Therefore human resource development in a system and process involving organised series of learning activities designed to produce behavioural changes in human beings in such a way that they acquire desired level of competence for present or future role. HRD applies to both institutional (micro) as well as natural (macro) issues. Udai Pareek refers to performance appraisal, feed back, counselling, potential appraisal, career advancement, career planning and training as dimensions of HRD is important for the welfare of both the employees and employers. Therefore, an HRD manager must posses behavioural, functional and managerial skills. In Indian Industry, more and more organisations are practising HRD.

13.8. Key words

Performance Appraisal : Performance appraisal is the process by which organisations evaluate employees performance.

Organisation Development (OD) : DD is an intervention strategy that uses group process to Focus on the whole organisation to bring about planned changes.

Quality of work life : Quality of work life means having good supervision, good working conditions, good play and benefits and an interesting, challenging, and newarding job.

Job rotation : Job rotation is the process of moving employees from one job to another to allow them move veriety in their jobs and provide the opportunity to learn new skills.

13.9. Self Assessment Questions

1. What is Human Resource Development? Explain the concept and objectives?

2. Recall your understanding of the concept of HRD, and discuss its nature and scope?

3. Identify the elements involved in HRD in the light of growing need of the organisation?

4. Specify the various skills required to an HRD Manager?

5. Based on the philosophy of HRD, list out its attitudes?

13.10. Further Readings

Fisher, Schoenfldt, shaw, "Human Resource Management" (3rd Ed.), All India Publishers & Distributors Reg. , Chennai.

2. Arun Monappa, Mirza Saiyadian, "Personal Management", (2nd Ed.), Tata Mc Graw-Hill Publishing Company Ltd., New Delhi.

Bhaskar Chatterjee, "Human Resource Management – A contemporary text, Sterling Publishing Pvt.Ltd.

D. Nirmala

LESSON - 14

METHODS OF HUMAN RESOURCE DEVELOPMENT

Objectives

After reading this lesson, you should be able to :

P   identify the various methods of Human Resource Development.

P   discuss the uses and abuse of each method of HRD.

P   distinguish between various methods of HRD

P   interpret the suitability method to the organisation concerned.

Structure

14.1. Introduction

14.2. Potential Appraisal

14.3. Individual and Group coaching

14.4. Quality circles

14.5. Lecture method

14.6. Conference method

14.7. Programmed Learning / Instruction

14.8. Brainstorming

14.9. Panel Discussions

14.10. Syndicate Method

14.11. Business Games

14.12. Sensitivity Training

14.1. Introduction

The Development of Human Resource has become one of the most important and complex tasks. Tremendous emphasis has been given to it since the end of the Second World War and it has been named as the "Management Revolution" because a sudden dramatic change took place in the area of management development. There is a recognition that qualified executives needed throughout the industry do not just emerge from labour-force without consciously planned action on the part of the organisations. Good organisations select the talented employees and develop an inventory of management skills for use in future. Management development also looks for development of present managers. Thus everyone who is in a managerial position or is expected to be in one in the future should be developed. All potential managers or anyone below the top executive level in the organisation who may be transferred or promoted to another job should be prepared for more through the process of human resource development. A large variety of methods of human resource development came into prominence. These methods are clearly explained in this unit.

14.2. Potential Appraisal

In most Indian organisations, people earn promotions on the basis of their past performance. The past performance is considered a good indicator of future jobs success. This could be true, if the job to be played by the promote are similar. However, in actual practice, the roles that a role holder played in the past may not be the same he is expected to play if he assumes a different job after his transfer or promotion to a new position. Past performance, therefore, may be a good indicator of the suitability of an indicator for a higher role.

To overcome this inadequacy, organisations must think of a new system called potential appraisal. This objective of potential appraisal is to identify the potential of a given employee to occupy higher positions in the organisational hierarchy and undertake higher responsibilities.

Potential appraisal are required to :

P   inform employees about their future prospects;

P   help the organisation chalk out of a suitable succession plan;

P   update training efforts from time to time;

P   advise employees about what they must do to improve their career prospects.

The following are some of the steps required to be followed while introducing a potential appraisal system:

a)   Role Descriptions : Organisational roles and functions must be defined clearly. To this end, job descriptions must be prepared for each job.

b)   Qualities Needed To Perform The Roles : Based on job descriptions, the role to be played by people must be prepared(i.e.,technical, managerial jobs and behavioural dimensions).

c)   Rating Mechanisms : Based listing the functions and qualities, the potential appraisal system must list mechanisms of judging the qualities of employees such as:

i)   **Rating by others:** This potential of a candidate could be rated by the immediate supervisor who is acquainted with the candidate's work in the [past, especially his technical capabilities.

ii)   **Tests:** Managerial and behavioural dimensions can be measured through a battery of psychological tests.

iii)   **Games:** Simulation games and exercises (assessment centre, business games, in-basket, role play, etc.) could be used to uncover the potential of a candidate.

iv)   **Records:** Performance records and ratings of a candidate on his previous jobs could be examined carefully on various dimensions such as initiative, creativity, risk taking ability, etc., which might play a key role in discharging his duties in a new job.

a)   Organising The System : After covering the above preliminaries, he must set up a system that will allow the introduction of the scheme smoothly giving answers to some puzzling questions:

P　　　How much weightage to merit in place of seniority in promotions?

P　　　How much weightage to each of the performance dimensions—technical, managerial, behavioural qualities?

P　　　What are the mechanisms of assessing the individual on different indicators of his potential and with what reliability?

e)　　Feed Back :　The system must provide an opportunity for every employee to know the results of his assessment. "He should be helped to understand the qualities actually required for performing the role for which he thinks he has the potential, the mechanisms used by the organisations to appraise his potential and the results of such an appraisal".

14.3.　Individual And Group Coaching

Coaching is regarded as one of the thrust areas and responsibility of organisational leaders or managers. They generally have formal and informal conversations to help employees to become more effective on job and better achievers. Individual and group coaching are the two modes to improve the performance in the organisation.

a)　　On – the - Job Coaching :　Coaching is instructing or tutoring while an individual is personally on the job in action. The term coaching is commonly used in sports or games. Coaching a manager or executive is the process of developing him on the job by enabling him to undertake and carry out tasks or critical tasks under the direct supervision, instruction and guidance of a superior. This is a way how executives are prepared to perform jobs and tasks in future. The superior helps in this process, his subordinates develop the judgement required, the competence needed and the commitment essential for effectively holding the responsibility and carrying out the tasks.

A superior who knows the strengths and weaknesses of his subordinates is in a better position to be his coach provided the subordinate accepts him. Being a superior, he is in a position to assign tasks to his subordinates. If the subordinate accepts the superior's role as coach, he will involve himself in the work and put his heart and mind in it to develop himself on the job. If he does not recognise the role of a coach in his superior he may still perform the task in a mechanical way. In the former case the development process is effective. Under any condition, the learning process is related to a concrete working situation.

A manager or a superior who supervises effectively the work of his subordinate practically coaches, teaches and vouches the developmental process in his subordinates. There are at least ten elements in this coaching process viz., entrusting the responsibility, creating a team, delegating authority directing, instilling confidence, setting standards, motivating to accomplish in accordance with standards, counselling, encouraging, and correcting and keeping the proper track wherever the trainee happens to go wrong.

The coaching process is fulfilling for the superior who is committed to developing his people, particularly when the subordinates are talented, potential and committed, but when the superior lacks faith and confidence in his subordinates, (whatever be the reason) the superior has to make efforts in changing the performance of the subordinates. Thus, the superior's job as a coach is very important.

b)   Coaching method offers several advantages :

P   It is learning by doing

P   Every executive can coach his subordinate even if no executive development programme exists.

P   Periodic feedback and evaluation are a part of coaching.

P   It is very useful for orientation of new executives and for developing operative skills.

P   It involves close interactions between the trainee and his boss.

c)   Coaching method, however, suffers from certain disadvantages :

P   It tends to perpetuate current managerial styles and practices in the organisation.

P   It requires that the superior is a good teacher and guide.

P   The training atmosphere is not free from the worries of daily, routine.

P   The trainee may not get sufficient time to make mistakes and learn from experience.

Coaching can be effective if the coach is a good communicator, anable motivator and a patient listener. Coaching will work well if the coach provides a good model with whom the trainee can identify; if both can be open with each other, if the coach accepts his responsibility fully, and if he provides the trainee with recognition of his improvement and suitable rewards.

14.4. Quality Circles

The concept of Quality Circle emerged from quality control. Quality circles are quite popular in Japan. Looking at their success, many organisations in U.S.A. and India have also attempted to implement quality circles. It should be noted that quality circles provide a future-oriented approach. They seek high quality products in the current production run and in the future.

A quality circle is a small group of employees doing similar or related work who meet regularly to identify, analyse and solve product-quality problems and to improve general operations.

The quality circles are relatively autonomous units (ideally about 10 workers), usually led by a supervisor or a senior worker and organised as work units. The workers, who have a shared area of responsibility, meet periodically to discus, analyse, and propose solutions to ongoing problems.

