ALAGAPPA UNIVERSITY

[Accredited with 'A+' Grade by NAAC (CGPA:3.64) in the Third Cycle
and Graded as Category–I University by MHRD-UGC]

(A State University Established by the Government of Tamil Nadu)

KARAIKUDI – 630 003

Directorate of Distance Education

P.G. Diploma in Sports Management

I - Semester

406 13

HUMAN RESOURCE MANAGEMENT

Reviewer	
Dr K. Balasubramanian	Professor & Head, Department of Physical Education, Alagappa University, Karaikudi

Authors:

PG Aquinas, *Chairman, Post Graduate Department of Studies and Research in Social Work, Mangalore University*

Units (1, 3.3-3.8, 5-12, 13.0-13.2, 13.4-13.8, 14.0-14.3)

KM Pathi, *Faculty for Organizational Behaviour, Communication Skills, Critical Reading, Indraprastha Institute of Information Technology, New Delhi*

Unit (13.3)

R.S. Dwivedi, *Ex-Chairman and Dean, Faculty of Commerce and Management, Kurukshetra University, Haryana*

Unit (14.4-14.9)

Vikas® Publishing House: Units (2, 3.0-3.2, 4)

VIKAS®

Vikas® is the registered trademark of Vikas® Publishing House Pvt. Ltd.

VIKAS® PUBLISHING HOUSE PVT. LTD.
E-28, Sector-8, Noida - 201301 (UP)
Phone: 0120-4078900 • Fax: 0120-4078999
Regd. Office: 7361, Ravindra Mansion, Ram Nagar, New Delhi 110 055
• Website: www.vikaspublishing.com • Email: helpline@vikaspublishing.com

Work Order No. AU/DDE/DE1-238/Preparation and Printing of Course Materials/2018 Dated 30.08.2018 Copies - 500

SYLLABI-BOOK MAPPING TABLE

Human Resource Management

Syllabi	Mapping in Book
Block - 1: Objectives of Human Resources Management **UNIT - I** Introduction: Management of Men Is A Challenging Job - Importance of Human Resources Management - Social Significance -Professional Significance - Significance For Individual Enterprise-Objective of Human Resource Management - Pre-Requisites For The Achievements Of The Objectives. **UNIT - II** Personnel Function In Organization-Classification of Functions - The General And Specific Functions - Personnel Administration & Industrial Relations Functions - Functions Classified on The Basis of Capacities - Functions According to The Degree of Authority. **UNIT - III** Managerial Functions – Planning – organizing - directing (motivating, actuating or commanding) - Coordinating and controlling – controlling - operative functions – The procurement function - The development function - The compensating function - Integration function - The maintenance function. **UNIT - IV** Classifications of personnel functions: Yoders classification –yoder and nelsons classification - northcotts classification - scott, clothier & spriegels classification - kindalls classification - straus's and sayles classification.	**Unit 1:** Introduction to HRM: Management of Men **(Pages 1-16);** **Unit 2:** Personnel Function in Organization and Classification **(Pages 17-23);** **Unit 3:** Managerial Functions **(Pages 24-30);** **Unit 4:** Classification of Personnel Functions **(Pages 31-35)**
Block - 2: Personnel Management **UNIT - V** Functions of personnel management - organizational planning and development - Staffing and employment - Training and development -compensation, wage and salary administration - Employee services and benefits - Employee records - labour relations - personnel research and personnel audit. **UNIT - VI** Personnel principles and policies - Aims and objectives of personnel policies - Need for personnel policy - Principles of personnel policies - Types of personnel policies - Essential characteristics/tests of a sound personnel policy - Sources of personnel policies. **UNIT - VII** Importance of human resource - Manpower planning defined - Need for human resource planning - Process of human resource planning - Responsibility for human resource planning - Manpower plan - Component. **UNIT - VIII** Job analysis - Purpose and uses of job analysis - Contents of analysis - The steps in job analysis - Techniques of job analysis data.	**Unit 5:** Functions of Personnel Management **(Pages 36-43);** **Unit 6:** Personnel Principles and Policies **(Pages 44-58);** **Unit 7:** Importance of Human Resource Planning **(Pages 59-72);** **Unit 8:** Job Analysis **(Pages 73-80)**

Block - 3: Selection Procedures of Human Resources

UNIT - IX

Job design - The two approaches to job design - Uses of job description -Components of contents of job description - Developing job descriptions or guidelines for writing a job description - Limitations of job description - Job specifications.

UNIT - X

The selection process: Selection procedure - Selection policy - Essential elements of selection procedure - Steps in selection procedure - Placement and induction - Orientation, Induction - objectives of orientation.

UNIT - XI

Procedure for induction – Employee Training – Meaning for training and development – Difference between training and development – Need for basic purposes of training – Importance of training – The importance of training has been expressed in these words – Responsibility for training – Creation of a Desire for training.

Unit 9: Job Design
(Pages 81-89);
Unit 10: The Selection Process
(Pages 90-106);
Unit 11: Procedure for Induction and Employee Training
(Pages 107-117)

Block - 4: Principles of Training Management

UNIT - XII

Principles or concepts of training – Steps in Training programmes – Discovering or Identifying training needs – Operations analysis – Man analysis- Task description analysis – Determining training needs – Problems as follows – Support Material for training.

UNIT - XIII

Training methods / Techniques – Chart – On-the-Job-Training (OJT) – Merits of On-The- Job-Training – Demerits of On-The-Job-Training – Job Instruction Training – Vestibule Training (or Training-Centre Training) – Merits of the Vestibule Training – Demerits of the training.

UNIT - XIV

Job methods – Limitations of lecture system – Retraining – Management Development – Purpose and objective of management development – Management development concepts – Management development programme – Components – Promotions, Demotions, Transfers and Separation – The objectives of Promotion – Promotion policy – Demotion – Definition – Transfer policy – Separations – Definitions – Dismissal.

Unit 12: Principles and Concepts of Training
(Pages 118-128);
Unit 13: Training Methods and Techniques
(Pages 129-164);
Unit 14: Job Methods
(Pages 165-194)

CONTENTS

INTRODUCTION

BLOCK I: OBJECTIVES OF HUMAN RESOURCES MANAGEMENT

UNIT 1 INTRODUCTION TO HRM: MANAGEMENT OF MEN 1-16

1.0 Introduction
1.1 Objectives
1.2 Importance of HRM (Social, Professional, Individual Enterprises)
1.3 Objectives of HRM
1.4 Prereqisites for the Achievement of Objectives: Systems Approach
1.5 Competitive Challenges of HRM
 1.5.1 HRM Models
1.6 Answers to Check Your Progress Questions
1.7 Summary
1.8 Key Words
1.9 Self Assessment Questions and Exercises
1.10 Further Readings

UNIT 2 PERSONNEL FUNCTION IN ORGANIZATION AND CLASSIFICATION17-23

2.0 Introduction
2.1 Objectives
2.2 Classification of Functions
 2.2.1 The General and Specific Functions
 2.2.2 Personnel Administration and Industrial Relations Functions
2.3 Industrial Relations Functions
 2.3.1 On the Basis of Degree of Authority
 2.3.2 On the Basis of Capacities
2.4 Answers to Check Your Progress Questions
2.5 Summary
2.6 Key Words
2.7 Self Assessment Questions and Exercises
2.8 Further Readings

UNIT 3 MANAGERIAL FUNCTIONS 24-30

3.0 Introduction
3.1 Objectives
3.2 Planning, Organizing, Directing, Coordinating and Controlling
3.3 Operative Functions
 3.3.1 Compensating Function
3.4 Answers to Check Your Progress Questions
3.5 Summary
3.6 Key Words
3.7 Self Assessment Questions and Exercises
3.8 Further Readings

UNIT 4 CLASSIFICATION OF PERSONNEL FUNCTIONS 31-35

4.0 Introduction
4.1 Objectives
4.2 Overview of Classification of Personnel Functions
4.2.1 Yoder and Nelson's Classification
4.2.2 Scott, Clothier and Spriegel (1961)
4.2.3 Strauss and Sayles Classification
4.3 Answers to Check Your Progress Questions
4.4 Summary
4.5 Key Words
4.6 Self Assessment Questions and Exercises
4.7 Further Readings

BLOCK II: PERSONNEL MANAGEMENT

UNIT 5 FUNCTIONS OF PERSONNEL MANAGEMENT 36-43

5.0 Introduction
5.1 Objectives
5.2 Functions
5.3 Answers to Check Your Progress Questions
5.4 Summary
5.5 Key Words
5.6 Self Assessment Questions and Exercises
5.7 Further Readings

UNIT 6 PERSONNEL PRINCIPLES AND POLICIES 44-58

6.0 Introduction
6.1 Objectives
6.2 Human Resource Policies
6.2.1 Meaning of Human Resource Policies
6.2.2 Need for HR Policy
6.2.3 Essential Characteristics of a Sound HR Policy
6.3 Types of HR Policies
6.3.1 Formulation of HR Policies
6.3.2 HR Policies – The Indian Perspective
6.4 Answers to Check Your Progress Questions
6.5 Summary
6.6 Key Words
6.7 Self Assessment Questions and Exercises
6.8 Further Readings

UNIT 7 IMPORTANCE OF HUMAN RESOURCE PLANNING 59-72

7.0 Introduction
7.1 Objectives
7.2 Manpower Planning: Definition
7.3 Need for Human Resource Planning
7.4 Process of Human Resource Planning
7.5 Responsibility for Human Resource Planning
7.6 Components of Manpower Plan
7.7 Answers to Check Your Progress Questions

7.8 Summary
7.9 Key Words
7.10 Self Assessment Questions and Exercises
7.11 Further Readings

UNIT 8 JOB ANALYSIS 73-80

8.0 Introduction
8.1 Objectives
8.2 Job Analysis
8.2.1 Purpose and Uses of Job Analysis
8.2.2 Contents of Job Analysis
8.2.3 Methods of Collecting Job Analysis Data
8.3 Answers to Check Your Progress Questions
8.4 Summary
8.5 Key Words
8.6 Self Assessment Questions and Exercises
8.7 Further Readings

BLOCK III: SELECTION PROCEDURES OF HUMAN RESOURCES

UNIT 9 JOB DESIGN 81-89

9.0 Introduction
9.1 Objectives
9.2 Job Design
9.3 Job Description
9.3.1 Uses of Job Description
9.3.2 Components or Contents of Job Description
9.3.3 Writing a Job Description
9.3.4 Limitations of Job Description
9.4 Job Specification
9.5 Answers to Check Your Progress Questions
9.6 Summary
9.7 Key Words
9.8 Self Assessment Questions and Exercises
9.9 Further Readings

UNIT 10 THE SELECTION PROCESS 90-106

10.0 Introduction
10.1 Objectives
10.2 Selection Procedure and Policy
10.3 Essential Elements of Selection Procedure
10.4 Steps in Selection Procedure
10.5 Placement and Induction
10.6 Orientation and Objectives
10.6.1 Objectives of Orientation
10.7 Answers to Check Your Progress Questions
10.8 Summary
10.9 Key Words
10.10 Self Assessment Questions and Exercises
10.11 Further Readings

UNIT 11 PROCEDURE FOR INDUCTION AND EMPLOYEE TRAINING 107-117

11.0 Introduction
11.1 Objectives
11.2 Procedure for Induction
11.2.1 Types of Induction Programmes
11.2.2 Employee Training: Need, Process, Techniques and Evaluation
11.2.3 Definition of Training and Development
11.2.4 Difference between Training and Development
11.3 Training Needs Analysis
11.3.1 Importance of Training
11.3.2 Responsibility for Training
11.3.3 Creation of a Desire for Training
11.4 Answers to Check Your Progress Questions
11.5 Summary
11.6 Key Words
11.7 Self Assessment Questions and Exercises
11.8 Further Readings

BLOCK IV: PRINCIPLES OF TRANING MANAGEMENT

UNIT 12 PRINCIPLES AND CONCEPTS OF TRAINING 118-128

12.0 Introduction
12.1 Objectives
12.2 Principles or Concepts of Training
12.2.1 Types of Training Programmes
12.2.2 Steps in the Training Programmes
12.2.3 Selection of a Training Method
12.2.4 Support Material for Training
12.3 Answers to Check Your Progress Questions
12.4 Summary
12.5 Key Words
12.6 Self Assessment Questions and Exercises
12.7 Further Readings

UNIT 13 TRAINING METHODS AND TECHNIQUES 129-164

13.0 Introduction
13.1 Objectives
13.2 Training Techniques
13.3 Evaluation of Training
13.3.1 Benefits of Training Evaluation
13.3.2 Models of Evaluation
13.3.3 Levels of Evaluation
13.3.4 Evaluation Designs
13.3.5 Accountability For Training
13.3.6 Evaluation of Training Programme
13.4 Answers to Check Your Progress Questions
13.5 Summary
13.6 Key Words
13.7 Self Assessment Questions and Exercises
13.8 Further Readings

UNIT 14 JOB METHODS **165-194**

14.0 Introduction
14.1 Objectives
14.2 Lecture System and limitations
  14.2.1 Retraining
14.3 Management Development
  14.3.1 Objectives of Management Development
  14.3.2 Methods of Management Development
14.4 Promotion, Demotion, Transfers and Separation
  14.4.1 Indian Perspectives on Promotion
14.5 Answers to Check Your Progress Questions
14.6 Summary
14.7 Key Words
14.8 Self Assessment Questions and Exercises
14.9 Further Readings

NOTES

INTRODUCTION

In all organizations today, there is a separate department that takes care of the welfare and performance of all those who are part of the organizations' operations. Depending on the size of the organization, there is usually an individual or a team of people involved in organizing programmes, putting processes in place and setting policies that directly affect all those working with or associated with the organization. Such a team is said to be in charge of Human Resource Management. The Human Resource Management team is involved in a lot of activities including setting rules, establishing operation policies and processes, outlining disciplinary procedures, recruiting new employees, organizing training and educational programmes for the existing employees and deciding on the compensation.

With increasing globalization of economy, the marketplace has become increasingly complex, highly uncertain, competitive and transformational. What makes the ultimate difference is whether an organization is able to develop and establish competitive differentiation or not. It is here that people provide organizations with a sustained competitive advantage. Organizations are required to adopt proactive development programmes towards the attainment of corporate objectives by nurturing a development oriented culture. Human Resource Management deals with creating conditions that enable people to get the best out of themselves and their lives.

This book, *Human Resource Management*, is divided into fourteen units that follow the self-instruction mode with each unit beginning with an Introduction to the unit, followed by an outline of the Objectives. The detailed content is then presented in a simple but structured manner interspersed with Check Your Progress Questions to test the student's understanding of the topic. A Summary along with a list of Key Words and a set of Self-Assessment Questions and Exercises is also provided at the end of each unit for recapitulation.

NOTES

BLOCK - I
OBJECTIVES OF HUMAN RESOURCES MANAGEMENT

UNIT 1 INTRODUCTION TO HRM: MANAGEMENT OF MEN

Structure

1.0 Introduction
1.1 Objectives
1.2 Importance of HRM (Social, Professional, Individual Enterprises)
1.3 Objectives of HRM
1.4 Prereqisites for the Achievement of Objectives: Systems Approach
1.5 Competitive Challenges of HRM
  1.5.1 HRM Models
1.6 Answers to Check Your Progress Questions
1.7 Summary
1.8 Key Words
1.9 Self Assessment Questions and Exercises
1.10 Further Readings

1.0 INTRODUCTION

Human Resource Management (HRM) deals with human beings in an organization. Each individual is different from another and therefore the nature of people is very dynamic. This makes “the management of man” an important and a challenging job. No two people are similar. They have varied mental abilities, sentiments, and behaviors; they differ widely also as a group and are subject to varied influences. What differentiates people from machines and make us “humans” is our ability to feel, think and act. HRM is the process of managing people of an organization with a human approach. Human resources approach to manpower enables the manager to view the people as an important resource. This approach helps the organization to utilize the manpower not just for its betterment but for the growth and development of these people as well. Contemporary business environment brings new challenges affecting many aspects of management including one of its crucial facets – Human Resource Management.

Most frequently mentioned challenges of modern HRM are: globalization, economic and legal environment, workforce diversity resulting from both globalization and demographic change, technological development, changes in educational background of employees and in their expectations regarding working conditions. These factors directly and indirectly

NOTES

determine human resource management strategies and the possibility of their implementation.

In this unit you will study about the importance of HRM (Social, Professional, individual enterprises), objectives of HRM and its pre-requisites in detail.

1.1 OBJECTIVES

After going through this unit, you will be able to:

- Discuss the importance of Human Resources Management
- Explain the objectives of HRM
- Describe the prerequisites for the achievements of the objectives

1.2 IMPORTANCE OF HRM (SOCIAL, PROFESSIONAL, INDIVIDUAL ENTERPRISES)

Human resources, along with financial and material resources, contribute to the production of goods and services in an organization. Physical and monetary resources, by themselves, cannot improve efficiency or contribute to an increased rate of return on investment. It is through the combined and concerted efforts of people that monetary and material resources are harnessed to achieve organizational goals. But these efforts, attitudes and skills have to be sharpened from time to time to optimize the effectiveness of human resources and to enable them to meet greater challenges. This is where human resource management plays a crucial role. The significance of human resource management can be discussed at four levels:

1. Corporate
2. Professional
3. Social, and
4. National

1. Corporate

Good human resource practices can help in attracting and retaining the best people in the organization. Planning alerts the company to the types of people it will need in short, medium and long run. HRM can help an enterprise in achieving its goals more efficiently and effectively in the following ways:

(a) Attracting and retaining talent through effective human resource planning, recruitment, selection, compensation and promotion policies.

(b) Developing the necessary skills and right attitudes among the employees through training.

(c) Securing willing co-operation of employees through motivation.

(d) Utilising effectively the available human resources.

2. Professional

NOTES

Effective management of human resources helps to improve the quality of work life. It contributes to professional growth in the following ways:

(a) Providing maximum opportunities for personal development of each employee.

(b) Allocating work properly and scientifically.

(c) Maintaining healthy relationships between individuals and groups in the organization.

3. Social

Sound human resource management has a great significance for the society. The society, as a whole, is the major beneficiary of good human resource practices.

(a) Employment opportunities multiply.

(b) Scarce talents are put to best use.

(c) Organizations that pay and treat people well, always race ahead of others and deliver excellent results.

(d) A balance between the jobs available and job seekers in terms of numbers, qualifications, needs and aptitudes is maintained.

(e) Provides suitable employment that gives social and psychological satisfication to people.

4. National

Human resources and their management plays a vital role in the development of a nation. There are wide differences in development between countries with similar resources due to differences in the quality of their people. Rate of development in a country depends primarily on the skills, attitudes and values of its human resources. Effective management of human resources helps to speed up the process of economic growth which in turn leads to higher standards of living and fuller employment.

1.3 OBJECTIVES OF HRM

Objectives are pre-determined goals towards which individual or group activity in an organization is directed. Objectives of HRM are influenced by organizational objectives and individual and social goals. Every organization has some objectives and every part of it should contribute directly or indirectly to the attainment of desired objectives. Objectives determine the character of an organization and serve as the basis for voluntary co-operation and co-ordination among employees. Objectives also provide benchmarks or standards of evaluating performance. The primary aim of human resource management is the promotion of effectiveness of the people employed with the organization through performance of their allotted duties by the substitution of co-operation in place of the suspicions and hostility which have so long been characteristic of relations between employees and employers. According to Indian Institute of Personnel Management —"Personnel management (human resource management) aims to achieve both efficiency and justice, neither of which can be pursued successfully without the other. It seeks to bring together and develop an effective organization, enabling the men and women who make up an enterprise to make their best contribution to its success both as an individual and as a member of a working group. It seeks to provide fair terms and conditions of employment and satisfying work for all those employed".

Objectives of human resource management are derived from the basic objectives of an organization. In order to achieve organizational objectives, integration of employer's interest and employee's interests is necessary. In this light the objectives of human resource management may be summarised as follows:

1. To improve the service rendered by the enterprise to society through building better employee morale, which leads to more efficient individual and group performance. Thus, HRM seeks to manage change to the mutual advantage of individuals, groups, the organization and the society.
2. To establish in the mind of those associated with the enterprise — employees, shareholders, creditors, customers and the public at large — the fact that the enterprise is rendering the best service of which it is capable and distributing the benefits derived fairly and contributing to the success of the enterprise.
3. To create and utilise an able and motivated workforce, to accomplish the basic organizational goals.
4. To recognise and satisfy individual and group needs by providing adequate and equitable wages, incentives, employee benefits, social security, challenging work, prestige, recognition, security, status etc. Thus, an organization can identify and satisfy individual and group goals by offering appropriate monetary and non-monetary incentives.
5. To employ the skills and knowledge of employees efficiently and effectively i.e., to utilise human resources effectively for the achievement of organizational goals.
6. To strengthen and appreciate the human assets continuously by providing training and developmental programmes. Training and development helps the organization attain its goals by providing well-trained and well-motivated employees.

NOTES

7. To maintain high employee morale and sound human relations by sustaining and improving the various conditions and facilities.
8. To enhance job satisfaction and self-actualisation of employees by encouraging and assisting every employee to realise his full potential.
9. To provide facilities and conditions of work and creation of favourable atmosphere for maintaining stability of employment.
10. To recognise and satisfy individual needs and group goals by offering appropriate monetary and non-monetary incentives.
11. To develop and maintain a quality of work life (QWL) which makes employment in the organization a desirable personal and social situation.

Maximum individual development, developing desirable working relationships and effective utilisation of human resources are the primary goals of human resource management. Management has to create conducive environment and provide necessary prerequisites for the attainment of the objectives of human resource management.

1.4 PREREQISITES FOR THE ACHIEVEMENT OF OBJECTIVES: SYSTEMS APPROACH

A system is a set of interrelated but separate elements or parts working towards a common goal. The enterprise procures and transforms inputs such as physical, financial and human resources into outputs such as products, services and satisfactions offered to people at large. To carry out its operations, each enterprise has certain departments known as subsystems such as production sub-system, finance sub-system, marketing sub-system, HR sub-system etc. Each sub-system consists of a number of other sub-systems.

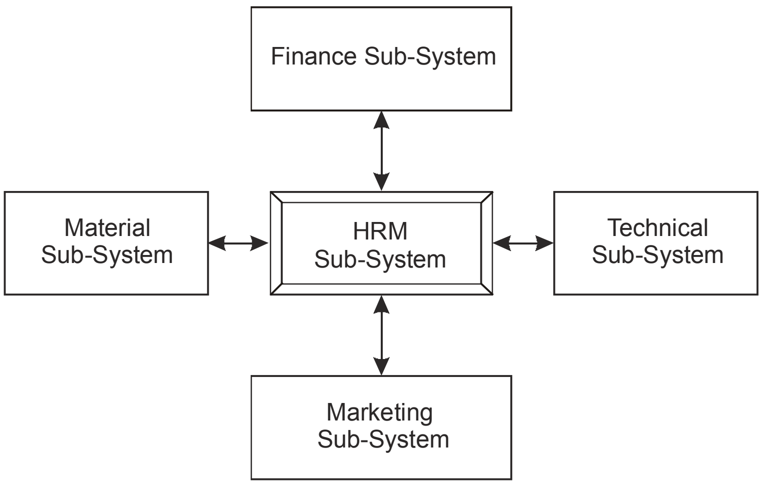


Fig. 1.1 *HRM as Central Sub-System in an Organization*

NOTES

Note: It should be noted here that, the various internal sub-systems of the organization operate within the framework of external environment consisting of political, social, economic and technological forces operating within and outside a nation.

Management is primarily dealing with human beings and human problems are present everywhere. According to Lawrence Appley, "management is the development of people, not the direction of things". As the central sub-system, HRM interacts closely and continuously with all other sub-systems of an organization. The quality of people in all sub-systems depends largely upon the policies, programmes and practices of the HRM sub-system. HRM has become very significant in the modern era of automation and computerization, because machine is useless without competent people who can run it. The significance is due to the following factors:

1. Increase in the size and complexity of organizations.
2. Rise of professional and knowledgeable workers.
3. Rapid technological developments.
4. Increasing proportion of women in the workforce.
5. Growing expectations of society from employers.
6. Revolution in information technology.
7. Rapidly changing jobs and skills requiring long-term manpower planning.

Check Your Progress

1. What are the levels of discussing the significance of human resource management?
2. What influences the objectives of HRM?
3. What is the primary aim of HRM?
4. Define system.

1.5 COMPETITIVE CHALLENGES OF HRM

Change has become ephemeral everywhere – be it economy, politics, and business, and so on. These changes require HRM to play an ever more crucial role in organizations.

The Changing Environment

(a) **Work Force Diversity:** The Indian work force is characterized by diversity such as more women entering the work force, minority-group members, older workers, etc. The increasing number of women in the work force has necessitated the implementation of more flexible work

NOTES

scheduling, child-care facilities, maternity leave and transfer to location of husband's place of posting.

The diverse work force has become a challenge for the HR manager. Diversity is marked by two fundamental and inconsistent realities operating within it. One is that organizations claim they seek to maximize diversity in the workplace. The second is that the traditional human resource system will not allow diversity, only similarity. Experts in the field emphasize that employers traditionally hire, appraise and promote people who fit a particular employer's image of what employees should believe in and do.

(b) **Economic and technological change:** Technology has become the hallmark of modern organizations: The explosive growth of information technology linked to the internet has ushered in many changes throughout the organization. One of the major changes is the 'fall of hierarchy'. This fall of hierarchy is because earlier, if one wanted information one had to stick to the chain of command. Now, that has changed; one has to just tap in. That is why hierarchy has broken down. Now, employees do not need to be present at a definite place of work. Instead, they can work from their own places through the Net. This has given birth to the 'virtual organization'. These economic and technological changes have created an altogether different environment for HRM.

(c) **Globalization:** New Economic Policy, 1991, has globalized the Indian economy. Firms that formerly competed only with local firms now have to compete with foreign firms/ competitors. Globalization has given rise to MNCs. The MNCs are characterized by their cultural diversity, intensified competition, variations in business practices, etc. Given these conditions—from tapping the global labour force to formulating selection, training and compensation policies for expatriate employees, major challenges have arisen for HRM.

(d) **Organizational Restructuring:** Organizational restructuring is used to make the organization competitive. As a part of organizational changes, many organizations have 'right sized' themselves in various ways such as eliminating layers of managers, closing facilities, merging with other organizations, or out placing workers. Whatever the form of restructuring, jobs are being redesigned and people are affected. One of the challenges that HRM faces with organizational restructuring is dealing with the human consequences of change. As such, HRM needs to focus on the changed scenario, uniquely resulting in HR activities becoming crucial for HR managers.

(e) **Changing nature of work:** With change in technology, the nature of jobs and work has also changed. One of the most significant changes

NOTES

in the nature of work is from manual to knowledge work. As such, the HR environment has changed. The challenge posed by the changed environment is fostering HRM practices to respond to the need and requirement of knowledge workers. Every organization depends increasingly on knowledge – patents, processes, management skills, technologies and intellectual capital. As a result of these changes, organizations are giving and will continue to give growing emphasis to their human capital, i.e., knowledge, education, training skills and expertise of their employees.

Changing Role of the HR Manager

The HR environment is changing and so is the role of the HR manager. The HR manager today has to adapt to suit the changed environment. Some of the important HR practices are explained below:

1. **Flatter Organizations:** The pyramidal organization structure is getting converted into flat organization. The reducing levels of hierarchy mean that more people report to one manager. Therefore, employees will have to work on their own will with less interference from the manager.
2. **Employee Empowerment:** Gone are the days when managers exercised formal power over employees to get work done. Under the changed conditions, employees have now become ‘knowledge workers’. Knowledge workers need to be provided with greater autonomy through information sharing and provision of control over factors that affect performance. Granting sanction to the employers to make decisions in their work matters is called ‘employee empowerment’.
3. **Team work:** Modern organizations rely more on multi-function of workers so that workers do not remain confined to a single function but can do more than one function. Employees contribute to organization more as members of the team. The managerial implications are that these workers should be managed as a team and not as an individual in isolation. Therefore, managers need to follow a holistic approach of management.
4. **Ethical Management:** Ethical issues pose fundamental questions about fairness, justice, truthfulness and social responsibility. Ethics therefore means what ‘ought’ to be done. For the HR manager, there are ethical ways in which the manager ought to act relative to a given human resource issue. Research conducted by Robert D Gate-wood and Archie B Carnell provides some guidelines that can help the HR manager:
   - Does the behaviour or result achieve comply with all applicable laws, regulations and government codes?

NOTES

- Does the behaviour or result achieved comply with all organizational standards of ethical behaviour?
- Does the behaviour or result achieved comply with professional standards of ethical behaviour?

The points mentioned above pertain only to complying with laws and regulations. Organizational members need to go beyond laws and regulations. They need to be guided by values and codes of behaviour. Here it becomes the responsibility of the HR manager to conduct training programmes to induce ethical behaviour in organizations.