14.4.1. Features Of Quality Circle

The key features of Quality Circle (QC) are as under :

P A Quality Circle is a voluntary group.

P It represents a collective effort.

P It intends to improve the quality of output

P It co-ordinates the activities of members towards improving the quality of work in the workshop.

P It facilitates frequent meetings and discussions of members for improving quality.

P It has no discrimination against age, sex and position.

14.4.2. Purpose Of Quality Circle : Some typical efforts in improving production methods and quality involve reducing defects, scrap, rework, and downtime, which are expected to lead to cost reduction as well as increased productivity. In addition, the circles intend to focus attention on the self-development of workers and the improvement of working conditions. Through this process, there is improvement of workers morale and motivation, stimulation of teamwork, and recognition to their achievements.

The technique of quality circle has been refined over the years. It is now followed to achieve the following objectives:

P Overall improvement of quality of products manufactured by the enterprise.

P Improvement of production methods and productivity of the enterprise.

P Self-development of the employees who take part in quality circles.

P Encouragement of innovative ideas among the employees.

P Building high morale of employees by developing team-work in the organisation.

14.4.3. Benefits Of Quality Circles :

Quality circles are supposed to bring the following benefits for the organisation :

- P Formation of quality circles in Japan and other countries has helped in bringing out several innovations and changes in work methods and products.

- P Quality circles have proved to be a valuable tool for increasing productivity, improving quality and increasing workers job satisfaction.

- P Membership in a quality circle means a participative environment that provides identification with the work-group. Participation encourages commitment of the employees in producing quality products. Through quality circles, every one becomes involved with the operation of the company. Everyone from top to bottom works towards a single goal, i.e., success through quality.

- P Quality circles help in the development of the participants as they are encouraged to produce innovative ideas and find new ways to improve product quality.

- P Quality circles provide opportunities for better understanding among the members.

- P Quality circles create awareness of the potential of the workers.

14.4.4. Introducing Quality Circle In An Organisation :

Quality circle is a participative concept and its introduction may cause some resistance on the part of the employees. Therefore, before introducing quality circle, all precautions must be taken as in case of any change. The steps in the introduction of quality circle are briefly discussed below:

a) **Selling the Idea of Quality Circle :** The workers must be educated the need and significance of quality circle from the point of view of the organisation and the workers. The scope of quality circle should also be adequately publicised. The workers should be allowed to clear their doubts about quality circle. Attempts should be made to seek their voluntary co-operation in implementing quality circles in the organisation. The management may also arrange for some kind of training of the employees who want to form quality circles.

b) **Constitution of Quality Circles :** The employees should be encouraged to form quality circles by drawing members doing the same kind of work. The membership of a quality circle should bot exceed ten to twelve members. The information about the constitution of quality circle should be made available to the top management.

c) **Analysis of Quality Problems :** The members of a quality circle are supposed to meet periodically, say once a month. They would collect data and analyse the same. Past records, employees suggestions, customers suggestions are very important in this regard. This will lead to identification of the problems that hinder quality.

d) Problem Solving : The members of a quality circle will discuss the problems thoroughly and make a list of possible solutions. The merits and demerits of each alternative will be evaluated. The final decision about the solution to the problem will be taken by the consensus of all members.

e) Presentation of suggestions to the Management: The suggestions for improving the quality are put in writing and forwarded to the management. Top management may form a committee to evaluate the suggestions of different quality circles in the organisation. The committee may also meet the members of the quality circles, if it has any doubt. The final report will be prepared by the committee. It will list the suggestions which must be implemented for improving the quality of goods and services.

f) Implementations : Proper publicity should be given to the suggestions of quality circles which are being put into practice. This will motivate the employees as they will feel the importance of having contributed to the well-being of the organisatilon. The implementation of the suggestions should be properly monitored by the management so that the change-over to new methods is smooth.

14.4.5. Problems In Implementation Of Quality Ciracles : There are several pitfalls in quality circles. Despite their merits, they have failed in many companies. The common hurdles in initiating quality circles in India are as under:

a) Negative Attitude : The employees and even managers may have negative attitude towards the quality circle. Naturally, they will resists its implementation. The wrong notions of the people about quality circles should be cleared. They should be properly informed about the concept of quality circle and its utility.

b) Lack of Ability : The workers in India have a low level of education and also lack initiative. To overcome this hurdle, Workers' Education Programme should be initiated. It must educate the workers about quality circle.

c) Lack of Management Commitment : The top management may not be committed to the concept of quality circle. The employees may bot be allowed to hold meetings of quality circles during the working hours. The employees will be least interested in devoting their personal time to the quality circle. Therefore, the management should allow the workers to hold quality circle meetings periodically during the working hours. It should extend the assistance required by the quality circles for their smooth working.

d) Non-implimentation of Suggestions : The workers will feel disheartened if their suggestions are turned down by the top management without any reason. The suggestions of each quality circle should be given due weightage. If they are likely to improve quality of products, they must be implemented. This will enthuse the members of the quality circle.

14.4.6. Requirement Of Effective Qality Circle : For increasing the effectiveness of quality circles, the following guidelines should be followed :

P   The employees who are concerned with quality should be encouraged to come forward on their own to suggest ways and means to improve upon it.

P   The QC members must be given full training in the areas of statistical analysis (graphs and table reading, histograms, scatter diagrams, stratification, etc.) to facilitate information processing.

P   Since the members of quality circles have to work in groups, an understanding of group dynamics is also necessary. Additionally, they should develop a problem solving approach.

P   The members should feel independent to choose any problem which they feel is most crucial. In addition, they should be free to implement and monitor the results.

P   Each quality circle should have a number of meetings and discussions. Hence facilities for such meetings should be provided without any hindrance. In other words, quality circles must have the support of top management.

14.5.   Lecture Method

Lecture method has been the most popular method to train and develop people traditionally. There has bot been any other method used as extensively as lecture for educating the people. Even in learning the profession of management, this method has a pivotal role. The trainer or the lecturer has the greatest degree of control in a lecturing session. Though one way communication is generally the crux of a lecture session skillful lectures keep the session interesting to the learners by ensuring their participation. Instructors, who are skillfull enough to stimulate the session through new ideas, humorous anecdotes and illustrations, would be able to make the lecture sessions very effective. An effective lecture provides a means of transmitting information, ideas know-how and knowledge. Persuasive quality of an instructor is very useful to gain attentive audience from his students.

However, there are occasions when lecture sessions may not produce the expected response, reaction or result. There are some barriers which may stand on the way of lecturing effectiveness viz.:

P   Instructors' beating about the bush;

P   Lack of clarity on the part of the lecture,

P   Language barrier;

P   Casual approach of the lecturer;

P   Poor audibility (These are mainly on the part of the lecturer);

P   Allness and a closed mind;

P   Status barrier;

P   Halo effect;

P   Complexes;

P   Lack of interest;

P   Emotional excess (These barriers are on the part of the student);

P   Unconducive situation;

P   Poor venue; and

P   Poor public addressing system (the last three factors are related to the venue of lecture). A lecture, which overcomes these barriers and is supplemented by necessary illustrations and examples, can be interesting.

In effectively using lecture for management development, the following conditions have been suggested by Willard E. Bennett :

P   It should be used appallingly – two or three times a year.

P   It will more readily be accepted by people who have several years of conventional training.

P   The subject-matter should be carefully chosen as applying to the specific area.

P   The appriacg can be largely theoretical, but with the help of visual aids – specially slapboard, chart, and black board.

P   The in-plant leader should take care bot to create the impression that the material is his own. The author or authors from whose writing the lecture is drawn should be introduced very much as though they were actually present. Where possible, the books and documents should be on display.

P   The leader should stress that the application of the ideas should be at the option of the individuals based on their respective situations.

14.6. Conference   Method

A conference is a group meeting conducted according to an organised plan in which the members seek to develop knowledge and understanding by obtaining a considerable participation. It is an effective training device for persons in the positions of both conference member and conference leader. As a

member, a person can learn from others by comparing his opinions with those of others. He learns to respect the viewpoints of others and to realise that there is more than one workable approach to any problem. As a conference leader, a person can develop his skill to motivate people through his direction of discussion. He learns the effects of closely controlling and dominating the discussion as compared to adopting a more permissive type of direction.

Conference method overcomes certain disadvantages of the lecture method because here the participants play very active roles. They are not passive. Learning is facilitated through building upon the ideas contributed by the conference members. In fact, people learn from each other. Interest of the participants tends to be high. The conference is ideally suited to learning problems and issues and examining them from different angles. It is considered to be the best method for reducing dogmatism employed in supervisory and executive development programmes.

A conference is a formal meeting conducted in accordance with an organised plan. Problems of common interest are discussed. The participants pool their ideas and experience to deal with the problems effectively. A conference may be divided into small groups (buzz sessions) for intensive discussions. These small groups report back to the conference. This method stresses upon small group interactions and active participation of the trainees. It is ideally suited for analysing problems and issues and examining them from different viewpoints. It helps in developing conceptual knowledge, reducing dogmatism and modifying attitudes. The trainee actively participates and his interest in learning is maintained.

The conference method is suitable only for a small group of 15 to 20 persons because a larger group often discourages active participation of all the learners. The progress is usually slow because everyone is allowed to speak and irrelevant issues easily creep in. the method can be effective provided;

P   The learners have some knowledge of the subject to be discussed at the conference;

P   Conference leader is good and stimulating so that he can summarise material at appropriate times during a discussion, encourage members to express themselves without fear, control more verbose members a d ensure a general consensus without forcing agreement;

P   The size of the group is small enough to allow everyone to participate in the discussion;

P   The discussion is relevant to the problems of the participants.

14.7. Programmed   Learning / Instruction (PI)

It is based on certain behavioural laws, particularly dealing with reinforcement. Reinforcement means rewarding a correct response and punishing a wrong one. A major feature of PI is that it offers immediate feedback on whether the trainee has answered questions correctly or not.

PI is a learner-oriented technique which presents subject matter to the trainees in small, sequential steps, requiring frequent responses from the trainee tand immediately offering him of their accuracy or otherwise. If the response is accurate, he takes up the next level; if not, he is asked to go back and start again. The instructions are carefully planned moving from the simple to complex ones in a smooth way.

A major plus point of the method is that it allows the trainee to learn in small steps at a pace and rate suitable to him. He takes active part throughout the programme. Printed instructions could be offered by experts, keeping individual differences in mind. Regular feedback helps the trainer to improve material continuously. A computer-aided format can be placed in the hands of trainers with an instruction manual for getting excellent results. On the negative side, the impersonal atmosphere may not be very stimulating. The cost of designing such programmes is generally high. It is not suitable too bring about behavioural changes.

14.8. Brainstorming

It is helpful way to determine training needs specially of a group. The technique consists of involving professionals with different backgrounds, assigning them a task (generally phased as 'how to') and fixing a time limit. At the end of the time limit, the ideas generated are closely scrutinised to see what kind of training would help them in performing tasks. The variety of backgrounds in brainstorming sessions is of significance because it facilitiates different views.

14.9. Panel Discussions

Conferences, projects, panels and "buzz sessions" involve group participation. Conference method is suitable for a group consisting of 12 to 25 members who are required to discuss and share a problem common to them. Although it provides little information, it may encourage analytical thinking. A conference may be of two types – guided and unguided. Both types of conferences necessitate the role of a leader and should not exceed two hours in duration. The conference provides a pooling of ideas to solve problems. The conference leader should encourage discussion, stimulate competition, enhance ego and reflect the feelings of participants. The project method forms a variant of the conference method and requires trainees to learn by "doing and talking". Projects are akin to small research projects. The trainees discover the facts of a problem raised, discuss them and reach a solution. For instance, there may be a problem as, "How can minimise accidents?" The project method differs from case study. While in the former, participants have to discover the facts, in the latter facts are already provides a substitute for the conference method where the group is large. The efficacy of this method lies with the panel leader whose role consists in moderating, clarifying points, controlling, questioning and summarising the discussion. "Buzz session" involve a break-up of a conference group in several small group of four to five participants. Each small group discusses the problem and reports its views to the entire group subsequently.

14.10. Syndicate Method

Training and development of executives who are already in positions of responsibility and are marked out for assuming a place at the top or near the top of business or public services has to provide for suitable opportunities such as:

P   Critical reflection on their own work and the manner of doing it;

P   Updating their knowledge of new concepts and advanced techniques in the field of management;

P   Further improving executives skills under suitable simulated conditions; and

P   Developing better insights and sounder judgement on their part in respect of human resources.

The process of learning on the part of an experienced executive is essentially a self imposed or willingly accepted discipline of self education. Syndicate method issued in management development programmes for executives whose age ranges between 30—40 years, who have 9—12 years experience in some special area of management to be fit for taking up higher responsibilities. The participants are men of mature judgement and prove ability. They are known to the director of the programme before actually joining it.

14.11. Business Games

It is a more improved version of the role play. Instead of one decision at a particular point of time, the participants are required to take a series of decisions at different time periods. They are divided into groups, each group representing an independent firm in the same industry. A game is played representing different situations, each situation covering a particular operation and a strategic decision. The "O" period situation provides all the basic information, as in the role play, and also the economic forecast for the next period. Other situations throw up the capabilities and limitations of the company and a set of alternative course of action.

The participants evaluate all the available alternatives, take appropriate decisions and cast proforma financial statement for the next year, wherever necessary. The instructor works out the performance of the enterprise in accordance with the decisions, which form part of the information for the next period in which a new set of alternatives are provided for the participants to select from. At the end of the discussion on all the situations, the group that shows the best performance is adjudged the best decision-maker.

Generally speaking, during the course of the game, the participants are exposed to a number of strategic and operational decisions, covering all the functional areas. In a business game, the discussions are confined to the members of each group, and no group presentation is made in the classroom. The

need to evaluate the likely performance, as a result of the decision, provides the additional exercise for the participants. The participants can get a feel of the continuity of the effects of their decisions upon the enterprise in the long run. They can watch the progress of the enterprise over a number of years, assess its direction, and initiate corrective measures with their counter decisions, allowances for which are provided in subsequent situations.

The case method creates immense excitement among the participants, and a sense of competition is developed among the groups and individuals who actively participate. It offers the participants enough scope to acquaint themselves with the problems and intricacies that arise in the real business world, to conclude, it can be remarked that case discussion in general and the role play or business game in particular provide facilities for participative learning, which enlarge the executive vision and decision-making skill. All such development techniques which are employed under the two titles viz., on-the- job training and off-the-job training contribute substantially for management development in an organisation.

14.12. Sensitivity Training

Sensitivity training or T group or Laboratory training has its origin in the group dynamics concept developed by Kurt Lewin. The first specific sensitivity training session was held in 1946 on the campus of the State Teachers College in New Britain, Connecticut, USA. However, a more systematic start was given to the technique at the National Training Laboratory in Bethel in 1947. Besides Lewin, K.Benne, L.Bradford and R.Lipptt played important roles in the early sensitivity training effort. Since the beginning at Bethel, sensitivity training has been widely used as an educational device by a variety of professional people.

Sensitivity training is an educational technique for the training of individuals in group activity through discussions in a conference with special emphasis on the development of self-insight, interpersonal skills and the ability to face criticisms of one's one self in a group.

It takes place under laboratory conditions, i.e., conditions immune from the distraction of the day-to-day problems of the individual's occupation. It is off-the-job training. A small number of participants, generally 12 to 15, along with a trainer, participate in the programme. It is unstructured and informal kind of training. Members are brought together in a free and open environment in which participants discuss themselves and their interactive processes, loosely directed by behavioural expert. The expert is essentially a helper, a catalyst rather than a teacher. The expert then creates the opportunity for participants to express their ideals, beliefs and attitudes.

Traditional sensitivity training is process-oriented rather than task-oriented and has the following objectives :

> P   to make participants increasingly aware of, and sensitivity to the emotional reactions and expressions in themselves and others.

P   To increase the ability of participants to perceive and to learn from, the consequences of their actions through attention to their own and others' feelings;

P   To stimulate the clarification and development of personal values and goals consonant with a democratic and scientific approach to problems of social and personal decision and action.

P   To develop concepts and theoretical insights which will serve as tools in linking personal values, goals and intentions to action consistent with these inner factors and with the requirements of the situation.

P   To foster the achievement of behavioural effectiveness in transactions with the participants' environments.

Compbell and Dunnette have described the goals of sensitivity training as follows:

Goal—1: To increase, self-insight concerning one's behaviour in a social context, to learn how others see and interpret one's own behaviour and to gain insight into why one acts the way one does in different inter-personal situations.

Goal—2: To increase sensitivity to the behaviour of others i.e., to increase awareness of the stimuli emitted by other persons and the development of the ability to infer accurately the emotional bases for interpersonal communications.

Goal—3: To increase awareness of the processes that facilitate or inhibit group functioning, For Example, why do some members participate actively while others do not? Why do sub-groups form and wage war against each other? Why do different groups who may actually share the same goals, sometimes create seemingly insoluble conflict situations?

Goal—4: To increase diagnostic and action-oriented skills in social, interpersonal and intergroup situations.

Goal—5: To teach a person to learn how to learn, i.e., to teach him how to continually analyse his own interpersonal behaviour in order to reach and engage in more effective interpersonal interactions with others.

The assumptions of the sensitivity training procedure are that, if these goals are achieved, one will become less defensive about himself, less fearful of the intentions of others, more responsive to others and their needs and less likely to misinterpret other's behaviours in a negative fashion. The result will be greater creativity, less hostility towards others and greater sensitivity to social and psychological influences on work behaviour.

Very briefly sensitivity training aims at:

Making an individual participant understand :

- P How others perceive his behaviour.
- P How he reacts to the behaviour of others.
- P Under what condition a group can act in a better way.
- P Increasing his personal satisfaction through relationship with others.