Importance of the Human Factor

The human factor in business is the collective impact that employees have on near-term and long-term organizational success. Organizations must recognize the human factor in responding to public pressure to build sustainable organizations. While much emphasis is placed on customer care and environmental responsibilities, employees are an equally important company stakeholder, especially for small organizations.

Roles and Responsibilities of the HR Department

In a small organization, the proprietor performs all the functions. But as the organization grows, delegation of duties is essential. He employs other people and delegates some of his duties and responsibilities to them. In this way he creates another level in his organization. With the further growth of an organization, there is a need for greater specialization of functions. To a small businessman, salary structure of his employees requires no specialized knowledge but a big company employing several thousand employees needs the assistance of a specialist to manage wage and salary administration. In this way managerial assistance of a specialized nature is required. This is the origin of 'staff' function separated from the 'line function.'

The term line is used to indicate the line of authority as with different ranks in the armed forces where the line of authority is clear. In organization theory, the word 'line' usually refers to those functions which have direct responsibility for accomplishing the major objectives of the enterprise and the word 'staff' to these functions that help the line in accomplishing those objectives and are only indirectly related to the major objectives. In a manufacturing firm production, purchase and sales are line-functions and personnel, finance, accounting and research are staff functions. The distinction between line and staff is a means of determining who makes decisions directly related to the attainment of end results and who provides advice and service in making those decisions. It is the function of the staff executives to serve the line executives.

NOTES

All managers are in a sense human resources managers, since they all get involved in recruiting, interviewing, selecting, training, etc. Yet most firms also have a Personnel or Human Resources Department with its HRD managers. How are the duties of this manager related to the Personnel Management duties of other line managers in the firm?

Line managers are authorized to direct the work of subordinates—they are always someone's boss. In addition, line managers are in charge of accomplishing the basic goals in the organization. On the other hand, staff managers are authorized to assist and advise line managers in accomplishing these basic goals in the organization.

The direct handling of people is an integral part of every line manager's responsibility. As already said, line managers may carry out all the personnel management duties unassisted. But as the firm grows, they need the assistance of a specialized personnel or HRD staff. The HRD Department provides this specialized assistance. In doing so, the HRD Manager carries out three major functions as follows:

(*i*) ***A line function:*** The HRD personnel performs a 'line' function by directing the activities of the people in his own department and in service areas. He exerts line authority within his own HRD department.

(*ii*) ***A coordinative function:*** HRD executives also function as co-ordinators of the personnel activities, a duty usually referred to as 'functional control'. The HRD manager and his department act as the right arm of the top executive to assure him that personnel objectives, policies and procedures which have been adopted by the line organization are being consistently carried out by line managers.

(*iii*) ***Staff (Service) function:*** Service to line management is the 'bread and butter' of the HRD manager's job. HRD manager assists in hiring, firing, rewarding and evaluating employees at all levels and administers various welfare programmes.

1.5.1 HRM Models

In recent years, there has been relative agreement among HRM specialists as to what constitutes the field of HRM. The model developed by the American Society for Training and Development (ASTD) identifies nine human resource areas:

1. Training and Development

Organizations and individuals should develop and progress simultaneously for their survival and attainment of mutual goals. Employee training is a specialized function and is one of the fundamental operative functions of human resource management. Training improves, changes, and moulds the employee's knowledge, skill, behaviour, aptitude and attitude towards the requirements of the job and the organization. Training bridges the difference between job requirements and employee's present specifications.

Management development is a systematic process of growth and development by which managers develop their abilities to manage. It is a planned effort to improve current or future managerial performance.

2. Organization Development

Management can effectively meet challenges of change through a systematic and planned effort. Organization development is the modern approach to management of change and human resource development. According to Dale S. Beach, organization development is 'a complex educational strategy designed to increase organizational effectiveness and wealth through planned intervention by a consultant using theory and techniques of applied behavioural science'. Organization Development (OD) concentrates on those dimensions that are about people like norms, values, attitudes, relationships, organizational climate etc. OD efforts broadly aim at improving the organizational effectiveness and job satisfaction of the employees. Humanizing the organizations and encouraging the personal growth of individual employees can attain these aims.

3. Organization/Job Design

Organization design deals with structural aspects of organizations. It aims at analysing roles and relationships so that collective effort can be explicitly organized to achieve specific ends. The design process leads to development of an organization structure consisting of units and positions. There are relationships involving exercise of authority and exchange of information between these units and positions.

Michael Armstrong has defined job design as — 'the 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'. Thus, job design is the process of determining the specific tasks and responsibilities to be carried out by each member of the organization. It has many implications for human resources management. Both the content and one's job and the ability to influence content and level of performance affect a person's motivation and job satisfaction.

4. Human Resource Planning

Human resource planning may be defined as the process of assessing the organization's human resource needs in light of organizational goals and making plans to ensure that a competent, stable work force is employed.

NOTES

The efficient utilization of organizational resources — human, capital and technological — just does not happen without the continual estimation of future requirements and the development of systematic strategies designed towards goal accomplishment. Organizational goals have meaning only when people with the appropriate talent, skill and desire are available to execute the tasks needed to realize goals.

5. Selection and Staffing

After identifying the sources of human resources, searching for prospective employees and stimulating them to apply for jobs in the organization, the management has to perform the function of selecting the right employees at the right time. The selection process involves judging candidates on a variety of dimensions, ranging from the concrete and measurable like years of experience to the abstract and personal like leadership potential. To do this, organizations rely on one or more of a number of selection devices, including application forms, initial interviews, reference checks, tests, physical examinations and interviews. All selection activities, from the initial screening interview to the physical examination if required, exist for the purpose of making effective selection decisions. Each activity is a step in the process that forms a predictive exercise—managerial decision makers seeking to predict which job applicant will be successful if hired. 'Successful' in this case means performing well on the criteria the organization uses to evaluate personnel.

It is important to have a good organization structure, but it is even more important to fill the jobs with the right people. Staffing includes several sub-functions:

(a) Recruitment or getting applications for the jobs as they open up

(b) Selection of the best qualified from those who seek the jobs

(c) Transfers and promotions

(d) Training those who need further instruction to perform their work effectively or to qualify for promotions

Importance and Need for Proper Staffing: There are a number of advantages of proper and efficient staffing. These are as under:

(a) It helps in discovering talented and competent workers and developing them to move up the corporate ladder.

(b) It ensures greater production by putting the right man in the right job.

(c) It helps to avoid a sudden disruption of an enterprises' production run by indicating shortages of personnel, if any, in advance.

(d) It helps to prevent under-utilization of personnel because of over-manning and the resultant high labour cost and low profit margins.

(e) It provides information to management for the internal succession of managerial personnel in the event of an unanticipated occurrence.

6. Personnel Research and Information Systems

The term 'research' means a systematic and goal oriented investigation of facts that seeks to establish a relationship between two or more phenomena. Research can lead to an increased understanding of and improvement in HRM practices. Managers make decisions and solve problems. To make decisions about personnel and to solve human resource problems, managers gather data and draw conclusions from these data. Research can lead to an increased understanding of and improvement in HRM practices. In fact, engaging in some type of research into what is happening in the HRM discipline can be viewed as necessary for one's survival as a manager over the long term. Research can additionally help managers answer questions about the success of programmes such as those for training and development — for which they may bear responsibility.

7. Compensation/Benefits

Wages and salaries, the payment received for performing work, is a major component of the compensation and reward process which is aimed at reimbursing employees for their work and motivating them to perform to the best of their abilities. In addition to pay, most employees receive benefits such as ESI, leave travel concession, and they receive non-financial rewards such as security, recognition and privileges. Although individual employees vary in the extent to which they value pay in relation to other work rewards, for most people the pay received for work is a necessity.

Determining wage and salary payments is one of the most critical aspects of human resource management because:

(a) The organization's reward system has a profound effect on the recruitment, satisfaction and motivation of employees and

(b) Wage and salaries represent a considerable cost to the employer.

A carefully designed wage and salary programme that is administered according to sound policies and consistently applied rules is essential if human resources are to be used effectively to achieve organizational objectives.

8. Employee Assistance

Employee assistance focuses on providing mechanism for personal problem solving and counselling individual employees.

9. Union/Labour Relations

Unions frequently develop because employees are frustrated in achieving important goals on an individual basis and unionizing is the only countervailing technique available to achieve these goals. The establishment of good labour relations depends on constructive attitude on the part of both management and the union. The constructive attitude in its turn depends on all the basic policies and procedures laid down in any organization for the promotion of healthy industrial relations.

NOTES

Check Your Progress

5. What are the two fundamental and inconsistent realities operating within diversity?
6. What are MNCs characterized by?
7. What does the selection process in an organization involve?

1.6 ANSWERS TO CHECK YOUR PROGRESS QUESTIONS

1. The significance of human resource management can be discussed at four levels which are corporate, professional, social and national.
2. Objectives of HRM are influenced by organizational objectives and individual and social goals.
3. The primary aim of human resource management is the promotion of effectiveness of the people employed with the organization through performance of their allotted duties by the substitution of co-operation in place of the suspicions and hostility which have so long been characteristic of relations between employees and employers.
4. A system is a set of interrelated but separate elements or parts working towards a common goal.
5. Diversity is marked by two fundamental and inconsistent realities operating within it. One is that organizations claim they seek to maximize diversity in the workplace. The second is that the traditional human resource system will not allow diversity, only similarity.
6. MNCs are characterized by their cultural diversity, intensified competition, variations in business practices, etc.
7. The selection process involves judging candidates on a variety of dimensions, ranging from the concrete and measurable like years of experience to the abstract and personal like leadership potential.

1.7 SUMMARY

- Human resources, along with financial and material resources, contribute to the production of goods and services in an organization.
- The significance of human resource management can be discussed at four levels.

NOTES

- Good human resource practices can help in attracting and retaining the best people in the organization.
- Effective management of human resources helps to improve the quality of work life.
- Human resources and their management plays a vital role in the development of a nation. There are wide differences in development between countries with similar resources due to differences in the quality of their people.
- Rate of development in a country depends primarily on the skills, attitudes and values of its human resources.
- Objectives are pre-determined goals towards which individual or group activity in an organization is directed.
- Objectives of HRM are influenced by organizational objectives and individual and social goals.
- According to Indian Institute of Personnel Management —"Personnel management (human resource management) aims to achieve both efficiency and justice, neither of which can be pursued successfully without the other.
- Objectives of human resource management are derived from the basic objectives of an organization. In order to achieve organizational objectives, integration of employer's interest and employee's interests is necessary.
- A system is a set of interrelated but separate elements or parts working towards a common goal. The enterprise procures and transforms inputs such as physical, financial and human resources into outputs such as products, services and satisfactions offered to people at large.
- The human factor in business is the collective impact that employees have on near-term and long-term organizational success.
- The model developed by the American Society for Training and Development (ASTD) identifies nine human resource areas:
    1. Training and Development
    2. Organization Development
    3. Organization/Job Design
    4. Human Resource Planning
    5. Selection and Staffing
    6. Personnel Research and Information Systems
    7. Compensation/Benefits
    8. Employee Assistance
    9. Union/Labour Relations

NOTES

1.8 KEY WORDS

- **Management:** It refers to the process of dealing with or controlling things or people.
- **Corporate:** It means relating to a large company or group.
- **Organization:** An organization or organization is an entity comprising multiple people, such as an institution or an association, that has a collective goal and is linked to an external environment.
- **Globalization:** It is the process enabling financial and investment markets to operate internationally, largely as a result of deregulation and improved communications.
- **Motivation:** It is the act or an instance of motivating.

1.9 SELF ASSESSMENT QUESTIONS AND EXERCISES

Short Answer Questions

1. What do you understand by human resource?
2. How does effective management contribute to professional growth?
3. Describe the different roles and responsibilities of the HR department.

Long Answer Questions

1. Discuss the importance of HRM in social, professional and individual enterprises.
2. Explain the objectives of HRM.
3. Describe the pre-requisites for the achievement of objectives? Discuss the systems approach.
4. Discuss some of the competitive challenges of the HR function.

1.10 FURTHER READINGS

Venkataraman, C.S. & B. K. Srivastava. 1991. *Personnel Management and Human Resources.* Tata McGraw Hill.

Yoder, Dale & Paul D Standohar. 1990. *Personnel Management and Industrial Relations.* Sterling Publications.

Well, Ian Beard and Len Holden. *Human Resource Management - A Contemporary Perspectives.* Macmillan.

NOTES

UNIT 2 PERSONNEL FUNCTION IN ORGANIZATION AND CLASSIFICATION

Structure

2.0 Introduction
2.1 Objectives
2.2 Classification of Functions
  2.2.1 The General and Specific Functions
  2.2.2 Personnel Administration and Industrial Relations Functions
2.3 Industrial Relations Functions
  2.3.1 On the Basis of Degree of Authority
  2.3.2 On the Basis of Capacities
2.4 Answers to Check Your Progress Questions
2.5 Summary
2.6 Key Words
2.7 Self Assessment Questions and Exercises
2.8 Further Readings

2.0 INTRODUCTION

In the first unit, you studied the meaning and objectives of HRM. The management of Human Resource is carried out by multiple aggregators apart from the HR department. These third parties can be categorized as top and line managers, and external HRM service providers.

Personnel management can be defined as obtaining, using and maintaining a satisfied workforce. It is a significant part of management concerned with employees at work and with their relationship within the organization.

2.1 OBJECTIVES

After going through this unit, you will be able to:

- Discuss the general and specific functions of human resource planning
- Explain personnel administration & industrial relations functions
- Describe functions classified on the basis of capacities
- Assess functions according to the degree of authority

2.2 CLASSIFICATION OF FUNCTIONS

Let us discuss the different types of human resource planning functions in the organization.

2.2.1 The General and Specific Functions

There are various functions carried out through human resource planning. Some general and specific functions of human resource planning are as follows:

(i) Human resource plan should incorporate the human resource needs in view of organizational goals.

(ii) It must be directed towards well-defined objectives.

(iii) It must ensure that the number of people employed are right for the job and are economically useful.

(iv) It should pave the way for an effective motivational process.

(v) It should take into account the principle of periodical reconsideration of new developments and extending the plan to cover the changes during the given long period.

(vi) Adequate flexibility must be maintained in human resource planning to suit the changing needs of the organization.

2.2.2 Personnel Administration and Industrial Relations Functions

These functions are as follows:

- To allocate right job to the right man.
- To select new employees for the organization.
- To train employees in competent tasks.
- To focus on improving job performance of each employee.
- To gain creative co-operation and develop smooth working relationships
- To correctly interpret the company policies and procedures.
- To control labour costs and make the process cost-effective.
- To develop existing as well as potential abilities of each employee.
- To create and maintain a high level of departmental morale.
- To Protect health and physical condition of employees.

According to Halsey, certain principles of sound personnel management useful in building good worker morale are as below:

- Care and skill should be exercised in the selection of employees.
- Introduction to the job should be friendly, skilful and adequate.

- Each employee should be made to feel that his efforts are really appreciated.
- Careful and thoughtful consideration should be given to the probable effect of each rule, each notice, and each practice on the feelings of all concerned.
- Employees should have a part in planning these things which affect their working conditions, whenever it is practical to do so.
- There should be a sense of security and reasonable freedom.
- There should be a constant and intelligent effort on the part of management to be absolutely fair in every policy and every practice.
- Each employee should have a feeling of pride in the worth wholeness of his work and his company.
- The organizational set up should be such that there is no confusion in anyone's mind as to his duties or responsibilities.
- Conditions should be such that working proves to be satisfying social experience as well as a means of making a livelihood.

2.3 INDUSTRIAL RELATIONS FUNCTIONS

This section discusses the concept of Industrial Relations.

As can be noticed, there are two components in the term 'Industrial Relations' namely 'Industry' and 'Relations'. By definition "Industry" refers to "any productive activity in which an individual (or a group of individuals) is (are) engaged". By "relations" we mean "the relationships that exist within the industry between the employer and his workmen.".

The term industrial relations explains the relationship between employees and management which stem directly or indirectly from union-employer relationship.

There are many definitions of industrial relations, for instance J.T. Dunlop defines industrial relations as "the complex interrelations among managers, workers and agencies of the governments". According to Dale Yoder "industrial relations is the process of management dealing with one or more unions with a view to negotiate and subsequently administer collective bargaining agreement or labour contract".

The HR Employee Relations Managers directs the organization's employee relations function. They develop employee relations policies and ensure consistent application of company policies and procedures. The HR Employee Relations Managers are responsible for employee dispute resolution procedures, performing internal audits, and taking appropriate action to correct any employee relations issues.

NOTES

Objectives of Industrial Relations

The main objectives of industrial relations system are as follows:

1. To safeguard the interest of labor and management by securing the highest level of mutual understanding and good-will among all those sections in the industry which participate in the process of production.
2. To establish and promote the growth of an industrial democracy based on labor partnership in the sharing of profits and of managerial decisions, so that ban individual's personality may grow its full stature for the benefit of the industry and of the country as well.
3. To eliminate or minimize the number of strikes, lockouts and gheraos by providing reasonable wages, improved living and working conditions, said fringe benefits.
4. To improve the economic conditions of workers in the existing state of industrial managements and political government.
5. Socialization of industries by making the state itself a major employer.
6. Vesting of a proprietary interest of the workers in the industries in which they are employed.
7. To avoid industrial conflict or strife and develop harmonious relations, which are an essential factor in the productivity of workers and the industrial progress of a country.
8. To raise productivity to a higher level in an era of full employment by lessening the tendency to high turnover and frequency absenteeism.

2.3.1 On the Basis of Degree of Authority

As soon as an employee enters an organization, he/she becomes a member of the organization.

Job functions include job responsibility, authority, information flow, work method and coordination. In order to succeed and become profitable, an organization has to value the individual goals and growth of its employees. The organization has certain responsibilities towards employees' upkeep and development, because it gets their contributions. It is a give and take relationship between the employee and the organization, and their goals need to align in order to be fruitful for both the parties. Both parties invest in each other and expect certain things in return. If employees fail to discharge their responsibilities, the organization exercises its authority to control them. The authority and responsibilities are interwoven and are discharged depending on each other's compliances. Information flow, work methods and coordination help efficient and sufficient performances. If employees are provided with necessary economic, operational and managerial information, they perform their jobs better than those who have scant information. Therefore, training the employees in the functioning of the organization is an important asset which facilitates the achievement of the goals.

2.3.2 On the Basis of Capacities

Capacity or capability planning based on the timeline is classified into three main categories. These are long range, medium range and short range.

Short Term Capacity: The strategic planning undertaken by organization for a daily weekly or quarterly time frame is referred to as short term capacity planning.

Medium Term Capacity: The strategic capacity planning undertaken by organization for 2 to 3 years of a time frame is referred to as medium term capacity planning.

Long Term Capacity: Long range capacity of an organization is dependent on various other capacities like design capacity, production capacity, sustainable capacity and effective capacity. Design capacity is the maximum output possible as indicated by equipment manufacturer under ideal working condition.

Production capacity is the maximum output possible from equipment under normal working condition or day.

Sustainable capacity is the maximum production level achievable in realistic work condition and considering normal machine breakdown, maintenance, etc.

Effective capacity is the optimum production level under pre-defined job and work-schedules, normal machine breakdown, maintenance, etc.

Check Your Progress

1. State one function of human resource planning.
2. How does Dale Yoder define industrial relations?

2.4 ANSWERS TO CHECK YOUR PROGRESS QUESTIONS

1. One function of human resource planning is that adequate flexibility must be maintained in human resource planning to suit the changing needs of the organization.
2. According to Dale Yoder "industrial relations is the process of management dealing with one or more unions with a view to negotiate and subsequently administer collective bargaining agreement or labour contract".

NOTES

2.5 SUMMARY

- There are various functions carried out through human resource planning.
- Human resource plan should incorporate the human resource needs in view of organizational goals.
- Adequate flexibility must be maintained in human resource planning to suit the changing needs of the organization.
- As can be noticed, there are two components in the term 'Industrial Relations' namely 'Industry' and 'Relations'.
- By definition "Industry" refers to "any productive activity in which an individual (or a group of individuals) is (are) engaged". By "relations" we mean "the relationships that exist within the industry between the employer and his workmen.".
- The term industrial relations explain the relationship between employees and management which stem directly or indirectly from union-employer relationship.
- The HR Employee Relations Managers directs the organization's employee relations function. They develop employee relations policies and ensure consistent application of company policies and procedures.
- Job functions include job responsibility, authority, information flow, work method and coordination. In order to succeed and become profitable, an organization has to value the individual goals and growth of its employees.
- Capacity or capability planning based on the timeline is classified into three main categories. These are long range, medium range and short range.
- Long range capacity of an organization is dependent on various other capacities like design capacity, production capacity, sustainable capacity and effective capacity.

2.6 KEY WORDS

- **Personnel:** It refers to the people employed in an organization.
- **Administration:** It is the process or activity of running a business, organization, etc.
- **Sustainable:** It means causing little or no damage to the environment and therefore able to continue for a long time.

2.7 SELF ASSESSMENT QUESTIONS AND EXERCISES

Short Answer Questions

1. Discuss the general and specific functions of human resource planning in the organization.
2. Write a short note on personnel administration and industrial relations functions.

Long Answer Questions

1. What do you understand by industrial relations? What are its main objectives?
2. Explain planning on the basis of capacities and on degree of authority.
3. According to Halsey, certain principles of sound personnel management useful in building good worker morale. Discuss.

2.8 FURTHER READINGS

Venkataraman, C.S. & B. K. Srivastava. 1991. *Personnel Management and Human Resources.* Tata McGraw Hill.

Yoder, Dale & Paul D Standohar. 1990. *Personnel Management and Industrial Relations.* Sterling Publications.

Well, Ian Beard and Len Holden. *Human Resource Management - A Contemporary Perspectives.* Macmillan.

UNIT 3 MANAGERIAL FUNCTIONS

NOTES

Structure

3.0 Introduction
3.1 Objectives
3.2 Planning, Organizing, Directing, Coordinating and Controlling
3.3 Operative Functions
 3.3.1 Compensating Function
3.4 Answers to Check Your Progress Questions
3.5 Summary
3.6 Key Words
3.7 Self Assessment Questions and Exercises
3.8 Further Readings

3.0 INTRODUCTION

This unit provides a detailed study of managerial functions.

Some of the basic managerial functions are controlling, directing, organizing, planning and staffing. The controlling function involves setting strategic and operational goals, measuring the performance of subordinates against these goals, and taking corrective action when performance does not live up to expectations. Planning is considered to be the central function of management because it sets the pattern for the other activities to follow. According to Richard Daft, "Planning means defining goals for future organizational performance and deciding on the tasks and use of resources needed to attain them".

3.1 OBJECTIVES

After going through this unit, you will be able to:

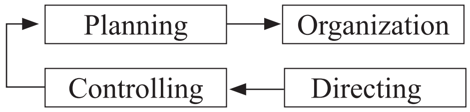
- Describe managerial functions
- Define planning
- Explain operative functions such as procurement, development, compensating, integration and maintenance function

3.2 PLANNING, ORGANIZING, DIRECTING, COORDINATING AND CONTROLLING

The management process consists of four basic functions, namely, planning, organizing, directing and controlling. These functions are the manager's tools to achieve the organizational goals and objectives. These functions are

NOTES

interrelated and interdependent so that a significant change in one function affects the functioning of others. This relationship is shown as follows:



Planning

Planning is considered to be the central function of management and determines the organization's direction. It is a rational and systematic way of making decisions today that will affect the future of the company. It involves the process of ascertaining organizational goals and objectives and deciding on activities to attain these objectives. It is also a process of preparing for change and coping with uncertainty by formulating future courses of action. Planning is particularly important because of scarce resources and uncertain environments with a fierce competition for these resources.

Planning is a kind of organized foresight and corrective hindsight. It involves forecasting the future as well as attempting to control the events. It involves the ability to foresee the effects of current actions in the long run in the future. Peter Drucker has defined planning as follows:

> "Planning is the continuous process of making present entrepreneurial decisions systematically and with best possible knowledge of their futurity, organizing systematically the efforts needed to carry out these decisions and measuring the results of these decisions against the expectations through organized and systematic feedback."

An effective planning programme incorporates the effects of both external as well as internal factors. The external factors are shortages of resources, both capital and material, general economic trend in terms of interest rates and inflation, dynamic technological advancements, increased governmental regulations regarding community interests, unstable international political environments 'and so on. The internal factors that affect planning include limited growth opportunities due to saturation which may require diversification, changing patterns of work force, more complex organizational structures, decentralization and so on.

Organizing

Organizing requires a formal structure of authority and the direction and flow or such authority through which work sub-divisions are defined, arranged and coordinated so that each part relates to each other part in a united and coherent manner so as to attain the prescribed objectives. Thus, the function of organizing involves the determination of activities that need to be done in order to achieve the company goals, assigning these activities to the proper personnel and delegating the necessary authority to carry out these activities in a coordinated and cohesive manner. It follows, therefore, that organizing function is concerned with:

NOTES

- Identifying the tasks that must be performed and grouping them wherever necessary.
- Assigning these tasks to the personnel while at the same time defining their authority and responsibility.
- Delegating such authority to these employees.
- Establishing a relationship between authority and responsibility.
- Coordinating these activities.

Directing

The directing function is concerned with leadership, communication, motivation and supervision so that the employees perform their activities in the most efficient manner possible. The leadership element involves issuing of instructions and guiding the subordinates about procedures and methods. The communication must be open both ways so that the information can be passed on to the subordinates and the feedback received back from them. Motivation factor is very important, since highly motivated people show excellent performance with less direction from superiors. Supervising subordinates would give continuous progress reports as well as assure the superiors that the directions are being properly carried out.

The leadership style that works best varies, depending upon the characteristics of the leader, the followers and the relevant situation. As the president of a top "Fortune 500" company said, "A leader must lead, not drive. People are unpredictable, different from one another, often irascible, frequently petty, sometimes vain, but always magnificent if they are properly motivated".

Controlling

The function of controlling consists of those activities that are undertaken to ensure that the events do not deviate from the pre-arranged plans. It is the process of devising ways and means of assuring that planned performance is actually achieved.

In essence, control involves sequentially:

- Setting up standards of performance
- Determining methods for measuring such performance
- Measuring the actual performance using these methods
- Comparing these measurements with the pre-established standards, and
- Taking corrective action, when necessary, to correct any deviations between the measured performance and expected performance.

3.3 OPERATIVE FUNCTIONS

Let us discuss the process of human resource management.

NOTES

Process of HRM

HRM is a process consisting of four functions:

1. Acquisition of human resources,
2. Development of human resources,
3. Motivation of human resources and
4. Maintenance of human resources.

1. Acquisition Function

Acquisition process is concerned with securing and employing the people possessing required kind and level of skills necessary to achieve the organizational objectives. The acquisition function begins with planning. It also covers other functions such as job analysis, human resource planning, recruitment, selection, placement, induction and internal mobility.

2. Development Function

Development function is the process of improving, moulding and changing the skills, knowledge, creative ability, aptitude and values of the employees. The development function can be viewed along three dimensions:

(a) *Employee Training:* Training is the process of imparting to the employees the technical and operating skills and knowledge. It also includes changing of attitudes among workers.

(b) *Management Development:* Management development is primarily concerned with knowledge acquisition and the enhancement of an executive's conceptual abilities. It is the process of designing and conducting suitable executive development programmes so as to develop the managerial and human relations skills of employees.

(c) *Career Development:* Career development is the continual effort to match long-term individual and organizational needs. When human resources have been developed effectively, one can expect to have competent employees with up-to-date skills and knowledge.

3. Motivation Function

The motivation function begins with the recognition that individuals are unique and that motivation techniques must reflect the needs of each individual. It is an area of management that deals with integrating people into work situation in a way that motivates them to work together productively, co-operatively and with economic, psychological and social satisfaction.

NOTES

4. Maintenance Function

The maintenance function is concerned with providing those working conditions that employees believe are necessary in order to maintain their commitment to the organization. The objective of the maintenance function is to retain people who are performing at high levels. This requires that the organization provide safe and healthy working conditions and satisfactory labour relations. If these activities are performed effectively, we can expect to have competent employees who are committed to the organization and are satisfied with their jobs.

3.3.1 Compensating function

Wages and salaries, the payment received for performing work, is a major component of the compensation and reward process which is aimed at reimbursing employees for their work and motivating them to perform to the best of their abilities. In addition to pay, most employees receive benefits such as ESI, leave travel concession, and they receive non-financial rewards such as security, recognition and privileges. Although individual employees vary in the extent to which they value pay in relation to other work rewards, for most people the pay received for work is a necessity.

Determining wage and salary payments is one of the most critical aspects of human resource management because:

(a) the organization's reward system has a profound effect on the recruitment, satisfaction and motivation of employees and

(b) wage and salaries represent a considerable cost to the employer.