14.12. 1. Features:

- P It is process-oriented, rather than content-oriented. Members learn by feeling and behaving rather than by being told and dictated.
- P It is off-the-job training.
- P It is unstructured and informal kind of training.
- P Both discussion and action have a here and now approach.
- P A permissive atmosphere is maintained so that members can freely talk.
- P The trainer is essentially a helper, a catalyst rather than a teacher.

T-group may consists of strangers(people coming from different organisations). A stranger group is generally much more open than what is known as Cousin Group' (participants coming from the same organisation but from the different department) or a 'Family Group' (composed of intact work group, a supervisor and the men he supervises).

The participants in T-group learn by sharing their experience—it is a process-oriented learning. In contrast to traditional learning methods used in educational institutions which emphasise on content in learning, T-group training focuses on the process i.e., the ways in which a group handles a problem, a subject, a person, a thing etc. There is an assumption that efficiency and productivity of group depends more often in the manner in which people work together rather than their technological skills.

Conditions for the Success of Sensitivity Training :

- P Key people in the organisation must support the legitimacy of the planned change.
- P Employment security of the change agent must be guaranteed.
- P Legitimacy of interpersonal influence must be accepted in the organisation.
- P Opportunity must be provided for practising the skills learned in T-group
- P Groups should focus on a particular goal e.g., skill, training or interpersonal competence. There should not be a mixture of goals in a particular programme; the goals and programmes should be specific.
- P The programme should be voluntary.
- P There should be careful screening of the candidates for participation. Those who are emotionally weak should be excluded.

14.12. 2. Criticisms :

Some of the criticisms of T-group and Ms Howard's comments on them are given below :

P T-group can be run by charlatans who are corrupt, mediocre or both.

P Undoubtedly this can happen; on the other hand, it should bot serve as an excuse deprecating the entire approach. What needs to be done is to recognise and get rid of the charlatan.

P T-group invade privacy.

P This is true but it is not certain whether it is a criticism. Openness is one of the goals of the sensitivity training programme.

P T-group can do psychological damage to participants.

P T-group can be guilty of the same failings they are designed to overcome; they may generate superficial, non-meaningful interactions, cheapen real emotion, cultivate an 'in' jargon, and encourage participants to think of themselves as an elitist cult.

P There is little doubt that this occurs; however, this problem is tied up with the charlatan question and will not be resolved until this latter question is resolved.

P The emphasis on the group is wrong; it is the individual who is important.

P This is a pseudo criticism made only by those adopting a dogmatic, non-functional approach. Both groups and individuals are important; we can study and understand both.

P T-group have the effects predicted but the effects are not valid because they do not last.

P While it may be true that effects do not effects do not last, this may not be because of invalidity but because the world and the organisation discourage the perpetuation of the values and behaviours learned in sensitivity training group.

14.12. 3. Sources of T-Group Training :

There are at least seven sources from which T- group training comes from :

i) There was the influence of Kurt Lewin and his principle of contemporaraneity which states that behaviour choice and direction is a function of both the characteristics of the person and the concurrent environmental demands and pressures. Change either one of these (the person or the environment) and the behaviour would be changed. Lewin's basic principle has by now been so firmly established in psychology that its position as an influence on T-group training provides considerable indirect support to the utilisation of that method.

ii) Secondly, ego psychology provides a major influence on T-group training. Ego psychology is based on the belief in man's ability to grow and his ability to cope. Maslow's hierarchy of motives and his concept of self-actualisation fit in neatly. Such an approach assumes that the individuals have the capacity to change their own lives, if the environment is appropriate. T-group training is designed to provide such an environment.
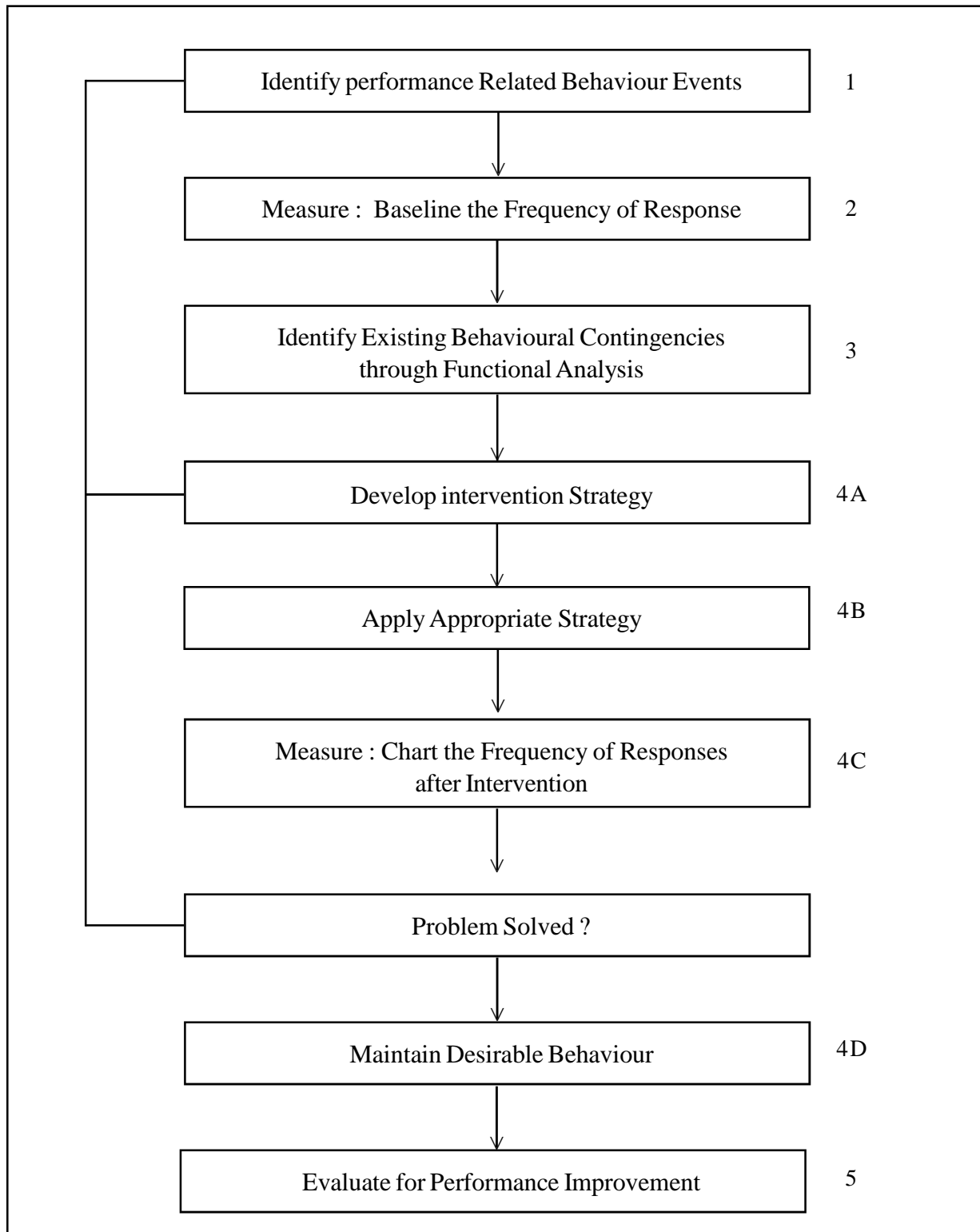
iii) Thirdly, J.R.Moreno's utilisation of psychodrama as an approach to change has influences on T-group Moreno established a theatre that used spontaneity and role playing in order to afford the person insight into how he feels towards others and how others feel towards him by assuming their roles. In general, the great the number of different roles played, the more open the person would be about himself and other.

iv) Fourthly, existentialist philosophy has influenced T-group training. Existentialist philosophy propose that life is essentially, choices and decisions that are made and the responsibilities that are assumed. There are no inherent values or truths except the choices and decisions one makes. The T-group is a microcosm of life, nothing will happen to the leaderless, structure-less unorganised T-group unless the members do it themselves. Related to this is the existentialist proposal that one comes to know others only by sharing experiences with them. T-group training provides these shared experiences and thus helps one to know others.

v) Fifthly, the growth of technology and bureaucracy has influences on T-group learning. As a result of the growth of technology and bureaucracy, there has grown a pervasive belief that people have over-emphasised the rational, cognitive and logical aspects of human behaviour. Hence, there is an increasing desire for greater emotional experience.

vi) Sixthly, the growth of an affluent society has influences on t-group learning. As a result of the growth of affluence, there has been a desire to break loose from traditional restraints and an increasing alienation from traditional institutions. This has led to an interest in exploring new ways of relating to others and the development of desires for individualisation and great freedom from constraint.

vii) Lastly, the growth of specialisation in organisations. The growth of specialisation and accompanying inter group conflict has led to an increasing realisation of the need for developing more effective ways for helping groups to work with one another.