A carefully designed wage and salary programme that is administered according to sound policies and consistently applied rules is essential if human resources are to be used effectively to achieve organizational objectives.

Check Your Progress

1. Name the four basic functions of management process.
2. What is the directing function concerned with?
3. What is acquisition process?

3.4 ANSWERS TO CHECK YOUR PROGRESS QUESTIONS

1. The management process consists of four basic functions, namely, planning, organizing, directing and controlling.

2. The directing function is concerned with leadership, communication, motivation and supervision so that the employees perform their activities in the most efficient manner possible.
3. Acquisition process is concerned with securing and employing the people possessing required kind and level of skills necessary to achieve the organizational objectives.

NOTES

3.5 SUMMARY

- The management process consists of four basic functions, namely, planning, organizing, directing and controlling. These functions are the manager's tools to achieve the organizational goals and objectives.
- Planning is considered to be the central function of management and determines the organization's direction.
- An effective planning programme incorporates the effects of both external as well as internal factors.
- The internal factors that affect planning include limited growth opportunities due to saturation which may require diversification, changing patterns of work force, more complex organizational structures, decentralization and so on.
- Organizing requires a formal structure of authority and the direction and flow or such authority through which work sub-divisions are defined, arranged and coordinated so that each part relates to each other part in a united and coherent manner so as to attain the prescribed objectives.
- The directing function is concerned with leadership, communication, motivation and supervision so that the employees perform their activities in the most efficient manner possible.
- The function of controlling consists of those activities that are undertaken to ensure that the events do not deviate from the pre-arranged plans.
- Acquisition process is concerned with securing and employing the people possessing required kind and level of skills necessary to achieve the organizational objectives.
- The maintenance function is concerned with providing those working conditions that employees believe are necessary in order to maintain their commitment to the organization.
- The objective of the maintenance function is to retain people who are performing at high levels. This requires that the organization provide safe and healthy working conditions and satisfactory labour relations.
- Wages and salaries, the payment received for performing work, is a major component of the compensation and reward process which is

aimed at reimbursing employees for their work and motivating them to perform to the best of their abilities.

- A carefully designed wage and salary programme that is administered according to sound policies and consistently applied rules is essential if human resources are to be used effectively to achieve organizational objectives.

3.6 KEY WORDS

- **Employee:** It refers to a person employed for wages or salary, especially at non-executive level.
- **Acquisition:** An acquisition is a situation whereby one company purchases most or all of another company's shares in order to take control.
- **Compensation:** It refers to something, typically money, awarded to someone in recognition of loss, suffering, or injury.

3.7 SELF ASSESSMENT QUESTIONS AND EXERCISES

Short Answer Question

1. Briefly discuss the planning function.
2. How many functions does the process of HRM consist?
3. Discuss development function.

Long Answer Questions

1. What are the different types of management functions? Give a detailed description of any three.
2. What are operative functions? Explain all in detail.

3.8 FURTHER READINGS

Venkataraman, C.S. & B. K. Srivastava. 1991. *Personnel Management and Human Resources.* Tata McGraw Hill.

Yoder, Dale & Paul D Standohar. 1990. *Personnel Management and Industrial Relations.* Sterling Publications.

Well, Ian Beard and Len Holden. *Human Resource Management - A Contemporary Perspectives.* Macmillan.

NOTES

UNIT 4 CLASSIFICATION OF PERSONNEL FUNCTIONS

Structure

4.0 Introduction
4.1 Objectives
4.2 Overview of Classification of Personnel Functions
4.2.1 Yoder and Nelson's Classification
4.2.2 Scott, Clothier and Spriegel (1961)
4.2.3 Strauss and Sayles Classification
4.3 Answers to Check Your Progress Questions
4.4 Summary
4.5 Key Words
4.6 Self Assessment Questions and Exercises
4.7 Further Readings

4.0 INTRODUCTION

Personnel management is concerned with maintaining desirable working relationships between employers and employees and an effective molding of human resources as contrasted with physical resources.

This unit will focus on the classification of personnel functions by various theorists. Some of the classifications discussed in detail are of Yoder and Nelson's classification, Scott, Clothier & Spriegel's classification and Straus and Sayles' classification.

4.1 OBJECTIVES

After going through this unit, you will be able to:

- Explain Yoder and Nelsons classification
- Assess Scott, Clothier & Spriegel's classification
- Describe Straus and Sayles' classification

4.2 OVERVIEW OF CLASSIFICATION OF PERSONNEL FUNCTIONS

As discussed in earlier units, the human aspect of any business organization, particularly a big corporate organization, needs special attention because of the complications and dynamism inherent in human beings. The personnel function can be defined as the management of people at work — management of managers and employees.

NOTES

Personnel management lays special attention to the personnel relationships and interaction of employees. These interrelationships are termed as human relations. It is “the art of acquiring, developing and maintaining a competent work force in such a manner as to accomplish with maximum efficiency and economy the functions and objectives of the organization.”

Let us now examine the ways in which the personnel function has been classified by different theorists.

4.2.1 Yoder and Nelson’s Classification

Dale Yoder has classified the scope of personnel management in terms of the following functions:

(i) Setting general and specific management policy for organizational relationship and establishing and maintaining a suitable organization for leadership and co-operation.

(ii) Collective bargaining, contract negotiation, contract administration and grievance handling.

(iii) Aiding in the self-development of employees at all levels providing opportunities for personnel development and growth.

(iv) Developing and maintaining motivation for workers by providing incentives.

(v) Reviewing and auditing manpower management in the organization.

(vi) Industrial relations research carrying out studies designed to explain employees’ behaviour and thereby affecting improvements in the manpower management.

(vii) Staffing the organization, finding, getting and holding prescribed types and number of workers.

4.2.2 Scott, Clothier and Spriegel (1961)

These three theorists stated that Human Resource Management is responsible on a staff basis for concentrating on those aspects of operations which are chiefly concerned with the relationship of employees to employees and management to employees and with the development of the group and the individual.

However, Scott, Clothier and Spriegel (1961) stated the specific objectives of human resource management. These objectives are as follows:

1. In order to ensure effective utilization and maximization of human resources, all other organizational resources will be efficiently utilized by the human resources.
2. To establish and maintain an adequate organizational structure of relationship among all the members of an organization. This should be done by dividing of organization tasks into functions, positions and

jobs, and by defining clearly the responsibility, accountability, authority for each job and its relationship with other jobs in the organization.

3. To facilitate the growth of the employees within the organization and to generate maximum development of human resources within the organization by offering opportunities for advancement to employees through training and education on a regular basis.
4. To educate and alert the employees and ensure respect for human beings by providing various services and welfare facilities to the personnel.
5. To instil a sense of commitment, responsible and loyalty in the personnel by ensuring reconciliation of individual/group goals with those of the organization.
6. To identify and satisfy the needs of individuals by offering various monetary and non-monetary rewards.

In addition to the above theorists, C.H. Northcott have also defined personnel management. According to C.H. Northcott, "Personnel Management is an execution of general management, that of prompting and stimulating every employee to make his fullest contribution to the purpose of the business."

4.2.3 Strauss and Sayles Classification

Strauss and Sayles classify the methods for human resource and evaluation into 3 groups. These are as follows:

1. Traditional methods - rating scales;
2. Non-rating Methods – comparison by pairs, method of forced choice, method of critical situations and others.
3. Result-oriented methods - Management by objectives.

Check Your Progress

1. Define personnel management.
2. Classify the methods for human resource and evaluation as given by Strauss and Sayles.

4.3 ANSWERS TO CHECK YOUR PROGRESS QUESTIONS

1. Personnel management is "the art of acquiring, developing and maintaining a competent work force in such a manner as to accomplish with maximum efficiency and economy the functions and objectives of the organization."

2. Strauss and Sayles classified the methods for human resource and evaluation into 3 groups namely, traditional methods, non-rating methods and result-oriented method.

NOTES

4.4 SUMMARY

- The personnel function can be defined as the management of people at work — management of managers and employees.
- Personnel management lays special attention to the personnel relationships and interaction of employees.
- It is "the art of acquiring, developing and maintaining a competent work force in such a manner as to accomplish with maximum efficiency and economy the functions and objectives of the organization.
- Dale Yoder has classified the scope of personnel management in terms of the following functions: Setting general and specific management policy for organizational relationship and establishing and maintaining a suitable organization for leadership and co-operation.
- The three theorists, Scott, Clothier and Spriegel stated that Human Resource Management is responsible on a staff basis for concentrating on those aspects of operations which are chiefly concerned with the relationship of employees to employees and management to employees and with the development of the group and the individual.
- In order to ensure effective utilization and maximization of human resources, all other organizational resources will be efficiently utilized by the human resources.
- To establish and maintain an adequate organizational structure of relationship among all the members of an organization.
- To facilitate the growth of the employees within the organization and to generate maximum development of human resources within the organization by offering opportunities for advancement to employees through training and education on a regular basis.
- To instil a sense of commitment, responsible and loyalty in the personnel by ensuring reconciliation of individual/group goals with those of the organization.
- According to C.H. Northcott, "Personnel Management is an execution of general management, that of prompting and stimulating every employee to make his fullest contribution to the purpose of the business."
- Strauss and Sayles classify the methods for human resource and evaluation into 3 groups namely, traditional methods, non-rating methods and result-oriented method.

4.5 KEY WORDS

- **Business:** It refers to an organization or economic system where goods and services are exchanged for one another or for money.
- **Evaluation:** It is the making of a judgement about the amount, number, or value of something; assessment.
- **Grievance:** It refers to a real or imagined cause for complaint, especially unfair treatment.

4.6 SELF ASSESSMENT QUESTIONS AND EXERCISES

Short Answer Questions

1. What is human resource management responsible for as per Scott, Clothier and Spriegel?
2. Discuss Strauss and Sayles classification of the methods for human resource and evaluation.

Long Answer Questions

1. What are personnel functions? Why are they important for an organization?
2. Discuss Yoder and Nelson's classification in detail.
3. Assess the specific objectives of human resource management as given by Scott, Clothier and Spriegel.

4.7 FURTHER READINGS

Venkataraman, C.S. & B. K. Srivastava. 1991. *Personnel Management and Human Resources.* Tata McGraw Hill.

Yoder, Dale & Paul D Standohar. 1990. *Personnel Management and Industrial Relations.* Sterling Publications.

Well, Ian Beard and Len Holden. *Human Resource Management - A Contemporary Perspectives.* Macmillan.

BLOCK - II

PERSONNEL MANAGEMENT

NOTES

UNIT 5 FUNCTIONS OF PERSONNEL MANAGEMENT

Structure

5.0 Introduction
5.1 Objectives
5.2 Functions
5.3 Answers to Check Your Progress Questions
5.4 Summary
5.5 Key Words
5.6 Self Assessment Questions and Exercises
5.7 Further Readings

5.0 INTRODUCTION

For any business or organization, it is important that all its departments function efficiently to maximize profits. This is achieved when all the functions, jobs, roles and positions are well defined in each department, so as to employ labor best suited for each task.

One very basic principle of management that is common to every business is that all the work performed in an organization should, in some way, directly or indirectly contribute to the objectives of that organization. This means that the determination of objectives, purposes or goals is of prime importance and is a prerequisite to the solution of most management problems. In previous units, we studied the meaning and role of human resource management. To further understand personnel management, this unit will focus on its functions and discuss its characteristics in detail.

5.1 OBJECTIVES

After going through this unit, you will be able to:

- Discuss the functions of personnel management
- Explain the concepts of staffing and employment
- Assess the training and development function
- Describe personnel research and personnel audit

5.2 FUNCTIONS

NOTES

Function of personnel management is the process of management of human resources in an organization. It is majorly concerned with the creation of harmonious working relationships among its participants and focuses on bringing about their utmost individual development. Such management is concerned with leadership in both groups and 'individual relationship' and 'labour relations' and 'personnel management'. It effectively describes the process of planning and directing the application, development and utilization of human resource in employment. In fact, personnel management undertakes all those activities which are concerned with human elements or relations as well as with material elements in an organization. The main objective of these function is to bring together expertise in a scientific way and to create attitudes that motivate a group to achieve its goals economically, effectively and speedily.

HRM Model

In recent years, there has been relative agreement among HRM specialists as to what constitutes the field of HRM. The model developed by the American Society for Training and Development (ASTD) identifies nine human resource areas:

1. Training and Development
2. Organization Development
3. Organization/Job Design
4. Human Resource Planning
5. Selection and Staffing
6. Personnel Research and Information Systems
7. Compensation/Benefits
8. Employee Assistance
9. Union/Labour Relations.

1. Training and Development

Organizations and individuals should develop and progress simultaneously for their survival and attainment of mutual goals. Employee training is a specialised function and is one of the fundamental operative functions of human resource management. Training improves, changes, and moulds the employee's knowledge, skill, behaviour, aptitude and attitude towards the requirements of the job and the organization. Training bridges the difference between job requirements and employee's present specifications.

NOTES

Management development is a systematic process of growth and development by which managers develop their abilities to manage. It is a planned effort to improve current or future managerial performance.

2. Organization Development

Management can effectively meet challenges of change through a systematic and planned effort. Organization development is the modern approach to management of change and human resource development. According to Dale S Beach, organization development is — "a complex educational strategy designed to increase organizational effectiveness and wealth through planned intervention by a consultant using theory and techniques of applied behavioural science". Organization Development (OD) concentrates on those dimensions that are about people like norms, values, attitudes, relationships, organizational climate etc. OD efforts broadly aim at improving the organizational effectiveness and job satisfaction of the employees. Humanising the organizations and encouraging the personal growth of individual employees can attain these aims.

3. Organization/Job Design

Organization design deals with structural aspects of organizations. It aims at analysing roles and relationships so that collective effort can be explicitly organized to achieve specific ends. The design process leads to development of an organization structure consisting of units and positions. There are relationships involving exercise of authority and exchange of information between these units and positions.

Michael Armstrong has defined job design as — "the 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". Thus, job design is the process of determining the specific tasks and responsibilities to be carried out by each member of the organization. It has many implications for human resources management. Both the content and one's job and the ability to influence content and level of performance affect a person's motivation and job satisfaction.

4. Human Resource Planning

Human resource planning may be defined as the process of assessing the organization's human resource needs in light of organizational goals and making plans to ensure that a competent, stable work force is employed.

The efficient utilisation of organizational resources — human, capital and technological — just does not happen without the continual estimation of future requirements and the development of systematic strategies designed towards goal accomplishment. Organizational goals have meaning only when people with the appropriate talent, skill and desire are available to execute the tasks needed to realise goals.

5. Selection and Staffing

After identifying the sources of human resources, searching for prospective employees and stimulating them to apply for jobs in the organization, the management has to perform the function of selecting the right employees at the right time. The selection process involves judging candidates on a variety of dimensions, ranging from the concrete and measurable like years of experience to the abstract and personal like leadership potential. To do this, organizations rely on one or more of a number of selection devices, including application forms, initial interviews, reference checks, tests, physical examinations and interviews. All selection activities, from the initial screening interview to the physical examination if required, exist for the purpose of making effective selection decisions. Each activity is a step in the process that forms a predictive exercise — managerial decision makers seeking to predict which job applicant will be successful if hired. “Successful” in this case means performing well on the criteria the organization uses to evaluate personnel.

It is important to have a good organization structure, but it is even more important to fill the jobs with the right people. Staffing includes several sub-functions:

(a) Recruitment or getting applications for the jobs as they open up.

(b) Selection of the best qualified from those who seek the jobs.

(c) Transfers and promotions.

(d) Training those who need further instruction to perform their work effectively or to qualify for promotions.

Importance and Need for Proper Staffing: There are a number of advantages of proper and efficient staffing. These are as under:

(a) It helps in discovering talented and competent workers and developing them to move up the corporate ladder.

(b) It ensures greater production by putting the right man in the right job.

(c) It helps to avoid a sudden disruption of an enterprises’ production run by indicating shortages of personnel, if any, in advance.

(d) It helps to prevent under-utilisation of personnel because of over-manning and the resultant high labour cost and low profit margins.

(e) It provides information to management for the internal succession of managerial personnel in the event of an unanticipated occurrence.

NOTES

6. Personnel Research and Information Systems

The term research means a systematic and goal-oriented investigation of facts that seeks to establish a relationship between two or more phenomena. Research can lead to an increased understanding of and improvement in HRM practices. Managers make decisions and solve problems. To make decisions about personnel and to solve human resource problems, managers gather data and draw conclusions from these data. Research can lead to an increased understanding of and improvement in HRM practices. Infact, engaging in some type of research into what is happening in the HRM discipline can be viewed as necessary for one's survival as a manager over the long term. Research can additionally help managers answer questions about the success of programmes such as those for training and development — for which they may bear responsibility.

7. Compensation/Benefits

Wages and salaries, the payment received for performing work, is a major component of the compensation and reward process which is aimed at reimbursing employees for their work and motivating them to perform to the best of their abilities. In addition to pay, most employees receive benefits such as ESI, leave travel concession, and they receive non-financial rewards such as security, recognition and privileges. Although individual employees vary in the extent to which they value pay in relation to other work rewards, for most people the pay received for work is a necessity.

Determining wage and salary payments is one of the most critical aspects of human resource management because:

(a) the organization's reward system has a profound effect on the recruitment, satisfaction and motivation of employees and

(b) wage and salaries represent a considerable cost to the employer.

A carefully designed wage and salary programme that is administered according to sound policies and consistently applied rules is essential if human resources are to be used effectively to achieve organizational objectives.

8. Employee Assistance

Employee assistance focuses on providing mechanism for personal problem solving and counselling individual employees.

9. Union/Labour Relations

Unions frequently develop because employees are frustrated in achieving important goals on an individual basis and unionising is the only countervailing technique available to achieve these goals. The establishment of good labour relations depends on constructive attitude on the part of both management and the union. The constructive attitude in its turn depends on all the basic policies and procedures laid down in any organization for the promotion of healthy industrial relations.

Check Your Progress

1. What is management development?
2. Define organization development.
3. What is the aim of organization design?

NOTES

5.3 ANSWERS TO CHECK YOUR PROGRESS QUESTIONS

1. Management development is a systematic process of growth and development by which managers develop their abilities to manage. It is a planned effort to improve current or future managerial performance.
2. According to Dale S Beach, organization development is — 'a complex educational strategy designed to increase organizational effectiveness and wealth through planned intervention by a consultant using theory and techniques of applied behavioural science'.
3. The aim of organization design is analysing roles and relationships so that collective effort can be explicitly organized to achieve specific ends.

5.4 SUMMARY

- Function of personnel management is the process of management of human resources in an organization. It is majorly concerned with the creation of harmonious working relationships among its participants and focuses on bringing about their utmost individual development.
- In recent years, there has been relative agreement among HRM specialists as to what constitutes the field of HRM.
- Organizations and individuals should develop and progress simultaneously for their survival and attainment of mutual goals.
- Employee training is a specialised function and is one of the fundamental operative functions of human resource management.
- Training improves, changes, and moulds the employee's knowledge, skill, behaviour, aptitude and attitude towards the requirements of the job and the organization.

NOTES

- Management development is a systematic process of growth and development by which managers develop their abilities to manage. It is a planned effort to improve current or future managerial performance.
- Organization development is the modern approach to management of change and human resource development.
- According to Dale S Beach, organization development is — "a complex educational strategy designed to increase organizational effectiveness and wealth through planned intervention by a consultant using theory and techniques of applied behavioural science".
- Organization design deals with structural aspects of organizations. It aims at analysing roles and relationships so that collective effort can be explicitly organized to achieve specific ends.
- Michael Armstrong has defined job design as — "the 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".
- Human resource planning may be defined as the process of assessing the organization's human resource needs in light of organizational goals and making plans to ensure that a competent, stable work force is employed.
- Organizational goals have meaning only when people with the appropriate talent, skill and desire are available to execute the tasks needed to realise goals.
- After identifying the sources of human resources, searching for prospective employees and stimulating them to apply for jobs in the organization, the management has to perform the function of selecting the right employees at the right time.
- The selection process involves judging candidates on a variety of dimensions, ranging from the concrete and measurable like years of experience to the abstract and personal like leadership potential.
- It is important to have a good organization structure, but it is even more important to fill the jobs with the right people. Staffing includes several sub-functions.
- The term research means a systematic and goal-oriented investigation of facts that seeks to establish a relationship between two or more phenomena.
- Research can lead to an increased understanding of and improvement in HRM practices. Managers make decisions and solve problems.
- Wages and salaries, the payment received for performing work, is a major component of the compensation and reward process which is

NOTES

aimed at reimbursing employees for their work and motivating them to perform to the best of their abilities.

- Unions frequently develop because employees are frustrated in achieving important goals on an individual basis and unionising is the only countervailing technique available to achieve these goals.

5.5 KEY WORDS

- **Union:** It refers to a society or association formed by people with a common interest or purpose.
- **Salary:** It is a fixed regular payment, typically paid on a monthly basis but often expressed as an annual sum, made by an employer to an employee, especially a professional or white-collar worker.
- **Compensation:** It refers to something, typically money, awarded to someone in recognition of loss, suffering, or injury.

5.6 SELF ASSESSMENT QUESTIONS AND EXERCISES

Short Answer Questions

1. List the nine areas that constitute human resource management.
2. Write a brief note on training and development.
3. What do you understand by job design?
4. What is it important to have proper staffing?

Long Answer Questions

1. Assess the human resource areas developed by the American Society for Training and Development (ASTD) in detail. Explain each as given in the unit.

5.7 FURTHER READINGS

Venkataraman, C.S. & B. K. Srivastava. 1991. *Personnel Management and Human Resources.* Tata McGraw Hill.

Yoder, Dale & Paul D Standohar. 1990. *Personnel Management and Industrial Relations.* Sterling Publications.

Well, Ian Beard and Len Holden. *Human Resource Management - A Contemporary Perspectives.* Macmillan.

UNIT 6 PERSONNEL PRINCIPLES AND POLICIES

NOTES

Structure

6.0 Introduction
6.1 Objectives
6.2 Human Resource Policies
 6.2.1 Meaning of Human Resource Policies
 6.2.2 Need for HR Policy
 6.2.3 Essential Characteristics of a Sound HR Policy
6.3 Types of HR Policies
 6.3.1 Formulation of HR Policies
 6.3.2 HR Policies – The Indian Perspective
6.4 Answers to Check Your Progress Questions
6.5 Summary
6.6 Key Words
6.7 Self Assessment Questions and Exercises
6.8 Further Readings

6.0 INTRODUCTION

In this unit, you will study personnel principles and policies in great detail. The unit focuses on the aims and objectives of personnel policies and the need for such policy. Principles of personnel policies, types of personnel policies and essential characteristics of a sound personnel policy are also discussed in subsequent sections of this unit.

As these characteristics are important in understand personnel management, Indian case studies are provided at the end of the unit to make it relevant to the businesses in India.

6.1 OBJECTIVES

After going through this unit, you will be able to:

- Discuss the meaning and need of HR policies
- Explain the factors influencing HR policy
- Describe the essential characteristics of a sound HR policy
- Assess HR policies through the Indian perspective

6.2 HUMAN RESOURCE POLICIES

The dictionary meaning of 'policy' is a 'plan of action'. Policy is a predetermined and accepted course of thoughts and actions established as a guide towards accepted goals and objectives. Policies are generally framed by the board of directors or the higher management. Various authorities on the subject have defined the term 'policy'. A few definitions are reproduced here:

According to Flippo, 'A policy is a man-made rule of pre-determined course of action that is established to guide the performance of work toward the organization objectives. It is a type of standing plan that serves to guide subordinates in the execution of their tasks'.

Yoder is of the opinion that, 'Policy is a pre-determined selected course established as a guide towards accepted goals and objectives. They (policies) establish the framework of guiding principles that facilitate delegation to lower levels and permit individual managers to select appropriate tactics or programmes'.

According to James Bambrick, 'Policies are statements of the organization's overall purposes and its objectives in the various areas with which its operations are concerned – personnel, finance, production, marketing and so on'.

In the words of Calhoon, 'Policies constitute guides to actions. They furnish the general standards or bases on which decisions are reached. Their genesis lies in an organization's values, philosophy, concepts and principles'.

From the above definitions, we can say that policies are the statements of the organization's overall purpose and its objectives in the various areas with which its operations are concerned.

6.2.1 Meaning of Human Resource Policies

A policy is a predetermined course of action established to guide the performance of work towards accepted objectives. It is a type of a standing plan that serves to guide subordinates in the execution of their tasks. HR policies are statements of human resource objectives of an organization and provide a broad framework within which decisions on personnel matters can be made without reference to higher authorities. HR policies lay down the criteria for decision making in the field of personnel management. Thus, human resource policy is one of the policies in the organization, which lays down the decision-making criteria in line with overall purposes in the area of human resource management. An HR policy is a total commitment of the organization to act in the specified ways. We know that top management in any organization is responsible for making decisions regarding their human resources. To ensure that decisions made are consistent over a period of time, there is a need for HR policies. HR policies provide guidelines for a wide variety of employment relations in the organizations. These guidelines identify the organization's intentions in recruitment, selection, promotion, development, compensation etc. HR policies serve as a road map for managers.

Simply issuing a written statement of HR policy does not automatically make it policy. For the policy to be issued is one phase; when it is accepted, understood and used as a guide to decisions in actions, that is another phase. HR policies must be known and understood before they become guides to action. HR policies should receive a broad distribution, so that anyone who wishes may review the policy and the policy may become the positive reflection of the values of employees and management. Thus, HR policies refer to principles and rules of conduct, which govern the employees in the attainment of the organization objectives. HR policies:

(i) Provide determined course of rules or actions.
(ii) Provide a positive declaration and a command to an organization.
(iii) Suggest the values and viewpoints, which dominate the organization's actions.
(iv) Provide the standard or ground for the decision.
(v) Guide the performance of objectives.

Developing Human Resource Policies

The HR policies are developed by making decisions and taking action on the day-to-day problems of the organization. The process of developing HR policies involves the assessment of the following factors:

1. Identification of the purpose and objectives, which the organization wishes to attain with regard to it's human resources.
2. Analysis of all the factors under which the organization's HR policy will be operating.
3. Examining the possible alternatives in each area in which the HR policy statement is necessary.
4. Implementation of the policy through the development of a procedure to support the policy.
5. Communication of the policy and procedures adapted to the entire organization.
6. Auditing the policy so as to reveal the necessary areas requiring change.
7. Continuous revaluation and revision of policy to meet the current needs of the organization.

6.2.2 Need for HR Policy

A policy is a formal statement on corporate thinking, which serves as a guideline for action. It is meant to establish consistency in the application of the policies over a period of time so that each one in the organization gets a fair deal. HR policy needs to be specifically created because of the following reasons:

1. The management is required to examine its basic convictions as well as give full consideration to practices in other organizations.
2. Established policies ensure consistent treatment of all personnel throughout an organization. Favouritism and discrimination are thereby minimised.
3. The tenure of any manager is finite and limited but the organization continues and along with it continues the policy; and this continuity of policy promotes stability in an organization.
4. Policies serve as standards or measuring yards for evaluating performance. The actual results can be compared with the policies to determine how well the members of an organization have lived up to their professed intentions.
5. Policies are control guides for delegated decision-making. They seek to ensure consistency and uniformity in decisions on problems that occur frequently.

Factors Influencing HR policy

The following factors will influence the HR policy of an organization:

1. ***Laws of the Country:*** The various laws and legislations pertaining to labour have to be taken into consideration. Policies should be in conformity with the laws of the country otherwise they are bound to cause problems for the organization.
2. ***Social Values and Customs:*** Social values and customs have to be respected otherwise the employees may be offended. Thus, the values and customs of all communities should be taken into account while framing policies.
3. ***Management Philosophy and Values:*** Management philosophy and values influence its action on matters concerning the employees. Therefore, without a clear broad philosophy and set values, it would be difficult for the employees to understand management.
4. ***Financial Impact:*** HR policies cost money, which will reflect in the price of the product. Thus, the prices set the absolute limit to organization's HR policies.

NOTES

6.2.3 Essential Characteristics of a Sound HR Policy

HR policies should possess the following characteristics:

1. The HR policy should present the principle that will guide the organization's actions and reflect a faith in the ethical values of employees. As Peter Drucker has observed, "The policies of an enterprise have to be balanced with the kind of reputation an enterprise wants to build up with special reference to the social and human needs, objectives and values". It should be consistent with the overall philosophy and objectives of the organization, as well as with labour laws and public policy.
2. The HR policy should be formulated after considering the long range plans and needs of the organization. The policy should be definite, positive, clear and easily understood by everyone in the organization so that what it proposes to achieve in the long term is evident. Only a clear policy statement can serve as a guide to thinking and decision-making.
3. The HR policy must be reasonably stable but not rigid. It should be flexible to cover a normal range of activities. Change in a policy should be made only when it is essential and at fairly long intervals.
4. The HR policy should be formulated with due regard for the interests of all the concerned parties – the employers, the employees and the public community. It should be stated in the broadest possible terms so as to serve as a guide in practice now and in the future.
5. The HR policy must be developed with the active participation and support of the management and the co-operation of employees at the shop floor level and in the office. It should be formulated with active participation of the trade unions as well.
6. The HR policy should be definite so that it is easy to understand. It should be stated in clear, definite and easily understood terms so that what it proposes to achieve is evident.
7. The HR policy must provide a two-way communication system between the management and the employees. It should be communicated in writing so as to remove any confusion. This is necessary to prevent misunderstanding and to ensure uniformity of application.
8. The HR policy should be consistent with public policy.
9. A good HR policy should recognise individual differences and respect human dignity. It should be based on consistency in treatment to all employees without any favouritism or discrimination.

Advantages of HR Policies

HR policies are set up by the management to achieve the following advantages:

1. It helps managers at various levels of decision making to take decisions without consulting their superiors. Subordinates are more willing to accept responsibility because policies indicate what is expected of them. They can quote a written policy to justify their action.
2. It ensures long-term welfare of employees and makes for good employee relationship as favouritism and discrimination are reduced. Well-established policies ensure uniform and consistent treatment of all employees throughout the organization.
3. It lays down the guidelines pursued in the organization and thereby minimises the personal bias of managers.
4. It ensures prompt action for taking decisions because the policies serve as standards to be followed. They prevent the wastage of time and energy involved in repeated analyses for solving problems of a similar nature.
5. It establishes consistency in the application of the policies over a period of time so that each one in the organization gets a fair and just treatment. Employees know what action to expect in circumstances covered by the policies. Policies set patterns of behaviour and permit employees to work more confidently. Arbitrary actions are minimised.

Principles of HR Policies

HR policies are based on the following principles:

1. ***Principle of Common Interest:*** The management as well as workers should think that their interests are not separate and that they can be achieved only through common effort. Personnel policies must be based on the principle of common interest.
2. ***Principal of Participation:*** Workers should be allowed to participate not only in the formulation of policies but also in their implementation. Problems can be minimised with the co-operation of workers.
3. ***Principle of Security:*** Policies set patterns of behaviour and permit employees to work more confidentally. Arbitrary actions are minimised. As a result employees feel a sense of security.
4. ***Principle of Work and Accomplishment:*** Workers not only want security but they also desire good pay, satisfaction and appraisal of their work. The policy should fulfil the above cited aspirations of the workers.
5. ***Principle of Development:*** Workers should be given proper occasions for development so that their social and economic status is increased.

The worker should feel responsibility towards himself and towards the organization.

6. ***Principle of Recognition:*** A well-prepared set of personnel policies enables workers to see the overall picture and how their actions relate to the organization's goals. Participation of employees in policy formulation promotes mutual understanding throughout the organization.

Check Your Progress

1. Who is responsible for framing policies?
2. What are HR policies?

6.3 TYPES OF HR POLICIES

HR policies may be classified on the basis of sources or description.

1. On the Basis of Source

On the basis of their source, policies may be classified into:

(i) *Originated Policies*: These are policies which are usually established formally and deliberately by top managers. Senior managers initiate such policies to guide their subordinates.

(ii) *Implicit Policies*: These are policies which are not formally expressed. They are inferred from the behaviour of managers. These policies are also known as implied policies.

(iii) *Imposed Policies:* Policies are sometimes imposed on the business by external agencies such as government, trade associations and trade unions. For example, the policy that nobody below the age of fourteen years will be employed has been adopted because of the Factories Act.

(iv) *Appealed Policies:* Appealed policies arise because the particular case is not covered by the earlier policies. In order to know how to handle some situations, subordinates may request or appeal for the formulation of specific policies.

2. On the Basis of Description

On the basis of description, policies may be general or specific.

(i) *General Policies*: These policies do not relate to any specific issue in particular. General policies are formulated by top management. Such policies are called 'general' because they do not relate to any specific issue in particular.

(ii) *Specific Policies:* These policies relate to specific issues like staffing, compensation, collective bargaining etc. Specific policies must confirm to the broad pattern laid down by the general policies.

NOTES

6.3.1 Formulation of HR Policies

The development of HR policies depends upon the day-to-day problems arising in an organization and their solutions. The main purpose of formulating the HR policy is to assist the top executives in reaching the decision in a given situation. The process of policy formulation involves the following steps:

1. Identifying the Need

If an organization does not already have an appropriate personnel policy, the personnel manager should feel its needs. He should also convince the chief executive of the need of a personnel policy. Policies are required in various areas of personnel management such as hiring, training, compensation, industrial relations etc. A staff expert, a first-line supervisor, a union leader or a rank-and-file employee may voice the need for revision of an existing policy.

2. Gathering Information

Once the need for a policy has been accepted, the next step is to collect necessary facts for its formulation. A committee or a specialist may be assigned the task of collecting the required information from inside and outside the organization.

Facts may be gathered from any of the following sources:

(i) Past practice in the organization.

(ii) Prevailing practice among the companies in the community and throughout the nation in the same industry.

(iii) The attitudes and philosophy of the top management.

(iv) The attitudes and philosophy of middle and lower management.

(v) The knowledge and experience gained from handling countless problems on a day-to-day basis.

The HR department should study existing documents, survey industry and community practices and interview people within the organization to collect appropriate information. Special attention should be paid to attitudes and philosophy of top management, social customs and values, aspirations of employees, labour legislation etc. Widespread consultations and discussions at this stage prove helpful later on when it comes to applying the policies.

3. Examining Policy Alternatives

On the basis of data collected, alternatives are appraised in terms of their contributions to organizational objectives. It is necessary to secure active participation of those who are to use and live with the policies.

4. Putting the Policy in Writing

After the necessary information has been gathered and the alternatives examined, the HR department can begin the actual work of formulating the written expressions of the company's HR policy. While writing the policy, emotional phrases should be avoided.

5. Getting Approval

The HR department should send the policy draft to the top management for its approval. It is the top management which has the final authority to decide whether a policy adequately represents the organization's objectives or not.

6. Communicating the Policy

After getting the approval of the top management, the policy should be communicated throughout the organization. A real education programme should be set up to teach people how to handle various personnel problems in the light of this newly formulated policy.

7. Evaluating the Policy

From time to time the policy should be evaluated in terms of experience of those who use it and of those who are affected by it. There may be situations when an organization is not getting the expected results. This requires modifications in the policies. Any serious difficulty with a policy along with suggestions should be reported to the top management. Such knowledge will enable the management to decide whether there is a need to restate or reformulate the policy.

Building an Organization of Natural Leaders

With a firm belief in the potential of every human being, Arvind follows a comprehensive and dynamic HRD policy. We recruit the best talent wherever we do business, offer competitive compensation, provide a dynamic work environment, make people accountable for results and chart their growth through systematic career planning. All this with a constant eye for the 'customer'. As a result, our structures are flatter, more flexible and quicker-responding.

Arvind attracts and retains innovative individuals with an entrepreneurial spirit. And we consistently encourage out people to take on leadership roles through human resource development, training activities and job reassignments.

Our regular involvement with educational institutions has ensured continuous access to highly trained managers, engineers and workers to support our aggressive global growth plans.

Arvind's marketing offices across the globe are staffed by talents who bring to the company a world of varied insights, and create a greater understanding of work habits, preferences and cultures around the world. Besides, our flat, flexible management structure puts managers in touch with the vision, long-term strategies, ground realities, and ensures that customer response time is speeded up.

Our fundamental belief in core values drives us to respect human dignity and the worth of an individual integrated with the organizational goal and strive towards making a contribution to the institution, to the society and the nation at large.

Source: **R.S DWIVEDI** *"Managing Human Resources – Personnel Management in India*" Galgotia Publishing Company, Delhi – 1977 Page 73.

NOTES

6.3.2 HR Policies – The Indian Perspective

There can be little doubt that a written statement of a company's HR policy constitutes a very practical aid to organizational operations. Yet relatively few companies in India have in fact drawn up such statements. The reason for this is perhaps their awareness that living up to the HR policy is something difficult. In India, there are varied formal and informal human resource policies. Formally, the HR policy seeks to create and evolve conditions, which would lead to employee satisfaction, motivation and development as individuals. It also aims at recognising the men working in an organization not as management and labour but as human beings engaged in a common endeavour who are entitled to mutual faith and respect. HR policy must fit into the overall business policies and objectives of an organization. As an administrative function, policy formulation must start at the board of director's level and embrace every part of the organization. The major HR policies, as an important part of the major business policies, must consist of certain principles or rules of conduct, which should be kept uppermost in preview while dealing with employees in the organization.

The above goals of human resource policy are manifested in the statement of formal policies of the different progressive public and private sector organizations in India. We give below, an excellent example of a company's HR policy.

HRM Guidelines at Tata Group of Companies

"Men must be believed and trusted " – Jamsedji Tata

"Once we got the best people, the people who shared our values and ideals, we left them free to act on their own, we did not fitter them. We encouraged them and gave them opportunity for leadership. That is how Russi Mody at TISCO, Sumant Moolgaokar at TELCO and Darbari Seth at Tata Chemicals developed leadership of their own. Just provide the opportunities for leadership and allow for people to exercise their own intelligence and skills in management and entrepreneurship. I think you may say that this is the style of Tata. It is not an original style I created, but one that was naturally there in which I believe strongly and which I strove to maintain. –J R D TATA

TATA Steel's HR Policy

The HR policy of Tata Steel, tries to take care of its employees

- By a realistic and generous understanding and acceptance of their needs and rights and enlightened awareness of the social problems of industry;
- By providing adequate wages, good working conditions, job security, an effective machinery for redressed of grievances and suitable opportunities for promotion and self development through in-company and external programmes;
- By treating them as individuals, giving them a sense of self-respect and better understanding of their role in the organization and satisfying their urge for self-expression through closer association with management.
- By creating a sense of belonging through human and purposeful activities ensuring their willing co-operation and loyalty.

Case Studies

Case 1: Mangalore Constructions

Mangalore Constructions is a large and old construction company. It has been operating for over a decade new. The company undertakes big projects like building townships, bridges, five star hotels, dams etc. It has over 1000 permanent employees, project managers etc. About 100 employees are supervising staff, clerical staff, office staff and field staff. The other 800 workers are construction workers like masons, painters, carpenters etc. The company has a monopoly in South Kanara and Udupi districts having built almost all the huge multi-storyed buildings, dams etc.

The company does not have any HR policy as such. Most of the decisions are taken on an ad hoc basis. There is a wide spread discontent among all levels of staff including managers. There are no systematic hiring, training and developing practices. There is no grievance handling system. There is no formal communication procedure. Top management does not consult even senior managers. The turnover of employees is high. The management pays little attention to safety and health of the employees. The welfare facilities are at best average. These have resulted in frustration and low productivity and lack of trust.

Questions

1. What do you think is the basic HR policy of the organization?
2. How will you change the poor condition that you seen in Mangalore constructions?
3. The plan you draw will have to be implemented by all managers. Would you involve then in making and implementing your plan? Why?

4. What changes would your recommend to switch over to the new HR policy and practice?

Case 2: I.G. Ferns and Curtains

NOTES

Claud has been working in I.G. Ferns and Curtains for almost 15 years. He has been a sincere worker. He leaves his house at 7 a.m. and works till 5.30 p.m. every day. If there are heavy orders, he even works till late in the evenings and if necessary even on Sundays. Though other workers leave their work incomplete at 5.00 p.m., the closing time and resume their work only the next day, Claud does not do so. He invariably completes his work before leaving even if it is well past the closing time. The manager thus depends on Claud to complete the work left incomplete by other tailors. If there are additional orders, the manager invariably gives them to Claud.

Claud married Molly about two years back. After his marriage, he has been indulging in alcoholism. Claud's marital life was in trouble and not very successful. He started developing a feeling of hatred towards his wife. He was dissatisfied in his sexual relations and started visiting prostitutes. Here he came under the influence of gangsters. Seeing the deteriorating moral and social life of Claud, his mother approached IG Ferns and Curtains and asked them not to overburden him with work. She alleged that because of his working for long hours, he does not pay any attention to his family life. His wife has almost rejected him and if this state of affairs continues, she has threatened to break the nuptial bond.

The firm's policy at present is to redress the grievances of the employees and to deal with only those grievances relating to the terms and conditions of employment and work.

Questions

1. Does the issue raised by Claud's mother come under the purview of human resource management?
2. If you were the manager, how would you redress this grievance?
3. Do you suggest a change in the present HR policy? If so, mention the change.

Check Your Progress

3. What are originated policies?
4. What is the main purpose of formulating HR policy?

6.4 ANSWERS TO CHECK YOUR PROGRESS QUESTIONS

NOTES

1. Policies are generally framed by the board of directors or the higher management.
2. HR policies are statements of human resource objectives of an organization and provide a broad framework within which decisions on personnel matters can be made without reference to higher authorities.
3. Originated policies are usually established formally and deliberately by top managers. Senior managers initiate such policies to guide their subordinates.
4. The main purpose of formulating the HR policy is to assist the top executives in reaching the decision in a given situation.

6.5 SUMMARY

- The dictionary meaning of "policy" is a "plan of action". Policy is a predetermined and accepted course of thoughts and actions established as a guide towards accepted goals and objectives.
- According to Flippo, "A policy is a man-made rule of pre-determined course of action that is established to guide the performance of work toward the organization objectives. It is a type of standing plan that serves to guide subordinates in the execution of their tasks".
- According to James Bambrick, "Policies are statements of the organization's overall purposes and its objectives in the various areas with which its operations are concerned – personnel, finance, production, marketing and so on".
- A policy is a predetermined course of action established to guide the performance of work towards accepted objectives. It is a type of a standing plan that serves to guide subordinates in the execution of their tasks.
- HR policies are statements of human resource objectives of an organization and provide a broad framework within which decisions on personnel matters can be made without reference to higher authorities.
- To ensure that decisions made are consistent over a period of time, there is a need for HR policies. HR policies provide guidelines for a wide variety of employment relations in the organizations.
- The HR policies are developed by making decisions and taking action on the day-to-day problems of the organization.

- A policy is a formal statement on corporate thinking, which serves as a guideline for action. It is meant to establish consistency in the application of the policies over a period of time so that each one in the organization gets a fair deal.
- The HR policy should present the principle that will guide the organization's actions and reflect a faith in the ethical values of employees.
- Appealed policies arise because the particular case is not covered by the earlier policies. In order to know how to handle some situations, subordinates may request or appeal for the formulation of specific policies.
- The development of HR policies depends upon the day-to-day problems arising in an organization and their solutions.
- The main purpose of formulating the HR policy is to assist the top executives in reaching the decision in a given situation.
- The HR department should study existing documents, survey industry and community practices and interview people within the organization to collect appropriate information.
- From time to time the policy should be evaluated in terms of experience of those who use it and of those who are affected by it.

6.6 KEY WORDS

- **Policy:** It refers to a course or principle of action adopted or proposed by an organization or individual.
- **Tenure:** It is the measure of the length of time an employee has been employed by his/her current employer.

6.7 SELF ASSESSMENT QUESTIONS AND EXERCISES

Short Answer Questions

1. Discuss the meaning of human resource policies.
2. How are human resource policies developed?
3. Describe the advantages and principles of HR policies.

Long Answer Questions

1. Elaborate on the need for developing HR policies and the factors that influence the policies.

NOTES

2. What are the essential characteristics of a sound HR policy?
3. Explain the types of HR policies in detail. How are these policies formulated?
4. Assess HR policy in India using case studies.

6.8 FURTHER READINGS

Venkataraman, C.S. & B. K. Srivastava. 1991. *Personnel Management and Human Resources.* Tata McGraw Hill.

Yoder, Dale & Paul D Standohar. 1990. *Personnel Management and Industrial Relations.* Sterling Publications.

Well, Ian Beard and Len Holden. *Human Resource Management - A Contemporary Perspectives.* Macmillan.

NOTES

UNIT 7 IMPORTANCE OF HUMAN RESOURCE PLANNING

Structure

7.0 Introduction
7.1 Objectives
7.2 Manpower Planning: Definition
7.3 Need for Human Resource Planning
7.4 Process of Human Resource Planning
7.5 Responsibility for Human Resource Planning
7.6 Components of Manpower Plan
7.7 Answers to Check Your Progress Questions
7.8 Summary
7.9 Key Words
7.10 Self Assessment Questions and Exercises
7.11 Further Readings

7.0 INTRODUCTION

Human resource planning in an organization aims to fulfil the objectives of manpower requirement in the said organization. It is important for the success and profit maximization of the company. Additional factors such as growth, change, and technology also need to be considered during human resource planning. An efficient HR planning leads to better output as it encapsulated roles of skill searching, recruiting, hiring and training. It helps to mobilize the recruited resources for the productive activities. Planning is an important process that aims to link business strategy and its operation.

In this unit, you will study the various aspects related to human resource planning and its need in an organization in detail.

7.1 OBJECTIVES

After going through this unit, you will be able to:

- Define manpower planning
- Assess the need for human resource planning
- Discuss the process of human resource planning
- Explain responsibility for human resource planning

7.2 MANPOWER PLANNING: DEFINITION

NOTES

In order to hire personnel on a scientific basis, one should establish in advance a standard with which applicants can be compared. This standard should establish the minimum acceptable qualities necessary for adequate performance of the job duties and responsibilities to determine human abilities required for execution. Decisions concerning human resources requirements are not confined to the personnel department. It will be found that the line supervisor has much to contribute. Human resources planning determines the human resource needs of the whole enterprise and its every department for a given future period for the various operations envisaged in connection with the accomplishment of the organizational objectives and departmental goals. Human resource planning is the predetermination of the future course of action chosen from a number of alternative courses of action for procuring, developing, managing, motivating, compensating, career planning, succession planning and separating the human element of enterprise. It determines a conscious choice of patterns of the humanisation of work environment in an organization.

According to **Geisler,** "HR planning is the process — including forecasting, developing and controlling — by which a firm ensures that it has the right number of people and the right kind of people at the right places at the right time doing work for which they are economically most useful".

According to **Wendell French,** human resource planning may be defined — "as the process of assessing the organization's human resources needs in the light of organizational goals and making plans to ensure that a competent, stable work force is employed".

According to **E.W.Vetter**, human resource planning is "a process by which an organization should move from its current manpower position to its desired manpower position. Through planning, management strives to have the right number and right kind of people at the right places at the right time, doing things which result in both the organization and the individual receiving maximum long-run benefit".

Leon C Megginson is of the opinion that, human resource planning is "an integrated approach to perform the planning aspects of the personnel function in order to have a sufficient supply of adequately developed and motivated people to perform the duties and tasks required to meet organizational objectives and satisfy the individual needs and goals of organizational members".

From the above definitions, we can get some general characteristics of human resources planning. They are:

1. Human resources plan must incorporate the human resources needs in the light of organizational goals.

2. Human resource plan must be directed towards well-defined objectives.
3. Human resource plan must ensure that it has the right number of people and the right kind of people at the right time doing work for which they are economically most useful.
4. Human resource planning should pave the way for an effective motivational process.
5. A human resource plan should take into account the principle of periodical reconsideration of new developments and extending the plan to cover the changes during the given long period.
6. Adequate flexibility must be maintained in human resources planning to suit the changing needs of the organization.

Human resource planning or manpower planning are synonymous. It incorporates all human beings at all stages in the organization. It is essentially concerned with the process of estimating and projecting the supply and demand for different categories of personnel in the organization for the years to come.

7.3 NEED FOR HUMAN RESOURCE PLANNING

Human Resource Planning is needed for the following reasons:

1. The rationale of human resources planning stems from the challenges posed by an overflowing realisation that managerial success depends on the success of human resources management. If the desired people were not in position, then the implementation of the plans would suffer.
2. Capabilities, skills, performance abilities and potentialities of each individual are evaluated in the human resources audit. On many occasions, replacement charts or succession plans are kept so that potential executives are located for every position in the organization during the given future period.
3. Forecasting and auditing provide background information about internal factors like current and expected skills and vacancies. Accordingly, manpower planning can be done. The normal wastage of HR due to turnover, death, superannuation, needs to be planned. Thus, manpower planning must be supported by human resource forecasting, human resource auditing and human resources analysing.
4. There is an increasing awareness among the managers that no business can survive and grow without adequate and appropriate human resources and their proper management. Taking cognizance of the emerging trends, the human resources planning must respond to the need for structural changes on the one hand and to the emerging set of human expectations on the other.

NOTES

5. Adequate investment in human capital is indispensable in a business environment. A substantial improvement in quality of life and quality of work life backed by total quality management, require systematic human resource planning.
6. Planning will help in positioning needed employees at the desired time taking into account the lead time for the process of identifying the shortages, getting the vacancy cleared and going through the selection process. It identifies and develops the personnel to move up and assume greater responsibility.
7. Human resources planning must always be backed by proper evaluation and appraisal systems. Periodical appraisal of performance, both in qualitative and quantitative terms, throws light on actual performance as a result of planning. Scientific performance appraisals facilitate in identifying the gaps existing so that corrective measures can be undertaken.
8. Changes in the environment are continuously taking place. Human resource planning suggests training and development programmes so that personnel can adapt to these changes.
9. Human resource planning helps in reducing the cost of production and keeps the wheels moving, by providing adequate personnel, utilising the human resources present in the organization itself and effectively controlling and utilising them.

Check Your Progress

1. What does HR planning determine?
2. What should a human resource plan take into account?

7.4 PROCESS OF HUMAN RESOURCE PLANNING

With the expansion of business, adoption of complex technology and professional management techniques, the process of human resource planning has assumed great significance. HRP consists of the following stages.

1. Analysing organizational plans and deciding objectives.
2. Analysing factors for manpower requirements.
   (a) *Demand Forecasting:* Forecasting the overall human resource requirements in accordance with the organizational plans.
   (b) *Supply Forecasting:* Obtaining the data and information about the present inventory of human resources and forecasting the future changes in present human resource inventory.

3. Developing employment plans.
4. Developing human resource plans.

1. Analysing Organizational Plans and Deciding Objectives

Before undertaking the human resource planning of an organization, the short-term and long-term objectives should be analysed. The process of human resource planning should start with analysing the organizational plan. Analysis of organizational plans and programmes helps in forecasting the demand for human resources as it provides the quantum of future work activity. According to Sikula, "the ultimate mission or purpose is to relate future human resources to future enterprise needs so as to maximise the future returns on investment in human resources".

The business plan would be a blueprint of desired objectives. This objective stated in economic terms, would incorporate the growth rate of the company, diversification plans, market opportunities and government policies. Therefore, human resource planning should meet two requirements.

(a) It should be directly related to the essential nature of the organization.

(b) The changes in the selected factors should be proportional to changes in the human resources required in the organization.

In a small organization, a human resource plan could be formulated to cover the whole organization. However, in a large organization, size may necessitate human resource planning by separate departments.

2. Analysing Factors for Manpower Requirements

The existing job design and analysis may thoroughly be reviewed keeping in view the future capabilities, knowledge and skills of present employees. The job generally should be designed and analysed reflecting the future human resources and based on future organizational plans. The factor for manpower requirements can be analysed by two ways:

(a) Demand Forecasting and

(b) Supply Forecasting.

(a) ***Demand Forecasting:*** Demand forecasting is the process of estimating the future requirements of manpower, by function and by level of skills. It has been observed that demand assessment for operative personnel is not a problem but projections regarding supervisory and managerial levels is difficult. Two kinds of forecasting techniques are commonly used to determine the organization's projected demand for human resources. These are.

(i) Judgemental Forecasts, and

(ii) Statistical Projections.

(i) **Judgemental Forecasts:** Judgemental forecasts are also known as the conventional method. The forecasts are based on the judgement of those managers and executives who have intensive and extensive knowledge of human resource requirement. Judgemental forecasts could be of two types:

A. *Managerial Estimate:* Under this method, the managers or supervisors who are well-acquainted with the workload, efficiency and ability of employees, think about their future workload, future capabilities of employees and decide on the number and type of human resources to be required. An estimate of staffing needs is done by the lower level managers who make estimates and pass them up for further revision.

B. *Delphi Method:* A survey approach can be adopted with the Delphi technique. The Delphi process requires a large number of experts who take turns to present their forecast statement and underlying assumptions to the others, who then make revisions in their forecasts. Face-to-face contact among the experts is avoided.

(ii) **Statistical Projection:** Some forecasting techniques are based on statistical methods. Some of them are given below:

A. *Ratio-Trend Analysis:* The ratio-trend analysis is carried out by studying past ratios and forecasting ratios for the future. The components of internal environmental changes are considered while forecasting future ratios. Activity level forecasts are used to determine the direct human resource requirements. This method depends on the availability of past records and the internal environmental changes likely to occur in future.

B. *Econometric Model:* Under the econometric model, the previous data is analysed and the relationship between different variables in a mathematical formula is developed. The different variables affecting the human resource requirements are identified. The mathematical formula so developed is then applied to the forecasts of movements in the identified variables to produce human resource requirements.

C. *Work-Study Techniques:* Work-study techniques are generally used to study work measurement. Under the workload analysis, the volume of workload in the coming years is analysed. These techniques are more suitable where the volume of work is easily measurable. If the planners forecast expansion in the operations, additional operational workers may be required. If the organization decides to reduce its operations in a particular area, there may be decreased demand for the workers. If there is likely to be no change, present demand for workers will continue.

The work-study method also takes into account the productivity pattern for the present and future, internal mobility of the workers like promotion, transfer, external mobility of the workers like retirement, deaths, voluntary retirements etc.

(b) ***Supply Forecasting:*** Supply forecasting is concerned with human resources requirements from within and outside the organization. The first step of forecasting the future supply of human resource is to obtain the data and information about the present human resource inventory. The supply forecasting includes human resource audits; employee wastage; changes due to internal promotions; and changes due to working conditions.

Some of the steps are discussed below:

(i) *Human Resource Audits*: These are analysis of each employee's skills and abilities. This analysis facilitates the human resource planners with an understanding of the skills and capabilities available in the organization and helps them identify manpower supply problems arising in the near future. These inventories should be updated periodically otherwise it can lead to present employees being ignored for job openings within the organization.

(ii) *Employee Wastage:* The second step of supply forecasting is estimation of future losses of human resources of each department and of the entire organization. This is done to identify the employees who leave the organization and to forecast future losses likely to occur due to various reasons. Employees may leave the organization for reasons like retirements, layoffs, dismissals, disablement, ill health, death etc. Reasons for high labour turnover and absenteeism should be analysed and remedial measures taken. Management has to calculate the rate of labour turnover, conduct exit interviews etc. This helps to forecast the rate of potential loss, reasons for loss and helps in reducing the loss.

(iii) *Internal Promotions*: Analysis is undertaken regarding the vacancies likely due to retirements and transfers and the employees of particular groups and categories who are likely to be promoted. The multiple effect of promotions and transfers on the total number of moves should be analysed and taken into consideration in forecasting changes in human resource supply of various departments. For e.g., if the personnel officer is promoted as personnel manager, 2 more employees will also get promotion. The senior clerk in the personnel department will become personnel officer and the junior clerk will become senior clerk. Thus, there are 3 moves for one promotion.

3. Developing Employment Plans

After determining the number of personnel for each job in the organization, the human resource department has to determine the nature of job, i.e., job description and job specification.

(a) *Job Description:* A job description will generally describe the work performed, the responsibilities involved, the skill or training required, conditions under which the job is done, relationships with other jobs and personal requirements on the job. According to The British Institute of Management — "a job description is not intended to catalogue all duties involved with the result that an employee would feel justified in declining to perform any work not included in the description. It should be regarded as an out-line of the minimum requirements of the job, thus preserving flexibility of operations".

(b) *Job Specification:* The job specification is an output of job description. It states the minimum acceptable qualifications that the newcomer must possess to perform the job satisfactorily and successfully. Job specifications serve as an important tool in the selection process and evaluation. They are developed by the human resource department in consultation with different line managers. The various elements of job specification are:

   (i) Minimum formal education necessary to perform the job.

   (ii) Minimum experience required for performing the job.

   (iii) Manual/ Mental skill required for performing the job.

   (iv) Personality factors such as personal appearance, emotional stability, maturity, initiative, drive and sociability.

   (v) For high-level jobs, the ability to assume responsibility is an essential pre-requisite.

4. Developing a Human Resource Plan

Net human resource requirements in terms of number and components are to be determined in relation to the overall human resource requirement. After estimating the supply and demand of human resources, the management starts adjustment. When the internal supply of employees is more than the demand, human resource surplus exists, and the external recruitment is stopped. Besides the existing employees are encouraged to take voluntary retirement. It gradually reduces the surplus. If human resource deficit exists, then the planners have to rely on the external sources. They then proceed for scanning of the employment market for recruitment purposes. If future supply of human resources from all the external sources is estimated to be inadequate or less than the requirements, the manpower planner has to suggest to the management to alter or modify the organizational plan. In case of shortage of certain categories of employees, the organization has to take care not only of recruitment but also retention of existing employees.