14.13. Encounter Groups

Involve unstructured small-group interaction under stress in situations that require people to become sensitive to one another's feelings in order to develop co-ordinated group activity. The consultant creates an environment wherein the participants are encouraged to examine their own attitudes and perceptions and to become more receptive to what others say and feel. In addition, they begin to perceive how groups interact, how culture affects them, and how general behavioural skills can be developed.

14.14. Behaviour Modification

Organisational behaviour modification (OB Mod) is yet another technique of influencing behaviour of people in organisations. OB Mod uses the reinforcement principle of B.F. Skinner to provide managers with powerful and proven means for changing employee behaviour. Figure 15.4 summarises the application of OB Mod.

Identify performance Related Behaviour Events	1
Measure : Baseline the Frequency of Response	2
Identify Existing Behavioural Contingencies through Functional Analysis	3
Develop intervention Strategy	4A
Apply Appropriate Strategy	4B
Measure : Chart the Frequency of Responses after Intervention	4C
Problem Solved ?	
Maintain Desirable Behaviour	4D
Evaluate for Performance Improvement	5

Fig 14.1. Steps in OB Mod

a) **Identification of Critical Behaviours :** The first step is to identify the critical behaviours that make a significant impact on the employee's job performance. These are those 5 to 10 per cent of the behaviours that may account for up to 70 to 80 per cent of each employee's performance.

b) **Measurement of the Behaviours :** After the behaviours have been identified, they are measured. A base-line frequency is obtained by determining the number of times that the identified behaviour occurs under present conditions. The purpose of the baseline measurement is to provide objective frequency data on the critical behaviour.

c) **Functional Analysis of the behaviour :** The goal of an OB Mod programme is to increase the likelihood that people will in fact engage in the behaviours which are critical to the successful performance of their jobs. Once these critical behaviours have been identified and measured, it is necessary to determine what the cause and consequences of these behaviours are. This involves analysing: (a) the antecedent cues—the factors which seem to instigate the behaviour; and (b) the consequences—the results which accrue to the person as a result of engaging in the behaviour. This process of analysing the antecedent cues and the consequences of behaviour is referred to as functional analysis in OB Mod.

A $\longrightarrow$	B $\longrightarrow$	C
Antecedent Cues	Behaviours	Consequence
Illness /accident	Getting up late	Discipline programme
Hangover	Sleeping in	Verbal reprimands
Lack of tranporation	Staying home	Written reprimands
Traffic	Drinking	Pay docks
No day - care facilities	Fishing / hunting,	Layoffs,
Family problems	Working at home	Dismissals
Company policies	Visiting	Social consequences
Group / personal norms,	Caring for risk	from co - workers
Seniority / age	child.	Escape from and
Awareness / observation		avoidance of
Of any consequence		working
		Nothing

Fig 14.2. : Functional Analysis of Absenteeism Behaviours

d) **Development of an Intervention Strategy :** The term intervention refers to the actions that will be taken by the manager or organisation in order to increase the frequency of desirable critical behaviour and to decrease the frequency of undesirable behaviour. This is the critical step in the process, since it is here that the manger uses the results of the first three steps to design and implement techniques, in order to change the behaviour of his subordinates. The emphasis here is on identifying rewards that can serve as positive reinforces, and establishing methods of providing these reinforces contingent upon subordinates engaging in the desirable critical behaviours. Positive reinforcement is employed to increase the likelihood of desirable behaviour. Negative reinforcement is used as little as possible.

e) **Evaluation to Ensure Performance Improvement :** In order to determine whether an OB Mod programme has achieved its desired results, it is necessary to evaluate the effects of the programme in a systematic and objective fashion. The results of such evaluation can be used both to determine whether the programme should be continued or not, and to "fine tune" the interventions to increase their value and their ability to increase effective performance.

f) **OB Mod in Practice :** OB Mod has been used by a number of organisations to reduce cost, increase attendance, improve productivity, improve safety, increase satisfaction, reduce labour cost, and increase profit. The organisations, which benefitted include General Electric, Standard Oil, B.F. Goodrich Chemical Co., Emery Air Freight, Michigan Bell, etc—all in the United States.

Despite the positive results that OB Mod has demonstrated, it is has to counter adverse criticism. Is it a technique for manipulating people? Does it decrease an employee's freedom? If so, is such an action on the part of managers unethical? And do non-monetary reinforces like feedback, praise,and recognition get old after a while? Will employees begin to see these as ways for the management to increase productivity without providing commensurate increase in their pay? There are no easy answers to questions such as these.

14.15. Role Playing

This method was developed by Moreno, a Venetian psychiatrist. He coined the terms "role-playing," "role-reversal," "psychodrama," and a variety of specialised terms, with emphasis on learning human relation skills through practice and insigth into one's own behaviour and its effect upon others. It has been defined as "a method of human interaction which involves realistic behaviour in the imaginary situations." As Norman Major has pointed out, a "role-playing experience soon demonstrates the gap between 'thinking' and 'doing'. The idea of role-playing involves action, doing and practice.

In role-playing, trainees act out a given role as they would in a stage play. Two or more trainees are assigned parts to play before the rest of the class. These parts do not involve any memorisation of lines or any rehearsals. The role-players are simply informed of a situation and of the respective roles they have to play. Sometime after the preliminary planning, the situation is acted out by the role-players.

Role-playing primarily involves employee-employer relationship—Hiring, firing, discussing a grievance procedure, conducting a post-appraisal interview or disciplining a subordinate or a salesman making a representation to a customer.

14.15. 1. The merits of the role-playing methods are :

P   Learning by doing is emphasised;

P   Human sensitivity and interactions are stressed;

P   The knowledge of results is immediate;

P   Trainee interest and involvement tend to be high;

P   It is useful method to project the living conditions between learning in the classroom and working on a job and creating a live business situation in the classroom;

P   It develops skills and ability to apply knowledge, particularly in areas like human relations; and

P   It brings about desired changes in behaviour and attitudes.

Thus, role playing is especially useful in providing new insight and in presenting the trainee with opportunities to develop interactional skills. Unless the trainer engages in coaching or unless someone states the criteria for behaviour, however, role playing may not adhere to the objectives of the training programme and the reinforcement of the desired behaviour may be somewhat lacking. In other words, it is conceivable that the practice the trainee gets in interpersonal relations could be faulty.

14.16. Transactional Analysis

Introduced over two decades ago by Berne and further populariese by Haris and Jongewald, Transactional Analysis(TA) provides an individual with a practical and useful method for analysis and understanding of human behaviour. In act, it is a method of analysing a transaction. A transaction is nothing but a social intercourse between two or more people who encounter each other. In every social intercourse there is a stimulus provided by one individual and a response to that stimulus given by another individual. This stimulus-response relationship between two individuals is a transaction.

Analysis of any transaction can be done by analysing the personality of an individual. Berne says that every normal individual functions from three ego states—parent, adult and child. An ego state is a system of feelings accompanied by a related set of behaviour patterns. Each ego state can be described as under:

a)   **Parent :** The parent ego is nothing but a huge collection of recordings in the brain of an individual of attitudes and behaviours impose on him in his early years(roughly first five years) from various external sources, primarily his parents. The characteristics of this ego are to be overprotective, officious, distant, dogmatic, etc. Verbal clues that a person is operating from the parent ego state are his use of such words as 'always', 'never', 'ought', etc.,when he uses language of threat or tries to resolve conflict by force. There are physical clues also like raised eyebrows, pointing an accusing finger at somebody, and so on.

b)   **Child :**   The child ego is also a collection of recordings in the brain of an individual of attitudes, behaviours and impulses which come to him naturally from his own seeing, hearing, feeling and understanding as child. Characteristics of a person acting in the child state include being curious, impulsive, sensuous, affectionate, dependent, fearful and depressed, Verbal clues that the person is operating from the child ego state are the use of words like "I guess", "I do not care", and so on. There are physical clues also like temper tantrums, attention seeking, giggling, coyness, silent compliance, etc. The child in us is likely to lead us to behave as dependants, as competitive and to approach, conflict resolution through avoidance or smoothing.

c)   **Adult :** This ego state consists of reality testing, rational behaviour and decision-making or problem-solving analysis. An individual in this state processes, verifies and updates the data which he has received from the other two states. In other word, this state is a shift from the "taught and felt concept" to "tested concepts". Adult data is gathered as a result of an individual's ability to find out for himself as to what is the difference between life as it was taught and demonstrated to him (parent), life as he felt, wished or fantasised child) and life as he figures out by testing (adult).

The functioning of the Adult-ego State does not try to do away with parent and child data. Rather it examines these data and tries to update them in the reality of the external world. The adult in an individual shows itself in a variety of ways. Phrases like "I see", "I think", "It is my opinion", words with an emphasis on data collection, e.g., why, where, when ,who , how, what, and an emphasis on data processing and problem-solving are the indicators of the adult-ego state in an individual.

All of us evoke behaviour from one ego state, which is responded to by the other individual from any one of these three ego states. This gives rise to three types of transaction : complementary, crossed and ulterior. A complementary transaction is one in which the stimulus and response ego states are complementary to each other so that the communication between any two individuals runs along parallel lines between them (Fig.1). thus, the parent in one individual is responded to by the child in the other or the adult in one is responded to by the adult in the other. In this type of transaction both parties feel satisfied

STIMULUS RESPONSE
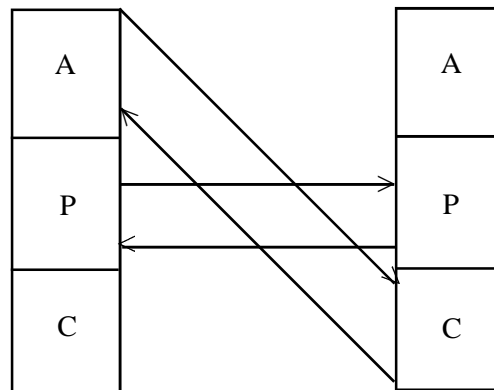
Fig. 1 Transactional Analysis

Examples :

a) worker : I cannot do this job myself. Please help me. Will you do? (Child-Parent)

  Foreman : Sure, I am coming just now. (Parent-Child)

b) Foreman : Have you finished the job? (Adult-Adult)

  Worker : Yes, I finished it long back and it has already been delivered to the assembly line . (Adult-Adult).

When communication runs along crossed lines between individuals, the transactions are crossed. In this communication further transactions stop.

Example:

a) Foreman to Worker : How many pieces have you made by now? (A-A)

b) Worker to Foreman : Do not disturb me. When I complete the whole work
I will let you know. (P-C)

Ulterior transaction has double meaning. On the surface level it is a clear adult message but it also carries hidden message. For example, husband while sitting on the dining table may find the table dirty. If we writes on the table "I love you" to be read by his wife he is on the surface using his child ego state but his ulterior motive is to hint her that she has not cleaned the table. In other words, his message is proceeding from the parent state and his wife must respond to it from her child state by cleaning the table

Thus TA gives an insight into the fundamentals of human psychology and helps to improve interpersonal relations.

14.17. 3-D Management

However effectiveness is measured, managers are only likely to be effective if they adopt the most appropriate style of behaviour.

A development of the Blake and Mouton Managerial Grid, discussed earlier, is the three-dimensional (3-D) model of managerial behaviour suggested by Reddin. By adding a

Third dimension of managerial effectiveness to task orientation and relationship orientation, the 3-D model identifies eight possible styles of managerial behaviour.

Task orientation (TO) is the extent to which the manager directs both personal and subordinates' efforts through planning, organisation and control.

Relationship orientation (RO) is dependent upon the manager's personal job relationships. This is characterised by consideration for subordinates' feelings, mutual trust and encouragement.

The combination of TO and RO determines the manager's basic style of behaviour. The four possible basic style (see Fig .14.4. are similar to those identified by Blake and Mouton in the Managerial Grid.

Each of these dour basic styles of management can be effective or ineffective depending on the situation in which they are applied. Effectiveness is defined by Reddin as 'the extent to which a manager achieves the output requirements of his position… managerial effectiveness has to be defined in terms of output rather than input, by what a manager achieves rather than by what he does.

Reddin distinguishes managerial effectiveness from

P   apparent effectiveness and from

P   personal effectiveness.

Apparent effectiveness is the extent to which the behaviour of the manager – for example punctuality, giving prompt answers, tidiness, making quick decisions and good public relations – gives the appearance of effectiveness. Such qualities may or may not be relevant to effectiveness. Personal effectiveness is the extent to which the manager achieves personal objectives – for example power and prestige – rather than the objectives of the organisation.
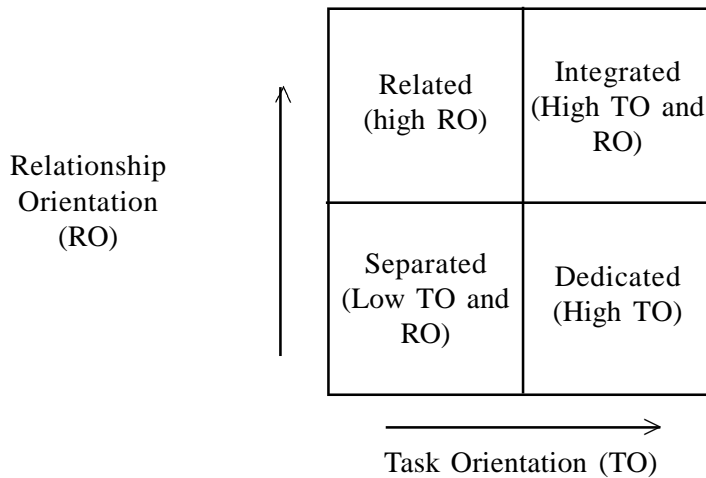
Fig. 14.4. **Four basic styles of management behaviour**

Applying the third dimension of managerial effectiveness provides eight styles of managerial behavior – four effective styles, which achieve output requirements, and four ineffective styles (see Fig.14.5. For each of the basic styles – separated, dedicated, related or integrated – there is amore effective or less effective version. Effectiveness results from the appropriateness of a particular style of management to the demands of the situation in which it is applied. When one of the basic styles (for example 'separated') is adopted in an appropriate situation, a more effective style ('bureaucrat') results. When the basic style is adopted in an inappropriate situation, the result is a less effective style ('deserter').
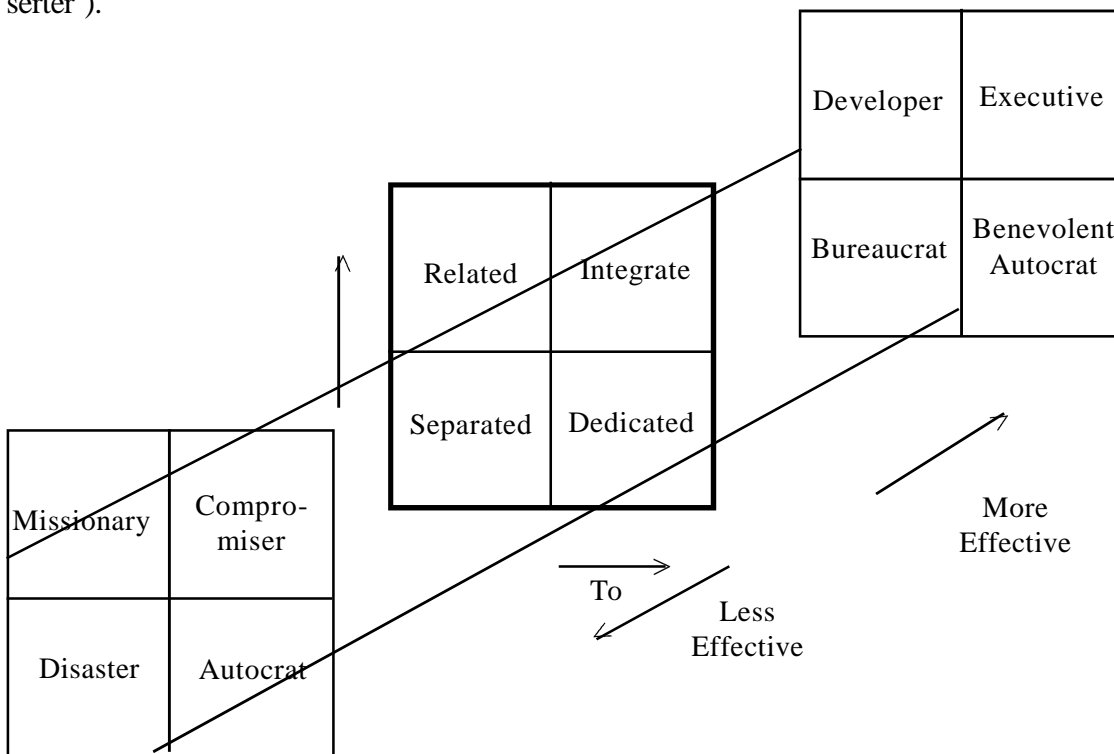

Figure 14.5.   3-D model of managerial effectiveness

The eight styles of management may be described briefly as follows :

i) Bureaucrat – a low concern for both task and relationships. The manager adopting this style is seen as being interested mainly in rules and procedures to control the situation, and as conscientious.

ii) Benevolent autocrat – a high concern for task and a low concern for relationships. Managers adopting this style know what they want and how to achieve it without causing resentment.

iii) Developer – a high concern for relationships and a low concern for task. The manager adopting this style is seen as having implicit trust in people and concerned mainly with developing them as individuals.

iv) Executive – a high concern for both task and relationships. The manager adopting this style is seen as a good motivator, sets high standards, treats people as individuals, and favours team management.

v) Deserter – low concern for both task and relationships in s situation where such behaviour is inappropriate. The manager lacks involvement and is passive or negative.

vi) Autocrat – a high concern for task and a low concern for relationships in a situation where such behaviour is not appropriate. The manager is seen as lacking confidence in others, unpleasant, and interested only in the task in hand.

vii) Missionary – a high concern for relationships and a low concern for task where such behaviour is inappropriate. The manager is seen as interested mainly in preserving harmony.

viii) Compromiser – a high concern for both task and relationships in a situation requiring high concern for neither, or for only one orientation. The manager is seen as a poor decision-maker, too easily influenced by the pressures of the situation, and as a avoiding immediate pressures and problems at the expense of maximising long-term output.