Control and Review Mechanism

Human resource planning requires considerable amount of financial resources, besides time and staff. Small firms may not go for it but large organizations prefer human resource planning as a means of achieving greater effectiveness and long-term objectives. J. W. Walker is of the opinion that, "In making a projection of manpower requirements, selecting the predictor — the business factor to which manpower needs will be related – is the critical first step. Selecting the right predictor in relation to the business is a difficult process. To be useful, the predictor should meet two requirements; first, it should be directly related to the essential nature of the business so that business planning is done in terms of the factor. The second requirement is that changes in the selected factor be proportional to changes in the manpower required in the business". Thus, the human resources structure and system should be controlled and reviewed with a view to keep them in accordance with the plan.

N.K Singh in his book *Dimensions of Personnel Management* has identified 9 steps followed by Indian industries regarding control and review of human resource structure and system. They are:

1. Considering the decisions regarding additions at the highest level.
2. Sending periodic reports to the top management stating the existing manpower system and changes therein due to internal mobility and external mobility.
3. Using the personnel budgets as a basis for control as they are formulated on the basis of manpower plans.
4. Auditing the human resources and studying manpower utilisation can be measured by relating net man-hours actually utilised in work to the standard man-hours planned to be utilised in work.
5. Measuring the efficiency of labour periodically in the form of labour productivity, employee-sales ratio, employee-investment ratio; employee-turnover ratio, employee-profit ratio etc. and compare them with standards of the organization and actuals of other comparable organizations.
6. Conducting surveys and research studies with a view to find out the level of job satisfaction, morale, employee attitudes, inter-personal relations etc., and review and correct the situation with the help of the findings of the surveys and studies.
7. Conducting studies with a view to find out the efficiency and validity of recruitment, selection, training etc.

NOTES

8. Sending reports regarding absenteeism, irregularities, overtime etc. to the management.
9. Conducting exit interviews; spotting out the area responsible, finding out the causes and correcting the situation.

7.5 RESPONSIBILITY FOR HUMAN RESOURCE PLANNING

Human resource planning is the responsibility of the personnel department. The personnel department's responsibility is to recommend relevant personnel policies in respect of human resource planning, devise methods of procedure and determine the quantitative aspects of human resource planning. Geisler has enumerated the responsibility of the personnel department with regard to human resource planning in the following words:

1. To assist, counsel and pressurise the operating management to plan and establish objectives.
2. To collect and summarise data in total organizational terms and to ensure consistency with long-range objectives and other elements of the total business plan.
3. To monitor and measure performance against the plan and keep the top management informed about it.
4. To provide the research necessary for effective man power and organizational planning.

7.6 COMPONENTS OF MANPOWER PLAN

HR Planning at Different Levels

HRP may be made at different levels and for different purposes. National planners may make a HR plan at the national level whereas a company may make a HR plan at the unit level.

1. ***HRP at National Level:*** HRP at the national level helps to plan for educational facilities, health care facilities, agricultural and industrial development, and employment plans etc. The government of the country plans for human resources at the national level. National plans for HR forecast the demand and supply of human resources at the national level. It also plans for occupational distribution, sectoral and regional allocation of human resources.
2. ***HRP at the Sectoral Level:*** HRP at the sectoral level helps to plan for a particular sector like agriculture, industry etc. It helps the government

NOTES

to allocate its resources to the various sectors depending upon the priority accorded to the particular sector.

3. ***HRP at the Industry Level:*** HRP at the industry level takes into account the output/ operational level of that particular industry when manpower needs are considered.
4. ***HRP at the Unit Level:*** HR Planning at the company level is based on the estimation of human resource needs of the particular company in question. It is based on the business plan of the company. A manpower plan helps to avoid the sudden disruption of the company's production since it indicates shortages of particular types of personnel, if any, in advance, thus enabling management to adopt suitable strategies to cope with the situation.
5. ***HRP at the Departmental Level:*** HRP at the departmental level looks at the manpower needs of a particular department in an organization.

Check Your Progress

3. What are judgemental forecasts based on?
4. Who is responsible for human resource planning?

7.7 ANSWERS TO CHECK YOUR PROGRESS QUESTIONS

1. Human resources planning determines the human resource needs of the whole enterprise and its every department for a given future period for the various operations envisaged in connection with the accomplishment of the organizational objectives and departmental goals.
2. A human resource plan should take into account the principle of periodical reconsideration of new developments and extending the plan to cover the changes during the given long period.
3. Judgemental forecasts are based on the judgement of those managers and executives who have intensive and extensive knowledge of human resource requirement.
4. Human resource planning is the responsibility of the personnel department.

7.8 SUMMARY

- In order to hire personnel on a scientific basis, one should establish in advance a standard with which applicants can be compared.

- Decisions concerning human resources requirements are not confined to the personnel department. It will be found that the line supervisor has much to contribute.
- Human resources planning determines the human resource needs of the whole enterprise and its every department for a given future period for the various operations envisaged in connection with the accomplishment of the organizational objectives and departmental goals.
- Human resource planning is the predetermination of the future course of action chosen from a number of alternative courses of action for procuring, developing, managing, motivating, compensating, career planning, succession planning and separating the human element of enterprise.
- According to **Geisler,** "HR planning is the process — including forecasting, developing and controlling — by which a firm ensures that it has the right number of people and the right kind of people at the right places at the right time doing work for which they are economically most useful".
- A human resource plan should take into account the principle of periodical reconsideration of new developments and extending the plan to cover the changes during the given long period.
- Human resource planning or manpower planning are synonymous. It incorporates all human beings at all stages in the organization.
- The rationale of human resources planning stems from the challenges posed by an overflowing realisation that managerial success depends on the success of human resources management.
- Forecasting and auditing provide background information about internal factors like current and expected skills and vacancies.
- Before undertaking the human resource planning of an organization, the short-term and long-term objectives should be analysed.
- The existing job design and analysis may thoroughly be reviewed keeping in view the future capabilities, knowledge and skills of present employees.
- Demand forecasting is the process of estimating the future requirements of manpower, by function and by level of skills. It has been observed that demand assessment for operative personnel is not a problem but projections regarding supervisory and managerial levels is difficult.
- The ratio-trend analysis is carried out by studying past ratios and forecasting ratios for the future.

- After determining the number of personnel for each job in the organization, the human resource department has to determine the nature of job, i.e., job description and job specification.
- Net human resource requirements in terms of number and components are to be determined in relation to the overall human resource requirement.
- Human resource planning requires considerable amount of financial resources, besides time and staff.
- Small firms may not go for it but large organizations prefer human resource planning as a means of achieving greater effectiveness and long-term objectives.
- N.K Singh in his book "Dimensions of Personnel Management" has identified 9 steps followed by Indian industries regarding control and review of human resource structure and system.
- Human resource planning is the responsibility of the personnel department.
- The personnel department's responsibility is to recommend relevant personnel policies in respect of human resource planning, devise methods of procedure and determine the quantitative aspects of human resource planning.
- HRP at the national level helps to plan for educational facilities, health care facilities, agricultural and industrial development, and employment plans etc.

7.9 KEY WORDS

- **Economical:** It refers to giving good value or return in relation to the money, time, or effort expended.
- **Enterprise:** An enterprise is a company or business, often a small one.
- **Audit:** It is an official inspection of an organization's accounts, typically by an independent body.

7.10 SELF ASSESSMENT QUESTIONS AND EXERCISES

Short Answer Questions

1. What do you understand by manpower planning? What are its general characteristics?
2. Why is HR planning needed?
3. Write a short note on supply forecasting.

Long Answer Questions

1. Discuss the stages of HR planning in detail.
2. Explain the 9 steps followed by Indian industries regarding control and review of human resource structure and system as identified by N. K. Singh in his book *Dimensions of Personnel Management.*
3. Give a detailed description of HR planning at different levels.

7.11 FURTHER READINGS

Venkataraman, C.S. & B. K. Srivastava. 1991. *Personnel Management and Human Resources.* Tata McGraw Hill.

Yoder, Dale & Paul D Standohar. 1990. *Personnel Management and Industrial Relations.* Sterling Publications.

Well, Ian Beard and Len Holden. *Human Resource Management - A Contemporary Perspectives.* Macmillan.

UNIT 8 JOB ANALYSIS

NOTES

Structure

8.0 Introduction
8.1 Objectives
8.2 Job Analysis
 8.2.1 Purpose and Uses of Job Analysis
 8.2.2 Contents of Job Analysis
 8.2.3 Methods of Collecting Job Analysis Data
8.3 Answers to Check Your Progress Questions
8.4 Summary
8.5 Key Words
8.6 Self Assessment Questions and Exercises
8.7 Further Readings

8.0 INTRODUCTION

Identifying, grouping and analysing jobs is an important role for an organization as well as for its employees. Job analysis is the process of gathering and analyzing information about the content and the human requirements of jobs. It also determines the context in which jobs are performed. This process is used to determine placement of jobs. Job analysis defines the organization of jobs within a job family. It allows units to identify paths of job progression for employees interested in improving their opportunities for career advancement and increasing compensation. Organizational unit leaders conduct job analysis in consultation with human resource department.

In this unit, you will study the purpose and uses of job analysis. The steps in job analysis and techniques of job analysis data are also discussed in this unit.

8.1 OBJECTIVES

After going through this unit, you will be able to:

- Discuss the purpose and uses of job analysis
- Explain the content of analysis
- List the steps in job analysis
- Assess the techniques of job analysis data

NOTES

8.2 JOB ANALYSIS

The growth and development of an organization structure results in jobs that have to be staffed. 'Work' is an organization's primary function. The 'basic work activities' may relate to three categories—data, people and things. Data includes synthesizing, coordinating, analysing, compiling, computing, copying and comparing activities. People relate to monitoring, negotiating, instructing, supervising, diverting, persuading, speaking, signalling, serving and taking instructions. Things are concerned with setting up, precision working, operating-controlling, driving-operating, manipulating, feeding-off bearing and handling.

Before we proceed to discuss job analysis in detail, certain terms relating to job need to be understood. These terms are as follows:

- **Job:** A job may be defined as a 'collection or aggregation of tasks, duties and responsibilities which as a whole is regarded as a regular assignment to individual employees'.
- **Job Analysis:** It is a procedure by which pertinent information is obtained about a job, i.e., it is a detailed and systematic study of information relating to the operations and responsibilities of a specific job.
- **Job Description:** It is a written record of the duties, responsibilities and requirements of a particular job. It 'is concerned with the job itself and not with the work'. It is a statement describing the job in such terms as its title, location, duties and working condition hazards.
- **Job Specification:** It is a standard of personnel and designates the qualities required for an acceptable performance. It is a written record of the requirements sought in an individual worker for a given job. In other words, it refers to a summary of the personal characteristics required for a job. It is a statement of the minimum acceptable human qualities necessary for the proper performance of a job.
- **Job Design:** It is the division of the total task to be performed into manageable and efficient units — positions, departments and divisions — and to provide for their proper integration. The subdivision of work is both on a horizontal scale with different tasks across the organization being performed by different people and on the vertical scale, in which higher levels of the organization are responsible for the supervision of more peoples, the coordination of sub-groups, more complex planning, etc.

8.2.1 Purpose and Uses of Job Analysis

A comprehensive job analysis programme is an essential ingredient of sound personnel management. It is the major input to forecasting future human

NOTES

resource requirements, job modifications, job evaluation, determination of proper compensation and the writing of job descriptions. It is of fundamental importance to manpower management programmes because of the wider applicability of its results. The information provided by JA is useful, if not essential, in almost every phase of employee relations.

(i) **Organization and Manpower Planning:** It is helpful in organizational planning, for it defines labour needs in concrete terms and coordinates the activities of the workforce, and clearly divides duties and responsibilities.

(ii) **Recruitment, Selection**: By indicating the specific requirements of each job (i.e., the skills and knowledge), it provides a realistic basis for the hiring, training, placement, transfer and promotion of personnel. 'Basically, the goal is to match the job requirements with a worker's aptitude, abilities and interests. It also helps in charting the channels of promotion and in showing lateral lines of transfer.'

(iii) **Wage and Salary Administration:** By indicating the qualifications required for doing a specified job and the risks and hazards involved in its performance, it helps in salary and wage administration. Job analysis is used as a foundation for job evaluation.

(iv) **Job Re-engineering:** Job analysis provides information which enables us to change jobs in order to permit their being manned by personnel with specific characteristics and qualifications. This takes two forms, which are as follows:

(a) Industrial engineering activity, which is concerned with operational analysis, motion study, work simplification methods and improvements in the place of work and its measurement, and aims at improving efficiency, reducing unit labour costs and establishing the production standard which the employee is expected to meet.

(b) Human engineering activity, which takes into consideration human capabilities, both physical and psychological, and prepares the ground for complex operations of industrial administration, increased efficiency and better productivity.

(v) **Employee Training and Management Development:** Job analysis provides the necessary information to the management of training and development programmes. It helps it to determine the content and subject matter of in-training courses. It also helps in checking application information, interviewing, weighing test results and checking references.

(vi) **Performance Appraisal:** It helps in establishing clear-cut standards which may be compared with the actual contribution of each individual.

NOTES

(vii) **Health and Safety:** It provides an opportunity for identifying hazardous conditions and unhealthy environmental factors so that corrective measures may be taken to minimize and avoid the possibility of accidents.

8.2.2 Contents of Job Analysis

A job analysis provides the following information:

(i) *Job identification:* Its title, including its code number.

(ii) *Significant characteristics of a job:* Its location, physical setting, supervision, union jurisdiction, hazards and discomforts.

(iii) *What the typical worker does:* Specific operation and tasks that make up an assignment, their relative timing and importance, their simplicity, routine or complexity, the responsibility or safety of others for property, funds, confidence and trust.

(iv) *Which materials, and equipment a worker uses:* Metals, plastics, grains, yarns, milling machines, punch presses and micrometers.

(v) *How a job is performed:* Nature of operation, e.g., lifting, handling, cleaning, washing, feeding, removing, drilling, driving, setting up and many others.

(vi) *Required personnel attributes:* Experience, training, apprenticeship, physical strength, coordination or dexterity, physical demands, mental capabilities, aptitudes, social skills.

(vii) *Job relationship:* Experience required, opportunities for advancement, patterns of promotions, essential cooperation, direction or leadership from and for a job.

Job Analysis

(A Process for Obtaining All Pertinent Job Facts)

Job Description	**Job Specification**
Statement containing items, such as:	A statement of the human requirements for doing a job:
(a) Job identification (job title, location, occupational code, alternative name in use, name of division, department and unit where it exists)	(a) Physical make-up or characteristics
(b) Job summary (gives a quick capsule explanation of the contents of a job, its hazards and discomforts)	(b) Psychological characteristics

NOTES

(c) Duties performed (says the what, how and why of a job; also describes a worker's responsibilities with regard to custody of money, supervision of other workers, training of subordinates, etc.)	(c) Personal characteristics
(d) Relation to other jobs (gives how many persons may be supervised)	(d) Responsibilities
(e) Supervision given/taken (helps in locating a job in the job hierarchy)	(e) Other factors of a demographic nature
(f) Machines, tools, equipment (what type of tools/ equipment material is used)	
(g) Materials and forms used	
(h) Conditions of work	
(i) Hazards (accident hazards)	

The Steps in Job Analysis

There are five basic steps required for doing a job analysis, viz.,

Step 1: Collection of Background Information

Step 2: Selection of Representative Position to be Analysed

Step 3: Collection of Job Analysis Data

Step 4: Developing a Job Description

Step 5: Developing Job Specification

8.2.3 Methods of Collecting Job Analysis Data

The determination of job tasks, the concomitant skills and abilities necessary for successful performance, and the responsibilities inherent in the job can be obtained through such methods or approaches as the following:

(i) *Personal observation*: The materials and equipment used, the working conditions and probable hazards, and an understanding of what the work involves are the facts which should be known by an analyst. Direct observation is especially useful in jobs that consist primarily of observable physical ability, like the jobs of draftsman, mechanic, spinner or weaver.

(ii) *Sending out questionnaires*: This method is usually employed by engineering consultants. Properly drafted questionnaires are sent out to job-holders for completion and are returned to supervisors. However, the information received is often unorganized and incoherent. The idea

NOTES

in issuing questionnaires is to elicit the necessary information from job-holders so that any error may first be discussed with the employee and, after due corrections, may be submitted to the job analyst.

(iii) *Maintenance of log records*: The employee maintains a daily diary record of duties he performs, marking the time at which each task is started and finished. But this system is incomplete, for it does not give us any desirable data on supervisor relationship, the equipment used and working conditions. Moreover, it is time-consuming.

(iv) *Personal interviews*: Interviews may be held by the analyst with the employees and answers to relevant questions may be recorded. But the method is time-consuming and costly.

Check Your Progress

1. What are the categories of basic work activities?
2. What is job description?
3. How many steps are required for a job analysis?
4. When is direct observation useful?

8.3 ANSWERS TO CHECK YOUR PROGRESS QUESTIONS

1. The 'basic work activities' relate to three categories—data, people and things.
2. Job description is a written record of the duties, responsibilities and requirements of a particular job. It 'is concerned with the job itself and not with the work'.
3. There are five basic steps required for doing a job analysis:

   Step 1: Collection of Background Information

   Step 2: Selection of Representative Position to be Analysed

   Step 3: Collection of Job Analysis Data

   Step 4: Developing a Job Description

   Step 5: Developing Job Specification
4. Direct observation is especially useful in jobs that consist primarily of observable physical ability, like the jobs of draftsman, mechanic, spinner or weaver.

8.4 SUMMARY

NOTES

- The growth and development of an organization structure results in jobs that have to be staffed. 'Work' is an organization's primary function.
- Data includes synthesizing, coordinating, analysing, compiling, computing, copying and comparing activities.
- Job Analysis: It is a procedure by which pertinent information is obtained about a job, i.e., it is a detailed and systematic study of information relating to the operations and responsibilities of a specific job.
- Job description is a written record of the duties, responsibilities and requirements of a particular job. It 'is concerned with the job itself and not with the work'.
- Job Design: It is the division of the total task to be performed into manageable and efficient units — positions, departments and divisions — and to provide for their proper integration.
- A comprehensive job analysis programme is an essential ingredient of sound personnel management.
- It is the major input to forecasting future human resource requirements, job modifications, job evaluation, determination of proper compensation and the writing of job descriptions.
- **Organization and Manpower Planning:** It is helpful in organizational planning, for it defines labour needs in concrete terms and coordinates the activities of the workforce, and clearly divides duties and responsibilities.
- By indicating the specific requirements of each job (i.e., the skills and knowledge), it provides a realistic basis for the hiring, training, placement, transfer and promotion of personnel.
- By indicating the qualifications required for doing a specified job and the risks and hazards involved in its performance, it helps in salary and wage administration.
- Job analysis provides information which enables us to change jobs in order to permit their being manned by personnel with specific characteristics and qualifications.

8.5 KEY WORDS

- **Job:** It refers to a paid position of regular employment.
- **Salary:** It is a fixed regular payment, typically paid on a monthly basis but often expressed as an annual sum, made by an employer to an employee, especially a professional or white-collar worker.

- **Subordinate:** It refers to a person under the authority or control of another within an organization.
- **Apprenticeship:** It is a kind of job training that involves following and studying a master of the trade on the job instead of in school.

NOTES

8.6 SELF ASSESSMENT QUESTIONS AND EXERCISES

Short Answer Questions

1. Discuss the various terms relating to job.
2. What is the purpose and uses of job analysis?
3. Write a short note on job-reengineering.

Long Answer Questions

1. Discuss the methods of collecting job analysis data in detail.
2. What are the contents of job analysis? Discuss the steps involved in job analysis.

8.7 FURTHER READINGS

Venkataraman, C.S. & B. K. Srivastava. 1991. *Personnel Management and Human Resources.* Tata McGraw Hill.

Yoder, Dale & Paul D Standohar. 1990. *Personnel Management and Industrial Relations.* Sterling Publications.

Well, Ian Beard and Len Holden. *Human Resource Management - A Contemporary Perspectives.* Macmillan.

NOTES

BLOCK - III

SELECTION PROCEDURES OF HUMAN RESOURCES

UNIT 9 JOB DESIGN

Structure

9.0 Introduction
9.1 Objectives
9.2 Job Design
9.3 Job Description
  9.3.1 Uses of Job Description
  9.3.2 Components or Contents of Job Description
  9.3.3 Writing a Job Description
  9.3.4 Limitations of Job Description
9.4 Job Specification
9.5 Answers to Check Your Progress Questions
9.6 Summary
9.7 Key Words
9.8 Self Assessment Questions and Exercises
9.9 Further Readings

9.0 INTRODUCTION

In previous units, we had learnt about the meaning of job design and job analysis.

Job design, also referred to as work design or task design, is a core function of human resource management. It is related to the specification of contents, methods and relationship of jobs in order to satisfy technological and organizational requirements as well as the social and personal requirements of the employee. Job design encapsulates the nature of a person's job and how it affects their attitudes and behavior at work. The aim of a job design is to improve job satisfaction, maximize output efficiency, improve quality and to reduce employee problems such as grievances and absenteeism. This unit further discusses the various approaches to job design, its uses and components.

Guidelines for writing a job description (JD), limitations of job description and job specification are also discussed in this unit.

9.1 OBJECTIVES

After going through this unit, you will be able to:

- Describe the two approaches to job design

NOTES

- Explain job description, its uses and components
- List the guidelines for writing a job description
- Assess the limitations of job description
- Analyse job specification

9.2 JOB DESIGN

The enthusiasm with which HRM has been embraced by many working within the theory and practice of job design is founded upon its prediction and promise that individuals will be provided with stimulating and enriching jobs. Not only will individual employees perform far more varied and skilled jobs but through the resulting quantitative and qualitative performance improvements, organizations will become far more competitive. Hence, one of the most important components of organizational effectiveness and economic prosperity is the attention paid to the detailed designing of work tasks.

The Two Approaches to Job Design

The first approach is a focus, that is, the discrete and autonomous active interventions made by the management in the employment relationship designed to increase performance by, for example,

- Increasing motivation
- Commitment
- Placating discontent and alienation
- Improving the flexibility of employee utilization

The second approach is called structuralist approach, which emphasizes constraint and the economic necessity of restructuring and redesigning jobs.

9.3 JOB DESCRIPTION

Job description or JD is an important document, which is basically descriptive in nature and contains a statement of job analysis. It provides both organizational information (location in structure, authority, etc) and functional information (what the work is). It defines the scope of job activities, major responsibilities and the positioning of the job in the organization. It provides the worker, analyst and supervisor with a clear idea of what the worker must do to meet the demands of the job.

Job description is different from performance assessment. The former is concerned with functions such as planning, coordinating and assigning responsibility; while the latter is concerned with the quality of performance itself. Though job description is not assessment, it provides an important basis for establishing assessment standards and objectives.

Job description describes the 'jobs,' not the 'job holders.' The movement of employees due to promotion, quits, etc., would create instability to job descriptions if people rather than jobs are described.

9.3.1 Uses of Job Description

NOTES

Job description has several uses, such as:

(i) Preliminary drafts can be used as a basis for productive group discussion, particularly if the process starts at the executive level.

(ii) It aids in the development of job specifications, which are useful in planning recruitment, in training and in hiring people with required skills.

(iii) It can be used to orient new employees towards basic responsibilities and duties.

(iv) It is a basic document used in developing performance standards.

(v) It can be used for job evaluation, a wage and salary administration technique.

A job description enables the manager to frame suitable questions to be asked during an interview. It is particularly helpful when the application form is used as a tool for eliminating unfit personnel. According to *Zerga,* a job description helps in:

(i) Job grading and classification

(ii) Transfers and promotions

(iii) Adjustments of grievances

(iv) Defining and outlining promotional steps

(v) Establishing a common understanding of a job between employers and employees

(vi) Investigating accidents

(vii) Indicating faulty work procedures or duplication of papers

(viii) Maintaining, operating and adjusting machinery

(ix) Time and motion studies

(x) Defining the limits of authority

(xi) Indicating case of personal merit

(xii) Facilitating job placement

(xiii) Studies of health and fatigue

(xiv) Scientific guidance

(xv) Determining jobs suitable for occupational therapy

(xvi) Providing hiring specifications

(xvii) Providing performance indicators

NOTES

9.3.2 Components or Contents of Job Description

A job description contains the following data:

(i) *Job identification or organizational position* which includes the job title, alternative title, department, division, plant and code number of the job. The job title identifies and designates the job properly. The department, division, etc., indicate the name of the department where it is situated - whether it is the maintenance department, mechanical shop, etc. The location gives the name of the place. This portion of job description gives answers to two important questions: to what higher level job is this job accountable; and who is supervised directly?

(ii) *Job summary* serves two important purposes. First, it provides a short definition which is useful as an additional identification information when a job title is not adequate. Second, it serves as a summary to orient the reader towards an understanding of detailed information which follows. It gives the reader a 'quick capsule explanation' of the content of a job usually in one or two sentences.

(iii) *Job duties and responsibilities* give a comprehensive listing of the duties together with some indication of the frequency of occurrence or percentage of time devoted to each major duty. It is regarded as the heart of a job. It tells us what needs to be done, how it should be done, and why it should be done. It also describes the responsibilities related to the custody of money, the supervision of workers and the training of subordinates.

(iv) *Relation to other jobs*: This helps to locate the job in the organization by indicating the job immediately below or above it in the job hierarchy. It also gives an idea of the vertical relationships of work flow and procedures.

(v) *Supervision:* Under it is given the number of persons to be supervised along with their job titles, and the extent of supervision involved — general, intermediate or close supervision.

(vi) *Machine, tools and equipment* define each major type or trade name of the machines and tools and the raw materials used,

(vii) *Working conditions* usually give information about the environment in which a job holder must work. These include cold, heat, dust, wetness, moisture, fumes, odour, oily conditions, etc. present inside the organization.

(viii) *Hazards* give us the nature of risks to life and limb, their possibilities of occurrence, etc.

9.3.3 Writing a Job Description

NOTES

Opinions differ on how to write job descriptions. Some experts are of the view that these should be written in detail and in terms of workflow. Others feel that these should be written in terms of goals or results to be achieved, in other words as performance standards (or what is popularly known as 'management by objectives'). The prevalent thinking is that job descriptions should be written in terms of duties and responsibilities, i.e., in terms of functions performed.

Job descriptions are written by the personnel department or its representatives.

Although there is no set way of writing a job description, the following pattern is fairly typical, and used by many companies:

(i) A paragraph is allocated to each major task or responsibility.

(ii) Paragraphs are numbered and arranged in a logical order, task sequence or importance.

(iii) Sentences are begun with an active verb, e.g., 'types letters', 'interviews the candidates', 'collects, sorts out, routes and distributes mail.'

(iv) Accuracy and simplicity are emphasized rather than an elegant style.

(v) Brevity is usually considered to be important but is largely conditioned by the type of job being analysed and the need for accuracy.

(vi) Examples of work performed are often quoted and are useful in making the job description explicit.

(vii) Job descriptions, particularly when they are used as bases for training, often incorporate details of the faults which may be encountered in operator tasks and safety check-points.

(viii) Statements of opinion, such as 'dangerous situations are encountered', should be avoided.

(ix) When job descriptions are written for supervisory jobs, the main factors (such as, manning, cost control, etc.) are identified and listed. Each factor is then broken down into a series of elements with a note on the supervisor's responsibility.

The British Institute of Management publication adds four more guidelines:

(i) Give a clear, concise and readily understandable picture of the whole job.

(ii) Describe in sufficient detail each of the main duties and responsibilities.

(iii) Indicate the extent of direction received and supervision given.

(iv) Ensure that a new employee understands the job if he reads the job description.

9.3.4 Limitations of Job Description

NOTES

In any use of job descriptions, it should be remembered that these descriptions are not perfect reflections of the job. 'The object of a job description is to differentiate it from other jobs and set its outer limits.' Further, executives tend to carry work patterns with them into new jobs, thus modifying the job drastically.

To avoid such problems, care must be exercised in writing a job description to make it as accurate as possible, and at the managerial or professional level, it should be reviewed and discussed after the job. Jobs tend to be dynamic, not static, and a job description can quickly go out of date. Therefore, a job should be constantly revised and kept up-to-date and the personnel and other departmental heads should be apprised of any changes.

9.4 JOB SPECIFICATION

The job specification takes the job description and answers the question 'What human traits and experience are needed to do the job well?' It specifies what kind of person to recruit and for what qualities that person should be tested.

Job specifications translate the job description into terms of human qualifications, 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 bank, with testing, interviews and checking of references.

Job specification is developed with the cooperation of the personnel department and various supervisors in the whole organization. The personnel department coordinates the writing of job descriptions and job specifications and secures agreement on the qualifications required.

These specifications relate to the following:

(*i*) *Physical characteristics*, which include health, strength, endurance, age range, body size, height, weight, vision, voice, poise, eye, hand and foot coordination motor coordination, and colour discrimination.

(*ii*) *Psychological characteristics* or special aptitude which includes such qualities as manual dexterity, mechanical, aptitude, ingenuity, judgment, resourcefulness, analytical ability, mental concentration and alertness.

(*iii*) *Personal characteristics or traits of temperament*, such as personal appearance, good and pleasing manners, emotional stability, aggressiveness or submissiveness, extroversion or introversion, leadership, cooperativeness, initiative and drive, skill in dealing with others, and unusual sensory qualities of sight, smell, hearing, adaptability, conversational ability, etc.

NOTES

(*iv*) *Responsibilities,* which include supervision of others: responsibility for production, process and equipment; responsibility for the safety of others; responsibility for generating confidence and trust; and responsibility for preventing monetary loss.

(*v*) *Other features of a demographic nature*, which are age, sex, education, experience and language ability.

Job specifications are mostly based on the educated guesses of supervisors and personnel managers. They give their opinion as to who they think should be considered for a job in terms of education, intelligence, training, etc. One of the most extensive 'judgmental' approaches to developing job specifications is contained in the *Dictionary of Occupational Titles*, published by the US Training and Employment Service. Its description for a personnel managers' job is as follows:

Personnel Manager: director personnel; manager, employee relations; personnel supervisor. 'Plans and carries out policies relating to all phases of personnel activities.'

Check Your Progress

1. What is job description?
2. How is job description different from performance assessment?
3. State one purpose of job summary?
4. What is the role of job specifications?

9.5 ANSWERS TO CHECK YOUR PROGRESS QUESTIONS

1. Job description is an important document, which is basically descriptive in nature and contains a statement of job analysis.
2. Job description is concerned with functions such as planning, coordinating and assigning responsibility; while performance assessment is concerned with the quality of performance itself.
3. Job summary provides a short definition which is useful as an additional identification information when a job title is not adequate.
4. Job specifications translate the job description into terms of human qualifications, which are required for a successful performance of a job.

9.6 SUMMARY

NOTES

- The enthusiasm with which HRM has been embraced by many working within the theory and practice of job design is founded upon its prediction and promise that individuals will be provided with stimulating and enriching jobs.
- Hence, one of the most important components of organizational effectiveness and economic prosperity is the attention paid to the detailed designing of work tasks.
- The first approach is a focus, that is, the discrete and autonomous active interventions made by the management in the employment relationship designed to increase performance
- The second approach is called structuralist approach, which emphasizes constraint and the economic necessity of restructuring and redesigning jobs.
- Job description is an important document, which is basically descriptive in nature and contains a statement of job analysis.
- It defines the scope of job activities, major responsibilities and the positioning of the job in the organization.
- Job description is different from performance assessment. The former is concerned with functions such as planning, coordinating and assigning responsibility; while the latter is concerned with the quality of performance itself.
- Job description describes the 'jobs,' not the 'job holders.'
- A job description enables the manager to frame suitable questions to be asked during an interview. It is particularly helpful when the application form is used as a tool for eliminating unfit personnel.
- *Job duties and responsibilities* give a comprehensive listing of the duties together with some indication of the frequency of occurrence or percentage of time devoted to each major duty.
- Opinions differ on how to write job descriptions. Some experts are of the view that these should be written in detail and in terms of workflow.
- The prevalent thinking is that job descriptions should be written in terms of duties and responsibilities, i.e., in terms of functions performed.
- Job descriptions are written by the personnel department or its representatives.
- In any use of job descriptions, it should be remembered that these descriptions are not perfect reflections of the job. 'The object of a job description is to differentiate it from other jobs and set its outer limits.'

- Job specifications translate the job description into terms of human qualifications, which are required for a successful performance of a job.
- Job specification is developed with the cooperation of the personnel department and various supervisors in the whole organization.

NOTES

9.7 KEY WORDS

- **Assessment:** It is the action of assessing someone or something.
- **Manager:** It refers to a person responsible for controlling or administering an organization or group of staff.

9.8 SELF ASSESSMENT QUESTIONS AND EXERCISES

Short Answer Questions

1. What are the two approaches to job design?
2. Discuss the method of writing a job description.
3. What are the limitations of job description?

Long Answer Questions

1. Give a detailed description of the meaning, uses and components of job description.
2. Analyse job specifications and its characteristics.

9.9 FURTHER READINGS

Venkataraman, C.S. & B. K. Srivastava. 1991. *Personnel Management and Human Resources.* Tata McGraw Hill.

Yoder, Dale & Paul D Standohar. 1990. *Personnel Management and Industrial Relations.* Sterling Publications.

Well, Ian Beard and Len Holden. *Human Resource Management - A Contemporary Perspectives.* Macmillan.

UNIT 10 THE SELECTION PROCESS

NOTES

Structure

10.0 Introduction
10.1 Objectives
10.2 Selection Procedure and Policy
10.3 Essential Elements of Selection Procedure
10.4 Steps in Selection Procedure
10.5 Placement and Induction
10.6 Orientation and Objectives
10.6.1 Objectives of Orientation
10.7 Answers to Check Your Progress Questions
10.8 Summary
10.9 Key Words
10.10 Self Assessment Questions and Exercises
10.11 Further Readings

10.0 INTRODUCTION

Employing the right kind of talent in all departments is instrumental in augmenting success in an organization as a whole. This is done through focused recruitment procedure and policies. This unit lists the steps involved in a selection process. The essential elements of the selection process, the steps involved, and selection policies are also discussed in this unit. Other important topics covered in the unit are placement, induction and orientation.

10.1 OBJECTIVES

After going through this unit, you will be able to:

- Explain the selection procedure and policy
- Analyse the essential elements of the selection procedure and its steps
- Discuss the processes of placement, induction and orientation

10.2 SELECTION PROCEDURE AND POLICY

A policy is a standing plan. Policies or directives provide continuous framework for executive actions on recurrent managerial problems. A policy assists decision-making, but deviations may be needed, as exceptions and under some extra-ordinary circumstances. Such a policy asserts the objectives of the recruitment and provides a framework of implementation of the recruitment programme in the form of procedures.

NOTES

The essentials of policy formation may be listed as follows:

1. A policy should be definite, positive and clear. Everyone in the organization should understand it.
2. A policy should be translatable into practice.
3. A policy should be flexible and at the same time have a high degree of permanency.
4. A policy should be formulated to take care of all reasonable anticipated conditions.
5. A policy should be founded upon facts and sound judgement.
6. A policy should conform to economic principles, statutes and regulations.
7. A policy should be a general statement of the established rule.

Therefore, a well-considered and pre-planned recruitment policy, based on corporate goals and needs may avoid hasty decisions and help the organization to appoint the right type of personnel.

According to Yoder, a "recruitment policy" may "involve a commitment to broad principles such as filling vacancies with the best-qualified individuals... It may also involve the organization system to the developed for implementing recruitment programme and procedures to the employed". Therefore, recruitment policy involves a commitment by the organization to principles such as:

(a) To find and employ the best qualified persons for each job.
(b) To retain the best talent by offering life-time careers and
(c) Facilitating personal growth on the job.

Conditions Necessary for a Good Recruitment Policy: A good recruitment policy must satisfy the following conditions:

1. *Organization's Objectives:* A good recruitment policy should be in conformity with the organizations objectives. It must take into consideration the basic parameters for recruitment decisions.
2. *Identification of the Recruitment Needs:* A good recruitment policy should be flexible enough to meet the changing needs of an organization. The recruiters should prepare profiles for each category of workers and accordingly work out the employees specification.
3. *Ensure Long term Employment Opportunities for the Employees:* A good recruitment policy should be so designed as to ensure career growth for its employees on a long-term basis. It should help in developing the potentialities of employees.
4. *Preferred Sources of Recruitment:* A good recruitment policy should match the qualities of employees with the requirements of the work for

NOTES

which they are employed. The preferred sources of recruitment, which would be tapped by the organization for, say skilled or semi-skilled workers, could be internal sources or employment exchanges whereas for highly specialised managerial personnel, external sources could be preferred.

10.3 ESSENTIAL ELEMENTS OF SELECTION PROCEDURE

Selection, either internal or external, is a deliberate effort of the organization to select a fixed number of personnel from a large number of applicants. The primary aim of employee selection is to choose those persons who are most likely to perform their jobs with maximum effectiveness and remain with the company. Thus, in selection, an attempt is made to find a suitable candidate for the job. In doing so, naturally many applicants are rejected. This makes selection a negative function. In contrast, recruitment is a positive function because it attempts to increase the number of applicants applying for the job. Selection involves three distinct but not mutually exclusive stages.

They are:

- Recruitment,
- Selection and
- Induction

Definitions of Selection

Having identified the potential applicants, the next step is to evaluate their experience and qualifications and make a selection. According to Yoder, "the hiring process is of one or many '*go-no-go*' gauges. Candidates are screened, the applicants go on to the next hurdle, while unqualified candidates are eliminated". Great attention has to be paid to selection because it means establishing the "best fit between job requirements on the one hand and the candidates' qualifications on the other". Faulty judgement can have a far-reaching impact on the organizational functioning. There are several advantages of a proper selection procedure, as the employees are placed in the jobs for which they are best suited. They derive maximum job satisfaction, labour turnover is reduced and the overall efficiency of the concern is increased. And finally, a good relationship develops between the employer and his workers.

Check Your Progress

1. What is the primary aim of employee selection?
2. Name the three stages of selection process.

10.4 STEPS IN SELECTION PROCEDURE

NOTES

There is no shortcut to an accurate evaluation of a candidate. A variety of methods are used to select personnel. The selection pattern, however, is not common for all organizations. It varies from one to another, depending on the situation and needs of the organization. Therefore, there is no standard selection procedure followed by all organizations.

However, the steps commonly followed are as under:

1. Application blank
2. Initial interviews of the candidates
3. Employment tests
4. Interviews
5. Checking of references
6. Physical or medical examination
7. Final interview and induction

1. Application Bank

In a sense the application blank is a highly structured questionnaire in which the questions are standardised and determined in advance. An application blank, is a traditional, widely accepted device for getting information from a prospective applicant. The application blank provides preliminary information as well as aids in the interview by indicating areas of interest and discussion. In an application blank, information is generally called under the following items:

(a) ***Biographic data:*** This is concerned with such variables as age, gender, nationality, height, weight, marital status and number of dependents. There is very little empirical evidence to suggest that this information can be helpful in predicting on-the-job behaviours. However, this information can be used for future reference when needed.

(b) ***Education and past experience:*** Educational qualification, knowledge gained from technical institutions etc. is needed by the employer. Today, employers look at the grade point and percentage of marks as prerequisites for a job. The reason is to eliminate those candidates who do not reach the required grade. However, the magnitude of coefficients between the grade points acquired and on the job performance is so low that too much confidence cannot be placed in them. The employer often asks the nature of duties and responsibilities involved in previous experience. Although it is often said that the best predictor of future work is past performance, little has been done to utilise it systematically for the selection process.

(c) ***Personal items:*** Extra-curricular activities, sports, hobbies, membership of association are often required to find out a candidate's suitability for a post.

NOTES

(d) ***References:*** References are letters of recommendation written by teachers and/or previous employers. Asking for references is a widespread practice but there is substantial doubt as to its validity. Reference checking requires the same use of skills as required by the interviewer. Some organizations have found that by assuring the referee of absolute confidentiality, reliable and valid references have been obtained. Filling of the 'application bank' by the candidate is the first step in the process of selection. In this form, the applicant gives relevant personal data such as his qualification, specialisation, experience etc. The application blanks, are carefully scrutinised by the company with reference to the specifications prescribed for the jobs to decide the applicants who are to be called for interview. The information sought in the application blank should be relevant to the objective of selection. The data submitted in an application form should help predict the candidate's chances for making a success of his job. To ensure that the information given by the applicant is true, the application blank usually carries a threat of discharge at any time after employment if the information furnished in it proves to be false.

2. Initial interview

Those who are selected for interview on the basis of particulars furnished in the application blank are called for initial interview by the organization. This is meant to evaluate the appearance of the candidate and to establish a friendly relationship between the candidate and the company and for obtaining additional information and clarification on the information already on the application blank. An interview is a face-to-face, observational and personal appraisal method of evaluating the applicant. Its purpose is not to make a detailed probe of qualifications but to refuse application forms to those who cannot be employed because of such reasons as average, disqualifying physical handicaps and lack of required experience or training. Preliminary interview becomes a necessity when a large number of candidates apply for the job.

3. Employment tests

For further assessment of a candidate's knowledge and abilities, some tests are used in the selection procedure. Psychologists have developed certain tests by which a candidate's ability, intelligence, etc., can be estimated. Testing is an important stage of the selection process. If tests are properly conducted, they can reduce the selection cost by reducing the large number of applicants to manageable levels. Tests are tools in evaluating the capabilities of an applicant for a position. Different tests are administered to determine the suitability of candidates for different positions. Which test is to be administered depends upon the type of the job, the skills required, the duties attached to the job etc. The different types of tests are:

NOTES

(a) ***Aptitude Test:*** Aptitude or potential ability tests are widely used to measure the talent and ability of a candidate to learn a new job or skill. Aptitude tests measure ability and skills. They enable us to find out whether a candidate, if selected, would be suitable for a job. Specific aptitude tests have been designed for jobs that required clerical, mechanical and manual abilities and skills. Aptitude tests for medicine, law, painting, and other activities are also available. The disadvantage of aptitude tests is that they do not measure motivation. On the job motivation is often found to be more important than aptitude for the job. That is why the aptitude test is supplemented by interests test and personality tests.

(b) ***Interest Test:*** Interest test is used to find out the type of work in which the candidate has an interest. An interest test only indicates the interest of a candidate for a particular job. It does not reveal his ability to do it. These tests aim at finding out the types of work in which a candidate is interested. They are inventories of the likes and dislikes of the people in some occupations. Therefore they are useful in vocational guidance. Interest tests have been designed to discover a person's area of interest and to identify the kind of work that will satisfy him. Examples of interest tests are "Kuder Preference Record" and "Strong Vocational Interest blanks."

(c) ***Intelligence Test:*** This test is used to find out the candidate's intelligence. By using this test, the candidate's mental alertness, reasoning ability, power of understanding etc., are judged. Intelligence tests are generally aptitude tests, although there is some disagreement on this. Mental or intelligence tests measure the overall intellectual activity of a person and enable the employer to know whether he has the mental capacity to deal with new problems. The scores on intelligence tests are usually expressed as Intelligence Quotient (IQ), which are calculated as follows:

$$IQ = \frac{\text{Mental Age}}{\text{Actual Age}} \times 100$$

Intelligence tests are useful for selection purposes and determine the future of an employee. Word fluency, memory, inductive reasoning and speed of perception are tested. There are various forms of intelligence tests for various age groups. Ones IQ level will increase or decrease depending upon which age-level test one can pass. The administration of these IQ tests calls for much preparation on the part of an organization, and they are expensive and cumbersome as well. However, they are

NOTES

conducted on the assumption that intelligence testing gets bright and alert employees who can learn fast and can be trained fast.

(d) ***Performance or Achievement Test:*** This test is used to measure the candidate's level of knowledge and skill in the particular trade or occupation in which he will be appointed in case he is finally selected. Achievement tests measure the skill or knowledge which is acquired as a result of previous experience or training secured by a candidate. They determine the admission feasibility of a candidate and what he is capable of doing. Achievement tests measure a person's potential in a given area. One example is the trade test which involves the performance of a sample operation requiring specialised skill and believed to be satisfactorily answered by those who have some knowledge of the occupation and trade. For e.g., a candidate for a driver's post may be asked to drive the vehicle.

Achievement tests are of two kinds:

(i) *Tests for Measuring Job Knowledge:* These tests are administered to determine proficiency. Such tests are useful for stenographers, sales girls etc.

(ii) *Work Sample Tests:* This test is administered on the actual job. A typing test for a typist tests the skill and accuracy of the candidate.

(e) ***Personality Test*:** Personality test is used to measure those characteristics of a candidate which constitute his personality. Personality tests are very important in the selection process, particularly in the case of appointment to the posts of supervisors and higher executives. Personality tests have a wider use in industry because they provide a well-rounded picture of an applicant's personality and because managers have to realise the importance of emotional characteristics. They assess a candidate's motivation, interests, his ability to adjust himself to the stresses of everyday life and his capacity for inter-personal relations and self-image. Personality tests are of three types:

(i) *Objective Tests:* are tests which measure self-sufficiency and self-confidence.

(ii) *Personality Tests:* are tests which assess a candidate's interpretation for certain standard stimulus situations. They test a candidate's values, motives and personality.

(iii) *Situation Tests:* This test measures a candidate's reaction when he is placed in a peculiar situation.

In recent years, tests have become an integral part of the selection process in different types of organizations in the country. It is more so in a majority of government undertakings. Testing is an important stage of the selection process. If tests are properly conducted, they can reduce the selection cost by reducing the large groups of applicants to manageable levels.

NOTES

4. Interviews

After putting the candidates to various types of tests, all those clearing the tests are finally called for interview. The interview is perhaps the most intricate and difficult part of selection procedure. Interviews are conducted to test the capabilities of the candidate to occupy a particular post. They determine his knowledge, experience, skill, intelligence, general perception, mental and psychological reflexes, capacity to perceive things quickly and capabilities to take quick and immediate decisions. Interview is probably the most widely used selection tool. It is a selection technique which enables the employer to view the total individual and directly appraise him and his behaviours.

According to Scott, "An interview is a purposeful exchange of ideas, the answering of questions and communication between two or more persons."

According to Biswanth Ghosh, "The interview is a face-to-face, oral, observational and personal appraisal method of evaluating the applicant. It can also be described as a conversation with a purpose and is used almost universally in the staffing process".

The interview consists of interaction between interviewer and applicant. If handled properly, it can be a powerful technique in achieving accurate information and getting access to material otherwise unavailable. If the interview is not handled carefully, it can be a source of bias, restricting or distorting the flow of communication. An interview is thus an attempt to secure maximum amount of information from the candidate concerning his suitability for the job under consideration. The different types of interviews for selection are given below:

(a) Preliminary interview
(b) Extensive interview
(c) Stress interview
(d) Discussion interview
(e) Structural interview
(f) Nonstructural interview
(g) Group interview
(h) Final interview

(a) ***Preliminary Interview:*** These interviews are preliminary screening of applicants to decide whether a more detailed interview will be worthwhile. The only argument for this method is that it serves the company's time and money. In point (2) above, a detailed explanation is given about preliminary or initial interview.

(b) ***Extensive Interview:*** Extensive interviews or depth interviews cover the complete life history of the applicant. It is semi-structured in nature and utilises questions in key areas which have been studied in advance by the interviewer. The idea of such an interview is to get a true picture of the candidate by intensively examining his background and thinking so that a correct evaluation and decision may be made. It is an excellent method for executive selection. It is however time consuming.

NOTES

(c) ***Stress Interview:*** Stress interviews are deliberate attempts to create pressure to observe how an applicant performs under stress. The stress interview may have some value for jobs where emotional balance is a key factor. This procedure was originally developed in the U.S military service for the selection of spies. It involved putting the candidate under severe emotional strain in order to test his response. The stress inducing interview must be done carefully by trained and skilled interviewers. Emotionally disturbed persons should not be subjected to stress. It should not be done at the beginning of the interview because this can make it impossible to compare a candidate's customary behaviour with his behaviour under stress. To induce the stress, the interviewer responds to the applicant's answers with anger, silence, criticism or a flurry of incisive follow-up questions. Events such as noise, interruptions or change of schedules are introduced. The interviewer can act hostile and rouse objections.

(d) ***Discussion Interview:*** In this type of interview, the candidates enter into group discussions, knowing that it is a test, but do not know which qualities are being measured or tested. The assumption underlying this type of interview is that the behaviour displayed while working on the solution of the problem is related to potential success in the job. A few observers watch the activities of the candidates (interviewees). The emphasis is on the analysis of the interviewer's impressions from discussions.

(e) ***Structural Interview:*** Patterned or structural interview is based on the assumption that, to be most effective, every detail should be sought. Questions must be asked in a particular order, with very little deviation. Such interviews are also called standardised interviews because they are pre-planned to a high degree of accuracy. In this type of interview, a series of questions which can throw light on the candidate's background are standardised in advance and validated against the record of employees who have succeeded or failed on the job. In the interview process these standard questions are asked as they are written, the order may be varied but not the phrasing of the questions. The basis for this approach is that a candidate's future behaviour can be judged by his past performance. The structured interview has got nothing to do with job skills. It is designed to appraise only personality motivation and skills. The structured interview was designed by Mc Murry to measure the personality traits that are wanted among all employees. These traits are (i) stability, (ii) industry, (iii) ability to get along with others, (iv) self-reliance, (v) willingness to accept responsibility, (vi) freedom from emotional immaturity and (vii) motivation.

NOTES

(f) ***Non-structural Interview:*** In the non-structured interview, the applicant is asked some very general questions, and he may reply to these in any way he likes. In this type of interview, the candidate is encouraged to express himself freely. The objective is to find out traits, strengths, weaknesses etc. The purpose of such interviews is to determine what kind of person the candidate really is. The basic procedure followed in this type of interview is the minimum use of direct questions. The interviewer should listen carefully without interrupting and allowing pauses in the conversation. The basic philosophy of such interviews is that a candidate is more likely to reveal his actual self than when he answers set questions.

(g) ***Group Interview:*** In this type of interview, several job applicants are placed in a leader-less discussion and interviewers sit in the background to observe and evaluate the performance of the candidates. A topic for discussion is assigned and at the beginning there is no leader. The interviewer observes how one candidate assumes leadership and how it is accepted by other members of the group. In this interview 5 or 6 candidates are placed together in a situation in which they must interact. The situation may be structured or unstructured. The selector remains silent throughout the discussion and makes notes about the candidate's interaction. The candidate who articulates better and who has a better personality is likely to be selected.

(h) ***Final Interview:*** After the applicant is selected, it is advisable to sell the job to the applicant. He should be given an idea as to his future potential within the organization. He is formally appointed by issuing an appointment letter or by concluding with him a service agreement. The appointment letter contains the terms and conditions of employment, pay scale and other benefits associated with the job.

Each of the above-mentioned types of interview is conducted with a distinct purpose. All interviews are conducted to measure the capabilities of the candidates to occupy positions of importance. Which interview is to be conducted depends upon the type of the job, the skills required, duties attached, the type of applicants etc. At the end of the interview, the interviewer must elicit the necessary information from the candidate if possible through an evaluation form. Quite often, interview rating forms are used which require evaluation of various factors relevant to the job which have been observed during the interview besides getting an overall evaluation.

10.5 PLACEMENT AND INDUCTION

After the candidate is finally selected, the management will have to sell the job to him. He should be told as to what his duties are, what is required of him and what are his future prospects in the organization. Normally this information is given to the candidate at the time of final selection interview. This is the way how the candidate is inducted into the job. He is formally appointed by issuing an appointment letter or by concluding with him a service agreement. The appointment letter contains the terms and conditions of employment, pay scale and other benefits associated with the job.

The interviewer can describe the company and its policies, the duties and responsibilities of the applicant as well as the opportunities available to him for future promotion. The interviewer should in fact highlight the favourable aspects of the job.

Types of Induction Programme

1. ***General Induction Programme:*** Once an offer of employment has been extended and accepted, the final stage in procurement function is concluded. The individual has then to be oriented towards the job and the organization. This is formally done through a process known as induction or orientation. Induction is a welcoming process. The idea is to welcome the candidate, make him feel at home in the changed surroundings and to introduce him to the practices, policies and purposes of the organization. The necessity of an induction programme is that when a person joins an organization, he is a stranger and is bound to feel shy, insecure and nervous. Induction leads to reduction of such anxieties.
2. ***Specific Orientation Programme:*** At this stage, induction is conducted by the foreman. Induction is specific and requires skill on the part of the foreman. A new employee must be provided operational knowledge that is specific to the position and location. The immediate boss (foreman) is responsible for training and induction. Every new employee should know
   - (a) The people who work with him.
   - (b) The work he is responsible for.
   - (c) The result he is supposed to accomplish.
   - (d) The current status of the work.
   - (e) His relationships in the organization.
   - (f) Reports and records he must understand and maintain.
   - (g) Operating policies, procedures and rules and
   - (h) Service group available to help him.

The purpose of specific induction is to enable an employee to adjust himself to his work environment.

3. ***Follow-up Induction Programme:*** The purpose of follow-up induction programme is to find out whether the employee is reasonably satisfied with the job. It is usually conducted by the foreman or by a specialist from the personnel department. Guidance and counselling efforts are made to remove the difficulties experienced by the newcomer. Usually, follow up induction takes place after about one or two months from the time of appointment.

Case Study

Case: InfoTech Ltd

Info Tech Ltd. is a Mangalore based company having a countrywide network. It is considered as a leading software company having a turnover of Rs. 7500 crore. The company is growing rapidly and during the past year, the number of employees has increased from 50 to 125. Most of the employees are graduate engineers having a B.E. degree in Computers, Information Systems or Electronics and Communications. The employees in the sales field are MBA degree holders having a basic degree in science or engineering. The work is highly pressured and result focussed, in return for which large reward packages are available.

The sales force in particular needs strong presentation and negotiation skills since the market is very competitive. Recently, however, the company has had enormous difficulty in selecting the right calibre staff for the sales role (MBA degree holders) though they are able to attract candidates in sufficient numbers.

The HR manager analysed the selection procedure to provide a more successful model for the selection of the sales force. The model should allow the selection process to:

- Identify differences between recruits that are important to the role.
- Carry out the identification of differences in a reliable and consistent manner.
- Make valid predictions about the future performance of recruits with confidence.

The findings revealed some interesting features relating to the basic skills and attitudes needed for such a role. These are:

1. The first of these factors was what is seen as "professionalism" suggested as "an ability to deal sensitively with prospective customers, being "human" rather than "clinical".
2. Style of behaviour which was "non-threatening" and "non-arrogant" but also "challenging" when required.

3. Skills like tolerance for ambiguity and a capacity to empathise with prospective customers.
4. Show "pride" in working with Info Tech and their products.

NOTES

Using the above information, you are required to investigate an appropriate selection strategy which should include:

1. Which selection techniques could measure the attributes identified?
2. How would the HR manager operate the selection of sales force?

Justify your answers.

10.6 ORIENTATION AND OBJECTIVES

Orientation or induction is a technique by which a new employee is rehabilitated into the changed surroundings and introduced to the practices, policies and purpose of the organization. A formal orientation tries to bridge the information gap of the new employee. When a person joins an organization he is a stranger to it. He may experience a lot of difficulties that could lead to tension and stress in him. This in turn can reduce his effectiveness.

Need for Orientation

In an organization, orientation is required for overcoming employee anxiety, reality shocks and for accommodating employees.

- New employees experience a lot of anxiety in an organization. This is a natural phenomenon which can be overcome through orientation.
- An employee joins an organization with certain assumptions and expectations. When these expectations do not match with reality, the new employee experiences a reality shock. Effective orientation programmes help to reduce this reality shock by providing a more realistic expectation on the part of the new employee.
- Proper employee orientation helps to accommodate the new employee with existing employees by developing new acquaintances and understanding of the various aspects of the job.

10.6.1 Objectives of Orientation

The following are the chief objectives of the orientation process:

- To avoid the insecure feeling of a newcomer who joins an organization
- To develop a strong feeling about the workplace and work environment
- To develop defensive behaviour
- To develop courage

- To develop self-confidence
- To minimize the reality shock

The induction expected by the newcomer may include the following:

NOTES

- Opportunities for advancement
- Social status and prestige – reorganization by others
- Responsibility
- Opportunities to use special aptitudes and educational background
- Challenge and adventure
- Opportunity to be creative and original
- Lucrative salary

Check Your Progress

3. What is an application bank?
4. What are references?

10.7 ANSWERS TO CHECK YOUR PROGRESS QUESTIONS

1. The primary aim of employee selection is to choose those persons who are most likely to perform their jobs with maximum effectiveness and remain with the company.
2. Selection involves three distinct but not mutually exclusive stages. These are recruitment, selection and induction.
3. The application blank is a highly structured questionnaire in which the questions are standardised and determined in advance. It is a widely accepted device for getting information from a prospective applicant.
4. References are letters of recommendation written by teachers and/or previous employers.

10.8 SUMMARY

- A policy is a standing plan, Policies or directives provide continuous framework for executive actions on recurrent managerial problems. A policy assists decision-making, but deviations may be needed, as exceptions and under some extra-ordinary circumstances.