According to Reddin's 3-D theory, managerial effectiveness cannot be measured simply in terms of achieving production or relationships with other people. The manager must also be adaptable in adopting the appropriate style of behaviour which will determine effectiveness in achieving the output requirements of the job. Reddin has developed a 'management-style diagnosis' test to identify styles of management and of organisations. The test comprises 64 paired statements which compare one style of management with another. From each pair of statements is selected the one statement which describes best the manager's behaviour in his or her present job. Analysis of the answers can help the manager to evaluate his or her own perceived style of management.

GENERAL CRITERIA OF MANAGERIAL EFFECTIVENESS

From a review of the work of a number of writers, Langford identifies four broad groups of criteria of managerial effectiveness, and a single overall criterion of effectiveness.

P *The manager's work* – decision making, problem solving, innovation, management of time and handling information.

P *The manager himself/herself* – motivation, role perception, coping with stress/ambiguity, seniority, and average salary grade for age.

P *The manager's relationship with other people* – subordinates, superiors, peers and clients; handling conflict and leadership/power

P *The manager as part of the organisation* – maintenance of the organisation, and technical and financial control.

P *Criterion of general effectiveness* – allocation of resources, achieving purpose, goal attainment, planning, organising, co-ordinating, controlling.

Langford found that the most frequently mentioned criterion was overall effectiveness, followed by relationships with subordinates. Next in order of importance were the criteria of decision making, problem solving, self-development of the manager and maintenance of the organisation. Coping with ambiguity and the handling of conflict were seen as relatively un-important criteria, although Langford suggests this might be related to the circumstances at the time when the various works were written.

14.18. Summary

Human Resource Development has become one of the most important and complex tasks now a days. It enables the individuals to gain their best human potential by attaining a total all-round development it promotes dignity of employment of every employee of an organisation. There are various methods for human resource development. The success of HRD programme is largely depends on the selection of the method. The objectives of the programme should be kept in mind while choosing a particular method. However, no single method may prove to be sufficient, but only suitable combination of the methods may yield good results.

14.19. Keywords

Quality circles : Quality circles are small groups of employees who meet regularly with a common leader to identify and solve work - related problems.

Brainstorming : Brainstorming is a process by which participants provide their ideas on a stated problem during a few wheeling group session.

Role playing : Role playing is a training technique that requires the trainee to assume different identities to learn how other feel under different circumstances.

Sensitivity Training : An early personal growth technique, at one tiem fairly wide spread in organisational deveopment efforts, that emphasis increased sensitivity in interpersonal relationships.

14.20. Self - Assessment Test

1. Explain the various methods of Human Resource development?

2. Write a Short Note on:

   a. Brain Storming

   b. Lecture Method

   c. Business Games

   d. Role Playing

3. Explain the superiority of conference method over Lecture Method?

4. Compare and contrast sensitivity training and role Playing? How role playing is useful in Human Resource Development?

5. What is meant by Sensitivity Training? Discuss its merits and demerits?

14.21. Further Readings

P David A.Decenzo, Stephen P.Robbins, "Personnel/Human Resource Management", (3rd Ed.) prentice – Hall of India Private Ltd. New Delhi.

P Udai Pareek, "Training instruments for Human Resource Development" Tata Mc Graw-Hill Publishing Company Ltd.

P K.K.Ahuja, "Personnel Management", Kalyan Publishers.

P C.B.Memoria, S.V.Gankar " Personnel Management", (21st Ed.), Himalaya Publishing House.

D. Nirmala

HUMAN RESOURCE DEVELOPMENT PRACTICES IN INDIA

Objectives

After reading this lesson, you should be able to :

☆ know the HRD institutions involved in different sectors.

☆ obtain an idea over the origin of HRD.

☆ assess the growth of HRD in future.Structure

Structure

15.1. Introduction

The Government has a critical role to play in the development of the country. It acts as a planner, regulator, catalyst, controller and investor. Its policies and practices directly determine the nature and direction of HRD activities in institutions and organisations under the direct control of government such as the administrative machinery and public sector organisations. Indirectly, the government's policies and practices set the tone and create an environment, which may discourage or encourage the HRD

activities of their organisations in the non-governmental sectors as well. Thus, HRD in government has a strategic role. That is, its own policies and practices have a ripple effect with wide ranging impact on other sectors of society. This is especially so in a partially controlled economy like India's where the government regulates the activities of even private sector organisations.

Broadly, HRD in government can be given two interpretations. The first can be that it refers to the HRD activities in the various ministries, departments and government agencies. The second interpretation is that it refers to role of government at the macro environmental level, policies and conditions that affect HRD in various other organisations.

15.2. Agencies / Institutions Involved In HRD Programme

The aim of HRD has to be to develop the administrators not just for the needs of tomorrow but even for those of the days after. The HRD programmes can reduce the consciousness gap between the leaders of society and the masses of people by training development administrators. A number of departments and agencies were created on the lines of bureaucratic structure. These agencies or institutions in different sectors are studies as under:

a)   Defence Service Sector

The Institute of Defence Management (IDM), which was started in Secunderabad in December 1970, has augmented the process of development of the officers of the defence services. It's main aim is to prepare the officers to meet emerging personnel and technological needs of the defence services and thereby enhances the operational preparedness of the Services. IDM is an inter-service organisation where senior officers (Lt. Cols, and above) of the Army, Navy, and Air Force, and civilians of equivalent ranks, come for management training. The Institute has a department of HRD as a part of the faculty of Organisational Behaviour. During the last 14 years, this department has developed to a great extent structurally as well as functionally. It's terminal objectives are:

☆   Create self-awareness in participants through introspection / retrospection and self-study.

☆   Improve their knowledge of individual differences relating to the affective side of personality like values, attitudes and motives, as well as cognitive side of personality like reasoning ability, judgement, conceptualisation, and problem solving.

☆   Improve their understanding of the process of communication especially its transactional nature involved in personal and organisational communication.

☆   Improve their decision making ability by developing emotional maturity, tolerance for

ambiguity and empathy.

☆ Improve their skill of making better use of human resource for increasing organisational effectiveness.

In addition to covering a wide range of topics pertaining to HRD, the department uses almost all the modern methods of imparting training including role playing exercises, case studies, films, diagnostic instruments, syndicate and panel discussions, brain storming, visits to service and industrial organisations, and conduct projects, etc. It lays special emphasis on experiential learning, which has proved very effective with the service officers.

The department of HRD has conducted certain very important and useful projects in the services. The recommendations of some of these have already been accepted and implemented by the respective service organisations. For example, Progressive Leadership Training in the Army is now an integral part of the training curriculum of Army Cadet Corps, Officers Training School, India Military Academy, Young School, Young Officers' Course, Junior Commanders' Course and so on. Similarly, the HRD department has contributed substantially in revising the appraisal system of the officers in the Navy as well as the Army. It has also helped the Army and the Air Force in looking into certain aspects of motivation of their officers and men.

b)   **Police Service Sector :** The Indian police system was conceived as early as in 1861. It was remodelled in 1902. Over the years, social commissions were instituted to examine the problems effecting the police services. A study of police administration recently revealed that while there were some strengths like loyalty, dedication, job security and espirit de corps in the police service, It also suffered from severe weaknesses due to excessive political interference, corruption, and lack of open interaction among members. Among the recommendations made for improving police administration were the restructuring of salaries and benefits, proper recruitment and training procedures, improved performance appraisal system, better control and communication within the administration, and measures to improve police community relations.

The absence of proper and integrated human resource systems, particularly training and personnel administration are seen to be major impediments in the way of the proper functioning of the police services. Although training centres for many of the state police forces do exist, these are often treated as "dumping grounds for unwanted staff". A working paper at a national seminar in 1986 at the Sardar Vallabhai Patel National Police Academy in Hyderabad pointed out to many problems with respect to recruitment, training, placement, promotion and other human resources related functions. The paper suggested the need for developing a systems approach to these problems to ensure the planned growth, development and better utilisation of police personnel.

To implement these suggestions, the paper recommended the setting up of a Department of Personnel for Police forces of the Central and State Government. In order to ensure "maximum utilisation of human resources to help attain organisational objectives," an integrated system was recommended to provide and develop:

☆　Objective recruitment methods based on manpower planning and forecasts.

☆　Induction and training systems to better orient policemen to the demands and changing needs of society and technology.

☆　Career management.

☆　A uniform promotion policy based on more objective appraisal system.

☆　Policies and systems for individual and collective grievance handling, and

☆　Comprehensive welfare policies.

For many years the police administration was neglected and taken for granted. It is clear now that given the current circumstances operating in the country much greater attention requires to be paid to this vital sector of the country's administration.

c)　**Rural Sector :**　The rural situation in the country is still plagued with social and economic problems. Several years of development efforts have not succeeded in eliminating age-old problems. Large sections of our small population still suffer from non-satisfaction of minimum needs in terms of health, nutrition, education and other subsistence facilities. They are vulnerable both to natural calamities like floods and drought as well as to the exploitation of vested interests and moneylenders. Their level of economic productivity is low and they lack adequate delivery systems for employment and industrialisation.

Very early in the stage of India's development as an independent country, it was recognised by visionary leaders like Mahatma Gandhi and Jawaharlal Nehru, that the development of the rural areas needs to be vested largely in the hands of the people by the setting up of appropriate socio-political institutional mechanisms. Such main institution is the village panchayat: According to the directive Principles of the Constitution : "The state shall take steps to organise village panchayats and endow them with such powers and authority as may be necessary to enable them to function as units of self government." The Balvantarai Mehta Committee of 1958 had attempted to translate these principles into action by recommending the introduction of the panchayati raj system which was expected to establish a linkage between local leadership enjoying the confidence of local people and the government, and translate the policies of the government into action. The structure of panchayati raj was envisioned in three tiers from the bottom of rural society upwards: directly selected village panhayats at the village level, indirectly elected panchayat samitis at the block level and zilla parishads composed of ex-office's members at the district level. Unfortunately, although boldly conceived, panchayati raj went into stagnation and decline.

The proposed Sixty-fourth Constitution Amendment Bill introduced in the Parliament in 1989 was an attempt to resolve some of the macro-level problems facing panchayati raj institutions. However, apart from macro-level policy changes, changes in the structure and functioning of local bodies and in their managerial and human resource capabilities are also required. From the HRD point of view, the major priorities for the success of panahayati raj and rural development institutions are:

☆ Clarifying purposes and ensuring that these are reflected in pertinent strategies, policies and programmes.

☆ Developing people as change agents and as culture builders to bring about necessary transformation in dysfunctional cultures existing in the rural areas.

☆ Training and development in order to enable people develop their capacities and potential for productive employment.

☆ Strengthening panchayati raj and other organisations engaged in development.

☆ Increasing administrative accountability through task clarity and appropriate monitoring and appraisal mechanisms.

☆ Developing role clarity and task or results orientation on the part of functionaries.

☆ Motivation of functionaries through attitude change and motivation development programmes.

☆ Developing and implementing appropriate reward systems for those involved in the routine administration and implementation of tasks.

15.3. Evaluation of HRD

We have been discussing the evaluation of specific training programs, but increasingly the HRD function is coming under pressure to measure and justify the total impact of what they do against the costs involved in doing it and against what other companies are doing. The trend toward benchmarking means that HRD groups are being asked to assess themselves against the best practice in the industry or in the HRD field. Figure 15.1 shows some measures that might be used to benchmark HRD activities across companies or divisions, or from year to year in the same unit. These merits fall into three classes:

a)   training activities (percent of employees trained, hours of training per employee, etc.),

b)   training results in terms of Kirkpatrick's four outcome levels, and

c)   training efficiency measures, such as costs per student hour. These measures were developed by the manager of HRD at Magnavox Electronic systems Company, who used them to compare his training function with those of three Malcolm Baldrige National Quality Award winners.

Metric Name	Metric Type	How to Calculate	Example
Percent of payroll Spent on training	Training Activity	Total training expenditures + total payroll	U.S. average 1.4 % of payroll spent on training per year.
Training dollars Spent per employee	Training Activity	Total training expenditures + employees served	Three Baldrige winners spent $1,100 Per employee on Training in 1990.
Average training hours per employee	Training Activity	Total number of training hours (hours x participants) + total employees served	U.S. average for large firms (100+employees)= 33 hours per employee in 1990.
Percent of employees trained per year	Training Activity	Total number of received training + total employes.	Three Baldrige winners trained an average of 92.5 % of their Workforces in 1990.
HRD staff per 1,000 Employees.	Training Activity	Number of HRD staff + total Employee Population	Three Baldrige winners had an average of 4.1 HRD staff members per 1,000 employees
Average percent of Positive participant	Training Results: Reactions	Total number of employees rating courses "good or Effective" + total Number of employees Who completed course Surveys per year	Three Baldrige winners averaged 93 % positive participant course rating in 1990.
Average percent of Satisfied HRD	Training Results : Reactions	Total number of customers rating HRD services "good or effective" + Total number of customers Who completed customer Satisfaction survey.	Three baldrige winners averaged 84 % positive HRD customer-service rating in 1990.
Average percent Gain in learning Per course	Training Result: Learning	Average percent of learning gain (difference between per-and posttest for each class, average over all classes tested.	Three Baldrige winners averaged 70 % learning gain in more than 50 technical classes in 1990.
Average percent Of improvement In on-the-job	Training Result: Behaviour	Average Job performance gain (difference between pre-and post-training Behaviour) for each class, averaged over all classes measured.	An electronic firm reported 49 % improvement in management training's after supervisor training in 1990.

FIGURE 15.1 HRD Metrics :

Metric Name	Metric Type	How to Calculate	Example
Cost savings as A ratio of Training expenses	Training Result: Bottom-Line	Total savings in scrap or waste + dollars invested in training.	A Baldrige winner reported saving $30 for every $2 spent on TOM training (for an RIO of 30:1)
Revenues per Employee per year	Training Result: Bottom-Line	Total yearly revenues or sales + total number of employees	Two baldrige winners reported average revenues per employee of $94,000 in 1990.
Profit per Employee per year	Training Result: Bottom-Line	Total yearly gross profits+ total number of employees.	An electronics firm earned average profits per Employee of $21,000 in 1990.
Training costs Per student hour	Training Efficiency	Total costs of training + total number of hours of training.	Three Baldrige winners reported $27 in average training costs per hour of training in 1990.
Billable rate (time on task)	Training Efficiency	HRD staff time spent on billable or key tasks + total HRD staff time.	An electronics firm reported an HRD billable Rate of .82 in 1991(82 % of staff time spent on billable tasks).

15.4. Future and prospectives of HRD

Experts seem to agree that HRD in the future may be significantly different from the way it is practised at present. These changes will derive in part from the revolution in technology (e.g., performance support system) and in part from the changes in organisational structure and the increasing demands to be quick, innovative, and flexible in order to remain competitive. Changes will occur both in training content and in delivery. Training will become more responsive and individualised, and more of it will be conducted by outside providers or by managers or team leaders rather than professional in-house trainers. A survey of HRD professionals resulted in this rank-ordering of trends that are expected to affect the profession through the year 2000:

☆ The increasing rate of redesigning and re-engineering jobs and organisations for higher performance.

☆ New organisational forms and structures, and the need to manage change.

☆ Changes in the extent to which the training function is centralised or decentralised, with many organisation moving towards decentralisation.

☆ Change in emphasis from training for specific skills to performance improvement and support.

☆ More training to be on-the-job and just-in-time

☆ Increased emphasis on the team as the unit that accomplishes work and that must be trained.

Training & Development magazine recently interviewed leading HRD professionals and management scholars to speculate about the future shape of HRD. Most of them stated the Learning would be more and more important for organisational success, but that the learning will increasingly occur on the job as employees are empowered to find problems and experiment with solutions. Leaning how to learn from experience will be critical. According to Rosabeth Moss Kanter,

There is indeed a growing emphasis on Learning in the workplace – but not necessarily on training. "Training signifies a one-way transfer of established wisdom or skill from the trainer to the unformed trainee, who is expected to become more like the established model as a result of the training experience. It focuses on the teacher, not the student. But "Learning" reverses this in important ways. Learning involves not only absorbing existing information, but also creating new solutions to not-yet-fully-understood problems. And while we could not conceive of training without students, learning can take place in the absence of teachers. It is an ability of the person, the group, and the organisation.

15.5. Summary

A major contributing factor to national development is the development of human resources in sectors responsible for strategic functions. This unit examined the agencies involved in defence, police, and panchayati raj institutions. In all these sectors the emphasis of HRD needs to be on developing commitment, motivation and morale among people to enable them function under difficult circumstances, developing appropriate work cultures and providing for augmentation of necessary attitudes and competencies through training. The training phase includes developing training materials and procedures and actually conducting the training. The design of a training program must consider issues such as conditions of practice, knowledge of results, interference, transfer of training and adult learning principles. Finally the utility of a training program can be calculated by assessing its costs and putting a rupee val' on its benefits to the organisation.

15.6. Keywords

Evaluation of HRD : The evaluation of HRD aims to measure and justify the total impact of what they do against the cost involved in doing it and against what other companies are doing.

15.7. Self - assessment Questions

1. Explain the various institutions involved in HRD programme by taking an analogy of a particular sector?

2. Examine the evolution of Human Resource Management?

3. What do you think about the further growth and prospects of HRD?

15.8. Further Readings

Dwivedi, "Personal Management", Galgotia Publishing Company, New Delhi

Edwin flippo. "Personal Management" (Ed 1X), Mc-Graw Hill International Edition.

Beard Well & Horder, "Human Resource management", Mac Millan India Ltd.

D. Nirmala