NOTES

- Such a policy asserts the objectives of the recruitment and provides a framework of implementation of the recruitment programme in the form of procedures.
- According to Yoder, a "recruitment policy" may "involve a commitment to broad principles such as filling vacancies with the best-qualified individuals... It may also involve the organization system to the developed for implementing recruitment programme and procedures to the employed".
- Selection, either internal or external, is a deliberate effort of the organization to select a fixed number of personnel from a large number of applicants.
- The primary aim of employee selection is to choose those persons who are most likely to perform their jobs with maximum effectiveness and remain with the company.
- According to Yoder, "the hiring process is of one or many '*go-no-go*' gauges. Candidates are screened, the applicants go on to the next hurdle, while unqualified candidates are eliminated".
- Faulty judgement can have a far-reaching impact on the organizational functioning.
- There is no shortcut to an accurate evaluation of a candidate. A variety of methods are used to select personnel. The selection pattern, however, is not common for all organizations.
- In a sense the application blank is a highly structured questionnaire in which the questions are standardised and determined in advance.
- An application blank, is a traditional, widely accepted device for getting information from a prospective applicant.
- References are letters of recommendation written by teachers and/or previous employers.
- Intelligence tests are useful for selection purposes and determine the future of an employee. Word fluency, memory, inductive reasoning and speed of perception are tested.
- Personality test is used to measure those characteristics of a candidate which constitute his personality.
- Personality tests have a wider use in industry because they provide a well-rounded picture of an applicant's personality and because managers have to realise the importance of emotional characteristics.
- In the non-structured interview, the applicant is asked some very general questions, and he may reply to these in any way he likes. In this type of interview, the candidate is encouraged to express himself freely.

NOTES

- All interviews are conducted to measure the capabilities of the candidates to occupy positions of importance. Which interview is to be conducted depends upon the type of the job, the skills required, duties attached, the type of applicants etc.
- Once an offer of employment has been extended and accepted, the final stage in procurement function is concluded. The individual has then to be oriented towards the job and the organization.
- Orientation or induction is a technique by which a new employee is rehabilitated into the changed surroundings and introduced to the practices, policies and purpose of the organization.
- A formal orientation tries to bridge the information gap of the new employee.

10.9 KEY WORDS

- **Skill:** It is the ability and capacity acquired through deliberate, systematic, and sustained effort to smoothly and adaptively carryout complex activities or job functions
- **Induction:** It is an occasion when someone is formally introduced into a new job or organization, especially through a special ceremony.
- **Anxiety:** It is a feeling of worry, nervousness, or unease about something with an uncertain outcome.
- **Applicant:** It refers to a person who makes a formal application for something, especially a job.

10.10 SELF ASSESSMENT QUESTIONS AND EXERCISES

Short Answer Questions

1. What are the essentials of policy formation?
2. List the conditions necessary for a good recruitment policy.
3. Define selection.
4. Give a brief description of employment tests.
5. List the types of interviews in a selection process.

Long Answer Questions

1. What are the steps involved in the selection procedure? Discuss each step in detail.

2. Analyse the various types of induction programmes.
3. Why is orientation needed? What are its objectives?

NOTES

10.11 FURTHER READINGS

Venkataraman, C.S. & B. K. Srivastava. 1991. *Personnel Management and Human Resources.* Tata McGraw Hill.

Yoder, Dale & Paul D Standohar. 1990. *Personnel Management and Industrial Relations.* Sterling Publications.

Well, Ian Beard and Len Holden. *Human Resource Management - A Contemporary Perspectives.* Macmillan.

NOTES

UNIT 11 PROCEDURE FOR INDUCTION AND EMPLOYEE TRAINING

Structure

11.0 Introduction
11.1 Objectives
11.2 Procedure for Induction
  11.2.1 Types of Induction Programmes
  11.2.2 Employee Training: Need, Process, Techniques and Evaluation
  11.2.3 Definition of Training and Development
  11.2.4 Difference between Training and Development
11.3 Training Needs Analysis
  11.3.1 Importance of Training
  11.3.2 Responsibility for Training
  11.3.3 Creation of a Desire for Training
11.4 Answers to Check Your Progress Questions
11.5 Summary
11.6 Key Words
11.7 Self Assessment Questions and Exercises
11.8 Further Readings

11.0 INTRODUCTION

Every organization has a different work place culture and therefore it is important that every new employee is sensitized and made to feel welcomed in his/her new work place. The new employees need to align and be assimilated into the workplace culture and its work ethics. It is also important that the needs of new joiners are addressed through a structured induction program.

The induction programs help employees to adjust to their new role, make a smoother transition into the business and assimilate into the company culture. In the longer run, this helps in the retention of employees and saves on recruitment costs. A well-thought-out induction program is one of the most effective and efficient ways to bring new team members up to speed on a whole range of company policies and legislation that apply to the role. Well-structured induction programs exhibit a strong understanding of how and what the company delivers and the services and products it offers.

This unit emphasizes the importance of training and development of employees in an organization.

11.1 OBJECTIVES

NOTES

After going through this unit, you will be able to:

- Describe the meaning of training and development
- Differentiate between training and development
- Assess the importance of training
- Explain the creation of a desire for training

11.2 PROCEDURE FOR INDUCTION

Any organization has an obligation to make the integration of the individual into the organization as smooth and anxiety free as possible. This can be achieved through a formal or informal placement orientation programme depending on the size of the organization and the complexity of the individual's new environment.

There is no model induction procedure, but each industry develops its own procedures as per its needs.

The HR department may initiate the following steps while organizing the induction programme:

1. Welcome the new recruit to the organization.
2. Provide knowledge about the company: what it is, what it does, how it functions, the importance of its producers; knowledge of conditions of employment, and the company's welfare services.
3. Give the company's manual to the new recruit.
4. Show the location/department where the new recruit will work. This step should include specific job location and duties.
5. Provide details about various groups and the extent of unionism within the company. In this step, the new employee is given a brief idea about the set-up of the department, production processes, different categories of employees, work rules, safety precautions and rules.
6. Give details about about pay, benefits, holidays, leave and so on.
7. Define the employee's career prospects with reference to the training and development activities that the company organizes with special reference to the new recruits' position.

Content of the Induction Orientation Programme

Keith Davis has listed the following topics covered in an employees' induction programme as shown in Table 11.1:

Table 11.1 *Topics of an Induction Programme*

1. Organizational issues
    - History of the company
    - Names and titles of key executives
    - Employees' title and department
    - Layout of physical facilities
    - Probationary period
    - Products/Services offered
    - Overview of production processes
    - Company policies and rules
    - Disciplinary procedures
    - Employees' handbook
    - Safety steps
2. Employee benefits
    - Pay scales, pay days
    - Vacations, holidays
    - Rest pauses
    - Training avenues
    - Counselling
    - Insurance, medical, recreation and retirement benefits
3. Introductions
    - To supervisors
    - To co-workers
    - To trainers
    - To employee counsellors
4. Job/duties
    - Job location
    - Job tasks
    - Job safety needs
    - Overview of jobs
    - Job objectives
    - Relationship with other jobs

NOTES

NOTES

Induction Training in Some Leading Organizations

The following are accounts of how induction is carried out in some of the leading organizations:

Aptech: The company takes its new entrants through a structured induction training programme. The one-day programme includes a briefing on the company's market position, the business it is in, its functioning style, its organizational structure and its HR policies. The entrants are also familiarized with what others do before being deputed to their own departments. A six-month behavioural training is also offered in team building, self-development, customer-sensitivity and so on. Finally, the recruits are put through an appraisal process to gauge fitment and progress.

Maruti Udyog: The company customizes its initiation programmes to suit the profile of the new recruit. For engineers, the programme is offered in four parts:

1. Familiarize with various functions and meet division heads
2. Work on shop floor
3. Work at various other departments
4. Work in the department for about 2 months, where they will eventually work.

Standard Chartered Bank: The management trainees are picked up from premium B-schools and undergo induction training for about 6 months. During this period, the trainees spend time in the various divisions of the bank to get a holistic view of the bank's operations, and get a chance to meet each of the bank's business heads. A two-day session dedicated to team-building is also conducted thereafter. After taking charge of the job, the new recruits have to attend a review session about the job itself.

Source: *Business Today*, 2000, May 7–21, p. 125.

11.2.1 Types of Induction Programmes

(I) General Induction Programme

Once an offer of employment has been extended and accepted, the final stage in procurement function is concluded. The individual has then to be oriented towards the job and the organization. This is formally done through a process known as induction or orientation. Induction is a welcoming process — the idea is to welcome the candidate, make him feel at home in the changed surroundings and to introduce him to the practices, policies and purposes of the organization. The necessity of an induction programme is that when a person joins an organization, he may feel strange, shy, insecure and/or nervous. Induction leads to reduction of such anxieties.

NOTES

(II) Specific Orientation Programme

Specific orientation is conducted by the foreman. Induction is specific and requires skill on the part of the foreman. A new employee must be provided operational knowledge that is specific to the position and location. The immediate boss (foreman) is responsible for such induction and training. All new employees should know:

(i) The people they work with
(ii) The work they are responsible for
(iii) The result to be accomplished
(iv) The current status of the work
(v) Their relationships in the organization
(vi) Reports and records they must understand and maintain
(vii) Operating policies, procedures and rules
(viii) The service group available to help them

The purpose of specific induction is to enable an employee to adjust himself to his work environment.

(III) Follow-up Induction Programme

The purpose of the follow-up induction programme is to find out whether the employee is reasonably satisfied with the job. It is usually conducted by the foreman or by a specialist from the personnel department. Through guidance and counselling, efforts are made to remove the difficulties experienced by the newcomer. Usually, follow up induction takes place after about one or two months from the time of appointment.

11.2.2 Employee Training: Need, Process, Techniques and Evaluation

To improve the effectiveness of every organization they need to have well-trained and experienced people to perform the activities that have to be done. If the current or potential job occupant can meet this requirement, training is not important. But when this is not the case, it is necessary to raise the skill levels and increase the versatility and adaptability of employees. Inadequate job performance or a decline in productivity or changes result in job redesigning or a technological break; which require some type of training and development efforts. As the jobs become more complex, the importance of employee development also increases. In a rapidly changing society, employee training and development is not only an activity that is desirable but also an activity that an organization must commit resources to if it is to maintain a viable and knowledgeable workforce.

'Training', 'education' and development' are three terms frequently used. On the face of it, there might not appear any difference among them, but certain differences do exist. In all 'training' there is some 'education' and in all 'education' there is some 'training,' and the two processes cannot be separated from 'development'. Precise definitions are not possible and can be misleading, but different persons have used these activities in different ways.

11.2.3 Definition of Training and Development

Training is a process of learning a sequence of programmed behaviour. It is application of knowledge. It gives people an awareness of the rules and procedures to guide their behaviour. It attempts to improve their performance on the current job or prepare them for an intended job.

Development is a related process. It covers not only those activities which improve job performance but also those which bring about growth in personality, and help individuals in the progress towards maturity and actualization of their potential capacities so that they become not only good employees but better men and women.

11.2.4 Difference between Training and Development

'Training is short-term process utilizing a systematic and organized procedure by which non-managerial personnel learn technical knowledge and skills for a definite purpose.... Development is a long-term educational process utilizing a systematic and organized procedure by which managerial personnel learn conceptual and theoretical knowledge for a general purpose.'

Training refers only to instruction in technical and mechanical operations, while development refers to philosophical and theoretical educational concepts. Training is designed for non-managers, while development involves managerial personnel. In the words of Campbell, 'training courses are typically designed for a short-term, set purpose, such as the operation of some piece(s) of machinery, while development involves a broader education for long-term purposes.'

Training and development differ in four ways:

(a) What is learned?

(b) Who is learning?

(c) Why such learning takes place?

(d) When learning occurs?

Check Your Progress

1. Who conducts specific orientation programme?
2. What is the purpose of the follow-up induction programme?
3. Define training.

11.3 TRAINING NEEDS ANALYSIS

The need for the training of employees would be clear from the observations made by the different authorities.

(i) To increase productivity by performance.

(ii) To improve quality by developing a good relationship between employer and employee.

(iii) To help a company fulfil its future personnel needs.

(iv) To improve the organizational climate.

(v) To improve health and safety.

(vi) To prevent obsolescence.

(vii) For personal growth

The need for training arises from more than one reason:

(i) An increased use of technology in production.

(ii) Labour turnover arising from normal separations due to death or physical incapacity for accidents, disease, superannuation, voluntary retirement, promotion within the organization and change of occupation or job.

(iii) Need for additional hands to cope with an increased production of goods and services.

(iv) Employment of inexperienced, new or *badli* labour requires detailed instruction for an effective performance of a job.

(v) Old employees need training to enable them to keep abreast of the changing methods, techniques and use of sophisticated tools and equipment.

(vi) Need for enabling employees to do the work in a more effective way, to reduce learning time, reduce supervision time, reduce waste and spoilage of raw material and produce quality goods and develop their potential.

(vii) Need for reducing grievances and minimizing accident rates.

(viii) Need for maintaining the validity of an organization as a whole and raising the morale of its employees.

11.3.1 Importance of Training

Training is the cornerstone of sound management, for it makes employees more effective and productive. It is actively and intimately connected with all the personnel or managerial activities. It is an integral part of the whole management programme, with all its many activities functionally interrelated.

NOTES

Training is a practical and vital necessity because, apart from the other advantages mentioned above, it enables employees to develop and rise within the organization, and increase their 'market value', earning power and job security. It enables the management to resolve sources of friction arising from parochialism, to bring home to the employees the fact that the management is not divisible. It moulds the employees' attitudes and helps them to achieve better coordination with the company and a greater loyalty to it. The management is benefited in the sense that higher standards of quality are achieved; a satisfactory organizational structure is built up; authority can be delegated and stimulus for progress applied to employees. Training, moreover, heightens the morale of the employees, for it helps in reducing dissatisfaction, complaints, grievances and absenteeism, and the rate of turnover. Further, trained employees make better and economical use of materials and equipment; therefore, wastage and spoilage are lessened, and the need for constant supervision is reduced.

The importance of training has been expressed in the following words:

'Training is a widely accepted problem-solving device. Indeed, our national superiority in manpower productivity can be attributed in no small measure to the success of our educational and industrial training programmes. This success has been achieved by a tendency in many quarters to regard training as a panacea.'

11.3.2 Responsibility for Training

Training is the responsibility of four main groups:

(i) The top management, which frames the training policy

(ii) The personnel department, which plans, establishes and evaluates instructional programmes

(iii) Supervisors, who implement and apply developmental procedure

(iv) Employees, who provide feedback, revision and suggestions for corporate educational endeavours

11.3.3 Creation of a Desire for Training

The employees can be persuaded to be interested in training programmes in one of the following three ways:

1. They will respond to programmes involving changed behaviour if they believe that the resulting modification in the behaviour is in their own interest, that is, they will receive personal benefits as a result of their new behaviour.
2. Trainees will change their behaviour if they become aware of better ways of performing (more productive or otherwise more satisfactory ways) and gain experience in the new pattern of behaviour so that it becomes their normal manner of operation.

3. A trainee may change his behaviour in compliance with the forced demands of his superiors or others with more power than the trainee possesses.

NOTES

Check Your Progress

4. State one reason that gives rise to the need for training.
5. Mention one role of training.

11.4 ANSWERS TO CHECK YOUR PROGRESS QUESTIONS

1. Specific orientation is conducted by the foreman. Induction is specific and requires skill on the part of the foreman.
2. The purpose of the follow-up induction programme is to find out whether the employee is reasonably satisfied with the job.
3. Training is a process of learning a sequence of programmed behaviour. It is application of knowledge.
4. The need for training arises from an increased use of technology in production.
5. Training heightens the morale of the employees, for it helps in reducing dissatisfaction, complaints, grievances and absenteeism, and the rate of turnover.

11.5 SUMMARY

- Any organization has an obligation to make the integration of the individual into the organization as smooth and anxiety free as possible.
- This can be achieved through a formal or informal placement orientation programme depending on the size of the organization and the complexity of the individual's new environment.
- Once an offer of employment has been extended and accepted, the final stage in procurement function is concluded. The individual has then to be oriented towards the job and the organization.
- Specific orientation is conducted by the foreman. Induction is specific and requires skill on the part of the foreman.
- A new employee must be provided operational knowledge that is specific to the position and location.
- The purpose of the follow-up induction programme is to find out whether the employee is reasonably satisfied with the job.

NOTES

- It is usually conducted by the foreman or by a specialist from the personnel department.
- To improve the effectiveness of every organization they need to have well-trained and experienced people to perform the activities that have to be done.
- Inadequate job performance or a decline in productivity or changes result in job redesigning or a technological break; which require some type of training and development efforts.
- As the jobs become more complex, the importance of employee development also increases.
- *Training* is a process of learning a sequence of programmed behaviour. It is application of knowledge.
- Training refers only to instruction in technical and mechanical operations, while development refers to philosophical and theoretical educational concepts.
- Training is the cornerstone of sound management, for it makes employees more effective and productive. It is actively and intimately connected with all the personnel or managerial activities.
- Training is a practical and vital necessity because, apart from the other advantages mentioned above, it enables employees to develop and rise within the organization, and increase their 'market value', earning power and job security.
- It enables the management to resolve sources of friction arising from parochialism, to bring home to the employees the fact that the management is not divisible.
- Training, moreover, heightens the morale of the employees, for it helps in reducing dissatisfaction, complaints, grievances and absenteeism, and the rate of turnover.

11.6 KEY WORDS

- **Training:** It is the process of learning the skills that you need for a particular job or activity.
- **Development:** It is the process in which someone or something grows or changes and becomes more advanced.
- **Employee Retention:** It refers to the ability of an organization to retain its employees.
- **Parochialism:** It refers to a limited or narrow outlook, especially focused on a local area; narrow-mindedness.

11.7 SELF ASSESSMENT QUESTIONS AND EXERCISES

NOTES

Short Answer Questions

1. List the steps usually followed by the HR department while organizing the induction programme.
2. What are the four main groups responsible for training?
3. How can employees be persuaded to be interested in training programmes?
4. Define training and development.
5. Differentiate between training and development.

Long Answer Questions

1. Give a detailed description of the various types of induction programmes.
2. Assess the need, process, techniques and evaluation of employee training.
3. Why does the need for training arises? Discuss.
4. Why is training important? Elaborate based on your understanding of the unit.

11.8 FURTHER READINGS

Venkataraman, C.S. & B. K. Srivastava. 1991. *Personnel Management and Human Resources.* Tata McGraw Hill.

Yoder, Dale & Paul D Standohar. 1990. *Personnel Management and Industrial Relations.* Sterling Publications.

Well, Ian Beard and Len Holden. *Human Resource Management - A Contemporary Perspectives.* Macmillan.

BLOCK - IV

PRINCIPLES OF TRANING MANAGEMENT

NOTES

UNIT 12 PRINCIPLES AND CONCEPTS OF TRAINING

Structure

12.0 Introduction
12.1 Objectives
12.2 Principles or Concepts of Training
  12.2.1 Types of Training Programmes
  12.2.2 Steps in the Training Programmes
  12.2.3 Selection of a Training Method
  12.2.4 Support Material for Training
12.3 Answers to Check Your Progress Questions
12.4 Summary
12.5 Key Words
12.6 Self Assessment Questions and Exercises
12.7 Further Readings

12.0 INTRODUCTION

Taking forward from Unit 11, this unit further discusses the principles and concepts of training. The various steps involved in training programmes, operations analysis, man analysis, task description analysis is also explained in this unit.

As determination of training needs and the problems associated with it are crucial, the unit provides a clear understanding of these topics in its last section.

12.1 OBJECTIVES

After going through this unit, you will be able to:

- Explain the principles and concepts of training
- List the types of training programmes
- Identify training needs
- Describe operations analysis, man analysis and task description analysis
- Examine the support material for training

12.2 PRINCIPLES OR CONCEPTS OF TRAINING

NOTES

Since training is a continuous process and not a one-shot affair, and since it consumes time and entails much expenditure, it is necessary that a training programme or policy be prepared with great thought and care, for it should serve the purposes of the establishment as well as the needs of employees.

A successful training programme presumes that sufficient care has been taken to discover areas in which it is needed most and to create the necessary environment for its conduct. The selected trainer should be one who clearly understands his job, has professional expertise, has an aptitude and ability for teaching, possesses a pleasing personality and a capacity for leadership, is well-versed in the principles and methods of training, and is able to appreciate the value of training in relation to an enterprise.

Certain general principles need be considered while organizing a training programme. For example:

1. Trainees in work organizations tend to be most responsive to training programmes when they feel the need to learn, i.e., the trainee will be more eager to learn training if training promises answers to problems or needs he has as an employee. The individual who perceives training as the solution to problems will be more willing to enter into a training programme than the individual who is satisfied with his present performance abilities.
2. Learning is more effective where there is reinforcement in the form of rewards and punishments, i.e., individuals do things that give pleasure and avoid things that give pain. In other words, after an action, if satisfaction is received, the action will be repeated. If no satisfaction is received, the action will not be repeated.
3. In the long run, awards tend to be more effective for changing behaviour and increasing one's learning than punishments.
4. Rewards for the application of learned behaviour are most useful when they quickly follow the desired performance.
5. The larger the reward for good performance following the implementation of learned behaviour, the greater will be the reinforcement of the new behaviour.
6. Negative reinforcement, through application of penalties and heavy criticism following inadequate performance, may have a disruptive effect on the learning experience of the trainee than positive reinforcement.
7. Training that requests the trainee to make changes in his values, attitudes and social beliefs usually achieves better results if the trainee

is encouraged to participate, discuss and discover new and desirable behaviour norms.

8. The trainee should be provided with feedback on the progress he is making in utilizing the training he has received. As *Miller* has stated, 'If a person with the required abilities is to improve his performance, he must (i) know what aspect of his performance is not up to par; (ii) know precisely what corrective actions he must take to improve his performance.' Feedback should be fast and frequent, especially for the lower level jobs which are often routine and quickly completed.
9. The development of new behaviour norms and skills is facilitated through practice and repetition. Skills that are practised often are better learned and less easily forgotten.
10. The training material should be made as meaningful as possible, because if the trainee understands the general principles underlying what is being taught, he will probably understand it better than if he were just asked to memorize a series of isolated steps.

12.2.1 Types of Training Programmes

(i) Induction or Orientation Training

It is the method of introducing a new employee into the organization with a view to gaining his confidence and developing a sense of cooperation in him. It is a training programme used to induct a new employee into the new social setting of his work. The new employee is introduced to his job situation and to his co-employees. He is also informed about the rules, working conditions, privileges and activities of the company. The induction training not only helps personal adjustment of the new employee to his job and work group but also promotes good morale in the organization.

An induction programme should aim at achieving the following objectives:

(a) To build up the new employee's confidence in the organization so that he may become an efficient employee.

(b) To ensure that the new employee may not form false impressions regarding their place of work.

(c) To promote a feeling of belonging and loyalty.

(d) To give information to the new employee about canteen, leave rules and other facilities.

In short, planned induction welcomes a new employee, creates a good attitude, reduces labour turnover and makes the employee feel at home right from the beginning.

(ii) Job Training

The object of job training is to increase the knowledge of workers about the job with which they are concerned, so that their efficiency and performance are improved. In job training, workers are enabled to learn correct methods of handling machines and equipment avoiding accidents, minimizing wastes, and so on.

Under this technique, an employee is placed in a new job and is told how it may be performed. It is primarily concerned with developing in an employee, the skills and habits consistent with the existing practices of an organization and with orienting him to his immediate problems. The employees learn the job by personal observation and practice as well as occasionally handling it. It is learning by doing, and it is most useful for jobs that are either difficult to stimulate or can be learned quickly by watching and doing. The actual training follows a four-step process:

(a) Preparation of the trainee for instruction.

(b) Presentation of the instructions in a clear manner.

(c) Having the trainee try out the job to show that he has understood the instructions.

(d) Encouraging the question and allowing the trainee to work alone and the trainer follow up regularly.

(iii) Promotional Training

Many concerns follow a policy of filling some of the vacancies at higher levels by promoting existing employees. This policy increases the morale of workers. When the existing employees are promoted to superior positions in the organization, they are required to shoulder new responsibilities. For this, training has to be given.

(iv) Refresher Training

With the passage of time, employees may forget some of the methods, which were taught to them, or they may have become outdated because of technological development and improved techniques of management and production. Hence, refresher training is arranged for existing employees in order to provide them an opportunity to revive and also improve their knowledge.

According to Dale Yoder 'Retraining (refresher training) programmes are designed to avoid personnel obsolescence.' Thus, refresher training is essential because:

(a) Employees require training to bring them up-to-date with the knowledge and skills and to relearn what they have forgotten.

NOTES

(b) Rapid technological changes make even the most qualified workers obsolete in course of time.

(c) Refresher training becomes necessary because many new jobs are created and are to be manned by the existing employees.

(v) Apprenticeship Training

Apprenticeship training system is widely in vogue today in many industries. It is a good source of providing the required personnel for the industry. Under this method, both knowledge and skills in doing a job or a series of related jobs are involved. The apprenticeship programmes combine on-the-job training and experience with classroom instructions in particular subjects. Apprenticeship training is desirable in industries that require a constant flow of new employees expected to become all-round craftsmen.

(vi) Internship Training

Internship training is usually meant for such vocations where advance theoretical knowledge is to be backed up by practical experience on the job. Under this method, the professional institutes enter into arrangement with a big business enterprise for providing practical knowledge to its students. For example, engineering students are sent to industrial enterprise and medical students are sent to hospitals for practical knowledge.

12.2.2 Steps in the Training Programmes

The training programme is a costly and time-consuming process. The training procedure discussed below is essentially an adoption of the job instruction-training course. The following steps are usually considered necessary:

(i) Discovering or identifying training needs

(ii) Preparing the instruction or getting ready for the job

(iii) Preparing the trainee

(iv) Presenting the operation

(v) Try out the trainees' performance

(vi) Follow-up or rewards and feedback

(i) Discovering or Identifying the Training Needs

A training programme should be established only when it is felt that it would assist in the solution of specific problems. Identification of training needs must contain three types of analysis:

- **Organizational analysis:** Determine the organization's goals, its resources and the allocation of the resources as they relate to the organizational goals.

- **Operations analysis:** Focuses on the task or job regardless of the employee doing the job.
- **Man analysis:** Reviews the knowledge, attitudes and skills a person must acquire to contribute satisfactorily to the attainment of organizational objectives.

Armed with the knowledge of each trainee's specific training needs, programmes of improvement can be developed that is tailored to these needs. The training programme then follows a general sequence aimed at supplying the trainee with the opportunity to develop his skills and abilities.

(ii) Preparing the Instructor

The instructor is the key figure in the entire programme. He must know both the job to be taught and how to teach it. The job must be divided into logical parts so that each can be taught at a proper time without the trainee losing perspective of the whole. This becomes a lesson plan. For each part one should have in mind the desired technique of instruction, i.e., whether a particular point is best taught by illustration, demonstration or explanation.

(iii) Preparing the Trainee

This step consists of:

- Putting the learner at ease.
- Stating the importance and ingredients of the job and its relationship to work flow;
- Explaining why he is being taught
- Creating interest and encouraging questions, finding out what the learner already knows about his job or other jobs.
- Explaining the 'why' of the whole job and relating it to some job the worker already knows.
- Placing the learner as close to his normal position as possible, and
- Familiarizing him with the equipment, materials, tools and trade terms.

(iv) Presenting the Operations

This is the most important step in a training programme. The trainer should clearly tell, show, illustrate and question in order to put over the new knowledge and operations. There are many ways of presenting the operation namely, explanation, and demonstration, and so on. An instructor mostly uses the method of explanation. In addition, one may illustrate various points through the use of pictures, charts, diagrams and other training aids. Demonstration is an excellent device when the job is essentially physical in nature. The following order of training may be followed:

NOTES

- Explain the course for the job.
- Do the job step by step according to the procedure.
- Explain each step that he is performing.
- Have the trainee explain the entire job.

Instructions should be given clearly, completely and patiently; there should be an emphasis on key points and one point should be explained at a time. The trainee should also be encouraged to ask questions in order to indicate that he really knows and understands the job.

(v) Try out the Trainees' Performance

Under this, the trainee is asked to go through the job several times slowly, explaining him each step. Mistakes are corrected, and if necessary, some complicated steps are done for the trainee the first time. Then the trainee is asked to do the job, gradually building up skill and speed. As soon as the trainee demonstrates that he can do the job in the right way, he is put on his own. The trainee, through repetitive practice, will acquire more skill.

(vi) Follow-up

The final step in most training procedures is that of follow up. This step is undertaken with a view to testing the effectiveness of training efforts. The follow up system should provide feedback on training effectiveness and on total value of training system. It is worth remembering that if the learner hasn't learnt, the teacher hasn't taught.

12.2.3 Selection of a Training Method

The selection of an appropriate method depends upon the following factors.

(i) Nature of Problem Area

The choice of a training method depends upon the task to be done or the manner in which people interact with each other, i.e., the problem may be either an operational problem or a human relations problem.

(ii) Level of Trainees in the Organization's Hierarchy

The choice of a training method also depends upon the level of the participants.

(iii) Method's Ability to Hold and Arouse the Interest of Trainees During the Training Period

A trainer has to consider alternative methods of presenting training material to participants also from the point of view of their ability to stimulate interest and facilitate retention of the matter.

NOTES

(iv) Availability of Competent Trainers

A training method is as effective as the ability of the trainer. He is the most important figure in the entire training programme. Therefore, before venturing into a training programme we have to first find a good trainer.

(v) Availability of Finance

Availability of finance is crucial for any training programme. To make a training programme effective adequate finance is necessary.

(vi) Availability of Time

Training cannot be done in a hurry. Adequate time is necessary to make the training programme a success.

12.2.4 Support Material for Training

A variety of tools and equipment are utilized to impart effective training. These are as follows:

- Lectures (learning by hearing supplemented by reading assignments); conferences, seminars and staff-meetings (learning by participation); demonstrations (learning by seeing); and short courses, through coaching
- Role-playing (learning by doing) and job rotation (learning by experience)
- Case or project studies and problem-solving sessions (learning by personal investigation)
- Use of pamphlets, charts, brochures, booklets, handbooks, manuals, etc.
- Graphs, pictures, books, slides, movie projectors, filmstrips, tape recorders, etc.
- Posters, displays and notice and bulletin boards
- Reading rooms and libraries where specified books and journals are maintained for reference and use
- Under-study and visits to plants
- Correspondence courses under which knowledge about business law, statistics, industrial management, marketing, office procedures, retailing and many other similar subjects may be imparted
- Teaching machines
- Membership of professional or trade associations, which offer new techniques and ideas to their members

NOTES

Check Your Progress

1. When are trainees most responsive to training programmes?
2. What is orientation training?
3. What is the object of job training?
4. What is the purpose of refresher training?

12.3 ANSWERS TO CHECK YOUR PROGRESS QUESTIONS

1. Trainees in work organizations tend to be most responsive to training programmes when they feel the need to learn.
2. Orientation training is the method of introducing a new employee into the organization with a view to gaining his confidence and developing a sense of cooperation in him.
3. The object of job training is to increase the knowledge of workers about the job with which they are concerned, so that their efficiency and performance are improved.
4. Refresher training is arranged for existing employees in order to provide them an opportunity to revive and also improve their knowledge.

12.4 SUMMARY

- Since training is a continuous process and not a one-shot affair, and since it consumes time and entails much expenditure, it is necessary that a training programme or policy be prepared with great thought and care, for it should serve the purposes of the establishment as well as the needs of employees.
- A successful training programme presumes that sufficient care has been taken to discover areas in which it is needed most and to create the necessary environment for its conduct.
- Trainees in work organizations tend to be most responsive to training programmes when they feel the need to learn, i.e., the trainee will be more eager to learn training if training promises answers to problems or needs he has as an employee.
- Learning is more effective where there is reinforcement in the form of rewards and punishments.
- Training that requests the trainee to make changes in his values, attitudes and social beliefs usually achieves better results if the trainee is encouraged to participate, discuss and discover new and desirable behaviour norms.

- The trainee should be provided with feedback on the progress he is making in utilizing the training he has received.
- The training material should be made as meaningful as possible, because if the trainee understands the general principles underlying what is being taught, he will probably understand it better than if he were just asked to memorize a series of isolated steps.
- Induction or Orientation Training is the method of introducing a new employee into the organization with a view to gaining his confidence and developing a sense of cooperation in him.
- It is a training programme used to induct a new employee into the new social setting of his work.
- The object of job training is to increase the knowledge of workers about the job with which they are concerned, so that their efficiency and performance are improved.
- According to Dale Yoder 'Retraining (refresher training) programmes are designed to avoid personnel obsolescence.'
- Apprenticeship training system is widely in vogue today in many industries. It is a good source of providing the required personnel for the industry.
- The instructor is the key figure in the entire programme. He must know both the job to be taught and how to teach it.
- The choice of a training method depends upon the task to be done or the manner in which people interact with each other, i.e., the problem may be either an operational problem or a human relations problem.

12.5 KEY WORDS

- **Instructor:** It refers to a person who teaches something.
- **Marketing:** It refers to the action or business of promoting and selling products or services, including market research and advertising.
- **Retail:** It is the sale of goods to the public in relatively small quantities for use or consumption rather than for resale.

12.6 SELF ASSESSMENT QUESTIONS AND EXERCISES

Short Answer Question

1. State the general principles that to need be considered while organizing a training programme.

2. What is promotional training?
3. Discuss the tools and equipment utilized to impart effective training.

Long Answer Questions

NOTES

1. Explain the different types of training programmes in detail.
2. Elucidate the steps involved in the training programmes.
3. What factors influence the selection of a training programme?

12.7 FURTHER READINGS

Venkataraman, C.S. & B. K. Srivastava. 1991. *Personnel Management and Human Resources.* Tata McGraw Hill.

Yoder, Dale & Paul D Standohar. 1990. *Personnel Management and Industrial Relations.* Sterling Publications.

Well, Ian Beard and Len Holden. *Human Resource Management - A Contemporary Perspectives.* Macmillan.

UNIT 13 TRAINING METHODS AND TECHNIQUES

Structure

13.0 Introduction
13.1 Objectives
13.2 Training Techniques
13.3 Evaluation of Training
- 13.3.1 Benefits of Training Evaluation
- 13.3.2 Models of Evaluation
- 13.3.3 Levels of Evaluation
- 13.3.4 Evaluation Designs
- 13.3.5 Accountability For Training
- 13.3.6 Evaluation of Training Programme

13.4 Answers to Check Your Progress Questions
13.5 Summary
13.6 Key Words
13.7 Self Assessment Questions and Exercises
13.8 Further Readings

13.0 INTRODUCTION

Organizations have been regularly conducting training programmes to prepare and equip employees to do their jobs in a more efficient manner. Today, in order to achieve this, numerous methods and materials with the most effective training techniques are available. Indeed, with so many choices out there, it can be daunting to determine which methods to use and when to use them.

However, using several methods, as per need and requirement, for each training session may actually be the most effective way to help employees learn and retain information. In this unit, we will study many of the techniques that are being used and examine their advantages and disadvantages.

The unit will go on to discuss the evaluation of training. As individuals, we are perpetually evaluating or assessing everything — from quality of groceries to insurance policies. While evaluating anything, individuals have certain standards or criteria in mind for determining its intrinsic value. The criteria may be its quality, its usefulness or its comparative advantages *vis-à-vis* other products. While buying a cell phone, the buyer will evaluate one cell phone against another. They establish criteria that may include style, cost, features, resale value, etc. Then they evaluate against these standards. Through these standards, they make a decision about buying the particular cell phone. Organizations evaluate training in a similar manner. The training event is evaluated against a standard. Organizations formalize the standards through some instrument which enables consistent evaluation of all training events. The evaluation results are used for making decisions with regard to the utility, design, impact and development of the training course.

The objective of evaluation is to measure the impact of training on organizational effectiveness. The evaluation process involves data collection, which helps organizations make decisions about discarding or expanding the training course, changing the content or instructional strategy. In short, evaluation is an appraisal of training to ascertain its value for the organization.

13.1 OBJECTIVES

After going through this unit, you will be able to:

- Discuss the various training methods and techniques
- Explain On-the-Job-Training (OJT) and its merits and demerits
- Describe Job Instruction Training
- Assess Vestibule Training (or Training-Centre Training) and its merits and demerits
- Explain the importance of training evaluation
- Understand the principal models of evaluation
- Examine the measurement techniques used for evaluation
- List the factors that contribute to evaluation effectiveness

13.2 TRAINING TECHNIQUES

The forms and types of employee training methods are interrelated. It is difficult, if not impossible, to say which of the methods or combination of methods is more useful than the other. In fact, methods are multi-faceted in scope and dimension, and each is suitable for a particular situation.

The methods of training are as follows:

- On-the-job-training (OJT)
- Job instruction training (JIT)
- Vestibule training
- Training by experienced workmen
- Classroom or off-the-job-training, like
  - o lecture
  - o conferences
  - o group discussion
  - o case studies

o role playing

o programme instruction

o T-group training

I. On-the-Job-Training (OJT)

NOTES

There are a variety of OJT methods, such as the following:

- Coaching
- Under study
- Job rotation
- Internship
- Apprenticeship

Merits of On-the-Job-Training

- Trainee learns on the actual equipment in use and in the true environment of his job.
- It is highly economical since no additional personnel or facilities are required for training.
- The trainee learns the rules, regulations and procedures by observing day-to-day applications. He can, therefore, be easily sized up by the management.
- This type of training is a suitable alternative for a company in which there are almost as many jobs as there are employees.
- It is most appropriate for teaching the knowledge and skills which can be acquired in a relatively short period, say, a few days or weeks.

Demerits of On-the-Job-Training

- Instruction is often highly disorganized.

II. Job Instruction Training (JIT)

This method is very popular in the US for preparing supervisors to train operatives. The JIT method requires skilled trainers, extensive job analysis, training schedules and prior assessment of the trainee's job knowledge. This method is also known as 'training through step-by-step learning.' It involves listing all necessary steps in the job, each in proper sequence. These steps show what is to be done. Alongside each step is also listed a corresponding 'key point', which shows how it is to be done and why.

The job instruction training process is in four steps:

(i) The preparation of the trainee for instruction. This includes putting him at ease, emphasizing the importance of the task and giving a general description of job duties and responsibilities.

NOTES

(ii) Presentation of the instructions, giving essential information in a clear manner. This includes positioning the trainee at the work site, telling and showing him each step of the job, stressing why and how each step is carried out as it is shown.

(iii) Having the trainee try out the job to show that he has understood the instructions. If there are any errors they are corrected.

(iv) Encouraging the question and allowing the trainee to work along. The trainer follows up regularly.

The JIT method provides immediate feedback on results, quick correction of errors and provision of extra practice when required.

However, it demands a skilled trainer and can interfere with production and quality.

III. Vestibule Training (or Training-Centre Training)

It is a classroom training which is often imparted with the help of the equipment and machines which are identical with those in use in the place of work. This technique enables the trainee to concentrate on learning the new rather than on performing an actual job.

It is a very efficient method of training semi-skilled personnel, particularly when many employees have to be trained for the same kind of work at the same time.

Training is generally given in the form of lectures, conferences, case studies, role playing and discussions.

Merits of the Vestibule Training

- Training is given in a separate room and distractions are minimized.
- Trained instructor, who knows how to teach, can be more effectively utilized.
- The correct method can be taught without interrupting production.
- It permits the trainee to practice without the fear of supervisors'/co-workers' observation and their possible ridicule.

Demerits of the Vestibule Training

- The splitting of responsibilities leads to organizational problems.
- An additional investment in equipment is necessary, though the cost may be reduced by getting some productive work done by trainees while in the school.
- This method is of limited value for the jobs which utilize equipment that can be duplicated.
- The training situation is somewhat artificial.

Check Your Progress

1. State one merit of On-the-Job-Training.
2. Which method is also known as 'training through step-by-step learning'?
3. What is vestibule training?

13.3 EVALUATION OF TRAINING

Evaluation refers to the process of determining the value of something, such as quality of gold or quality of learning content. Evaluation of training refers to the process of collecting data pertaining to training activities. The collected data is analysed to make decisions about training activities. The process of evaluation of training has to be undertaken with care because important organizational decisions are based on it. Prudent decisions to introduce, retain or discard particular training activities can have a major effect on the health of organizations, while poor decisions can have a negative impact on organizations. However, organizational decision-making involves a number of elements like organizational context, current operational status, future plans, etc., but it is the evaluation process, which provides vital inputs for decision-making. In fact, the evaluation process does not lead to decisions; it just provides the decision-maker with data on the basis of which he makes decisions.

Before we attempt to define the term training evaluation, it is necessary to distinguish evaluation from measurement, because most students consider both words to be synonymous. Although 'evaluation' and 'measurement' are linked, from training point of view they cannot be used interchangeably. Measurement is the process of ascribing a numerical value to different aspects of a training event. It is primarily focused on collecting data about a specific training event or a programme. Evaluation is the process of analysing the data and arriving at some form of judgment about the training event.

There are as many definitions as there are textbooks on training evaluation. But we shall be following the definition provided by *Glossary of Training and Learning Terms* produced by Institute of Training and Occupational Learning (ITOL), UK.

'The assessment of the total value of a training programme, training system or training course in both value and cost-effective terms (i.e. an effective ROI) differs from validation in that it is concerned with the overall benefit of the complete training programme and its implementation and not just the achievement of the laid-down objectives. It includes all the pre-course and post-course implementation of the learning by the learner at work.'

NOTES

Another simple yet useful definition is provided by Hamblin:

> Any attempt to obtain information (feedback) on the effects of a training programme and to assess the value of training in the light of that information.

There are many levels at which a training event can be evaluated, but there are only two basic dimensions to evaluation. Warr, Bird and Rackham identified the two basic dimensions of evaluation as input evaluation and outcome evaluation. Input evaluation covers questions which need to be asked before the training event can be organized. Input evaluation considers those issues of training over which the trainer has choice and control such as:

- Training approach
- External or internal sources
- Format of the training event

Outcome evaluation is concerned with identifying from evidence changes which have occurred as a result of training.

Training evaluation is an ongoing process and is not something which is limited to end of the training event assessment. Trainers evaluate trainees during the session, at the end of the training event, and after the trainees report to the jobs.

During the session: As trainees participate in skill practice, case studies, exercises and simulations, the trainer observes the degree to which trainees have mastered training content.

At the end of the session: This is done to evaluate the trainees' learning and to ascertain their reactions to the training event.

After the training: A couple of weeks or a month after the training event, the trainee's job performance is evaluated to determine whether he or she is applying the newly acquired skills to their jobs.

Purpose of evaluation: Evaluation as a process generates data, while analysis and utility of evaluation as a process lies in the purpose it serves. Following are some purposes for conducting training evaluation:

(i) To improve the design of the learning experience: Evaluation process helps in verifying the needs assessment, training objectives, instructional strategies, training delivery and training content. Verifying these aspects related to training helps in improving future training events.

(ii) To determine the achievement of training objectives: Training objectives are stated in measurable terms and evaluation ascertains whether the specified objectives were met or not. Along with achievement, it is critical to know the extent of the achievement of objectives. This allows the trainer to focus on content reinforcement and improvement.

(iii) To determine the adequacy of the content: Evaluation helps to identify content-related issues, such as its adequacy, quality, sequencing etc. It helps in making the content more job-oriented and more learning-oriented in terms of degree of difficulty. Evaluation identifies the alignment of content with training objectives.

(iv) To assess the effectiveness of instructional strategies: Evaluation provides the trainer with an understanding of the effectiveness of instructional strategy used. It assesses the relevance of training techniques like case studies, role plays, etc. to the training objective. Evaluation helps to identify gaps in the delivery of training. Instructional strategies, when used as part of evaluation, can measure knowledge, skills and abilities the learning experience offers.

(v) To reinforce learning: Learning has to be reinforced by the trainer during the session, for effective learning. Some evaluation methods can reinforce learning. For example, a test or similar performance assessment can focus on content, so that content retention is measured and evaluated. The measurement process itself causes the trainee to reflect on the content, select the appropriate content area, and use it in the evaluation process.

(vi) To provide feedback to the trainer: The process of evaluation is not only meant to evaluate the trainees, in fact it evaluates every aspect of training including the trainer or facilitator performance. Trainer evaluation provides the trainer with feedback in terms of content adequacy, his understanding of the training topic, his training skills, his presentation etc. In short, evaluation provides a performance feedback to the trainer, which helps the trainer in improving his facilitating skills.

(vii) To determine the appropriate pace and sequence: Pace refers to the speed with which the trainer conducts his session and sequence refers to the arrangement of topics of the training course. The pace and sequence plays an important role in learning. It considers issues like amount of time required for effective completion of training, flow of content, etc.

(viii) To provide feedback to trainees on learning: Giving feedback to trainees on learning aspects is the most important purpose of training. Evaluation provides feedback, which allows trainees to know the area of learning that requires more attention, to perceive any change in knowledge and skills etc. Evaluation feedback allows the trainee to know his learning status vis-à-vis training content.

(ix) To identify trainees who are learning: Evaluation can identify those trainees who are making progress in learning and those who are struggling to cope with the training course. Evaluation provides the trainer with data which allows him to identify and focus on trainees who have learning problems with content.

(x) To determine business impact: Evaluation enables identifying shifts in business metrics and contribution of training to organizational growth. Evaluation allows the organization to determine return on investment on training programme. In short, evaluation assesses the impact of training on the organization as a whole.

(xi) To identify learning that is being used on the job: Evaluation identifies those knowledge and skills which are being used by trainees for effective performance of jobs. This data allows the organization to focus on those knowledge and skills which have utility value at job site for future training programmes.

(xii) To assess on-the-job environment to support learning: Training success is not only achieving desired performance levels after the training event but it also ensures successful transfer of learning to job site. Evaluation identifies those factors which support transfer of learning, which could be management support or peer support etc.

(xiii) To build relationships with management: The whole evaluation process involves sizable management participation. The identification of the business metric, evaluation plan, collection of information, and communication of results, all involve management. This involvement allows the training department to build a constructive and working relationship with individuals who matter in the organization.

Evaluation is a lengthy process of data collection and analysis but the organizations conduct it as it serves the above mentioned purposes.

13.3.1 Benefits of Training Evaluation

Training evaluation is undertaken by organizations because of its benefits to:

Improve training programme design

A comprehensive evaluation of training generates data that can be used to improve the overall design of a programme, including vital areas of training design, instructional strategy, content, delivery method, duration, timing, focus and expectations. By using evaluation data, training processes can be adjusted to improve learning in future training programmes.

Identify and improve dysfunctional processes

Every training programme is systematically planned and goes through a number of stages before it is finalized. In the process of development, there is always a possibility of some steps being inadequately addressed or misaligned. The most apparent misstep could be the needs assessment or the performance assessment or analysis. An evaluation can determine whether the need assessment was conducted properly, thereby aligning the programme with organizational needs. Additional evaluation can also be undertaken to determine whether organizational interventions are needed in areas other than training and development. Often organizations introduce training programmes to solve issues which might require non-training solutions. An effective evaluation system can identify such situations for the benefit of the organization. Evaluations can be very useful for identifying supportive job environments, which facilitate effective transfer of learning. It can identify processes which hinder the use of learning in work place. In short, effective evaluation is useful for identifying inadequacies in the execution of training plans, thereby helping in improving the training system.

Enhance transfer of learning

Training in itself has no utility value for organizations unless and until the learning is transferred to the job site or work place. Transfer of learning is one of the biggest challenges which confront most organizations' training departments. In fact, research shows that sixty to ninety per cent of job-related skills or knowledge acquired in training is not being implemented on the job by the worker or employee.

Evaluation can play an important role in transfer of learning by identifying barriers which either hinder or do not support learning transfer. A comprehensive evaluation system can identify specific individuals who may be blocking or hindering the use of learning. It can also suggest ways and means of reducing or eliminating the transfer barriers completely, so that learning is effectively utilized on the job.

Eliminate unnecessary and ineffective programmes

Since training involves costs, and in case of training programmes which do not contribute in terms of value, it is better to discontinue such programmes and save on cost. Similarly, training programmes which are found wanting in terms of content or delivery and are beyond repair, should be discontinued. Evaluation data can be used for judging the utility of training programmes in terms of cost-effectiveness. Based on evaluation data, organizations make critical decisions of continuing or discarding a specific training programme.

Expand or implement successful programmes

If evaluation data contributes to the decision of eliminating a training programme, it is also instrumental in training a programme's expansion and continuance. Positive evaluation results attest the utility of the programme. And the success of training programme in one division creates possibilities of its success in other divisions also, if similar training needs exist.

Enhance the credibility of learning and development staff

Since most organizations consider training department as a cost centre, they often question the credibility and utility of training function. Employees perceive training as a process, which focuses on satisfaction and morale.

These are perceptions that need to be changed in order to build respect for the contribution made by a training department to the organization. Evaluation of data can be useful for highlighting the contribution made by training for organizational development. Impact assessment and return on investment data can be used to highlight the positive effect of training function on organizational processes. Appropriate evaluation data enhances the credibility of the training department when the data reveals the value added to the organizations. In practice, evaluation data is often used by training managers to justify the contribution made by training to organizational objectives.

Build support of managers

Line managers or supervisors are often sceptical of releasing employees for training programmes at the cost of production schedules. The reason for this is their lack of confidence in training function and the little utility value they attach to the training programme. Evaluation data can be used to persuade these sceptical mangers to release employees for training. And the data can also be used to make these managers understand how training can result in better employee performance. When the mangers are convinced about the effectiveness of training, they will play a part in reinforcing learning in the work environment.

Set priorities for learning and development

In almost all organizations, the resources to meet learning and development demands are always limited. Hence, training departments prioritize the expenditure on training. A comprehensive evaluation system often helps the training department in determining the training programme priorities. By using evaluation data, the training department classifies the training programmes according to the impact they have on the organizational processes. Training programmes with high impact are given the topmost priority. In a way, evaluation process helps in setting training priorities for an organization.

Reinvent learning and development

The long-term effect of investing in training evaluation is the transformation of training and development function. Evaluation data and analysis reveals the extent of alignment between training, development and business. This alignment requires a continuous focus on organizational training needs and the training outcomes that can be achieved by training programmes. Evaluation data streamlines programmes that are inefficient and eliminates those that cannot add value. In short, evaluation realigns the training and development function, so that it is a productive part of the organization.

Now that we have defined and established the importance of training evaluation to the organization, we can proceed to study the training and evaluation models.

NOTES

13.3.2 Models of Evaluation

Training evaluation models trace their roots to the measurement and evaluation practices of psychology. The practice of evaluation has also been influenced by learning and instructional theories of educational psychology. Particularly influential is the four-level model of Kirkpatrick, which we shall be outlining along with some other principal models.

Kirkpatrick's Model

The evaluation model put forward by Kirkpatrick has received most attention from trainers and experts since its introduction. Kirkpatrick identified four levels of evaluation which are as follows:

LEVEL 1: Reaction

The first level measures the reactions of trainees in the training programme. This is different from an objective assessment of the programme in 'real' evaluation terms. This level measures trainees' reaction to the training process, to the course events, the conduct of the training event etc. This level is concerned with questions like:

- How well did trainees like the event?
- Were the participants happy with the training?

LEVEL 2: Learning

This level evaluates the extent of change in trainees as a result of participation in the training programme. This level attempts to determine the degree of change in behaviour, increase in skill or knowledge in the trainee after the training experience. Validation measures at the end of the training programme provide information about:

- What did trainees learn?
- What principles, facts and techniques were learnt by trainees?
- Was there any improvement in skill levels after training?

LEVEL 3: Behaviour

This level measures the change effected by the training event in terms of job behaviour and performance. The behaviour referred to at this level is not only interpersonal behaviour but also the transfer to work of the trainee's knowledge, attitude and skills following the training programme. It seeks to evaluate the implementation of learning acquired at the training event. The principal questions raised at this level are:

- What did the trainees do with the learning?
- Did the participants change their behaviour based on what was learnt?

NOTES

LEVEL 4: Results

This level extends the changes observed and implemented in Level 3 in an attempt to rationalize the cost and value-effectiveness of the learning. This level attempts to evaluate the tangible, positive effects of change on the organization in terms of organizational improvement. The principal question raised at this level is:

- Did the behaviour change have a positive effect on the organization?

Some trainers and critics found the model silent on activities of the learner before the training programme. And some found that it did not cover the financial aspect adequately. Jack Philips added two more levels to Kirkpatrick's four-level model:

LEVEL 0: This level covers activities of the trainee before he attends the training programme. It covers actions which lead to the start of full evaluation process. It includes calculation of (before attending) base level value of trainees who will attend the training. This calculation and collection of base line data later enables better evaluation of changes that may have occurred as a result of training.

LEVEL 5: This level covers the financial results, especially the return on investment (ROI). ROI refers to the process of assessing the cost-and-value effectiveness of training, which in turn leads to assessment of returns provided by training to organization, in terms of effectiveness, growth and development. Organizations conduct ROI assessment to determine the value added by training to the organization. But most trainers and experts feel that Kirkpatrick covers this aspect adequately in his level 4.

Hamblin's Model

Hamblin suggested an evaluation model having five levels:

LEVEL 1: Reaction: At this level, evaluation is carried out during, immediately after and sometime after the training event. The evaluator seeks reactions to a range of factors.

LEVEL 2: Learning: At this level, evaluation is carried out before and after the training event. At this stage, the evaluator seeks to determine the developmental change in a trainee in terms of knowledge, skills and attitudes.

LEVEL 3: Job Behaviour: At this level, the evaluator seeks to identify change in job performance of the trainee as a result of training. Evaluation is carried out before and after the training event.

LEVEL 4: Functioning: At this stage, the evaluator quantifies the effect of training event on the trainee's department and the organization. Quantification of effect is done on the basis of cost-benefit analysis.

LEVEL 5: Ultimate value: At this evaluation level, the evaluator determines the extent of impact of training event on the ultimate profitability or survival of the organization.

Warr, Bird and Rackham's Model

Warr, Bird and Rackham identified four categories for the purpose of evaluation:

Context evaluation

Within the context category, the evaluator reviews operational context of the training event, needs identification, the performance gaps that needs to be filled by training, training objectives, changes in operational performance at an intermediate stage, immediate objectives and their achievement.

Input evaluation

Input evaluation deals with the evaluation of the training events, including the training methodology, training content, trainer performance etc.

Reaction evaluation

In this category, the evaluator seeks to evaluate the reaction of trainees to the training event. Data is collected before and after the training event.

Outcome evaluation

The experts suggested four stages for conducting outcome evaluation, which include:

- Definition of training objectives
- Construction of evaluation instruments
- Use of the instruments
- Review of the results

Apart from these models, there are other models of evaluation also which the trainers use according to the suitability of situations. These models are listed below:

- Bloom's taxonomy model
- Robert Stake's Responsive Evaluation model
- Robert Stake's Congruence-Contingency model
- PERT (Programme Evaluation and Review Technique)
- Alkins' UCLA model
- Michael Scriven's Goal-Free Evaluation model
- The American Evaluation Association model

Let us examine some of these models in greater detail.

Bloom's Taxonomy model

Benjamin S. Bloom's books, *Taxonomy of Educational Objectives: Handbook 1, The Cognitive Domain* and *Taxonomy of Educational Objectives: Handbook ÉÉ, The Affective Domain* emphasize on the 'knowledge, skills and attitudes' structure of training method and evaluation. This model provides training developers with an effective structure for not only designing but also evaluating training programmes. The model consists of three 'overlapping domains', which are as follows:

- Cognitive domain (knowledge)
- Affective domain (attitudes)
- Psychomotor domain (skills)

Bloom organized these domains progressively on the premise of degree of difficulty. In simple words, the trainee had to master one level before progressing to the next. From an evaluation perspective, Bloom's taxonomy provides a 'readymade checklist', that organizations can use to design an evaluation procedure for assessing the success of the training at each level or domain.

Robert Stake's Responsive Evaluation model

Robert Stake was critical of most approaches to evaluation as he found them to be 'pre-ordinate' because of the emphasis placed on:

- Statement of goals
- Use of objectives
- Standards held by program personnel
- Research type reports

As an alternative to the traditional goal and test oriented evaluation plans, Stake provided his evaluation plan known as 'responsive evaluation'. According to Stake, 'It is an evaluation based on what people do naturally to evaluate thing: they observe and react.' The whole objective of Stake's evaluation model is to reduce the element of subjectivity inherent in the traditional evaluation models. Stake considered evaluation as responsive if:

- It focuses on program 'activities' rather than on programme 'intent'
- It responds to trainees requirements for information
- The trainee's different value perspectives are considered while judging the success or failure of the programme.

Alkin's UCLA model

This model of evaluation includes the following steps:

- Systems assessment: it is the process of collecting data or information for the purpose of assessing the system.

NOTES

- Programme planning: after the assessment the training programme is planned or selected to suit the specific learning needs.
- Programme implementation: the next step is to implement the programme and collect related information to ascertain whether it was introduced appropriately or in a desired manner.
- Programme improvement: information collected during implementation is analysed to assess whether the desired objectives are being achieved or the learning program is leading to outcomes which are not in the scheme of the things.
- Programme certification: it refers to the process of evaluating the value, or in training terms 'utility' of the programme and also deciding on its future use.

ROI process

Jack Phillips provides a rather simple and systematic model for calculating return on investment (ROI). He simplifies the complex process with simple sequential steps, which follow one another. Following figure will help you understand the process of calculating return on investment (ROI).

Converting data to monetary values

For calculating ROI, the collected data has to be converted into monetary value so that it can be compared to the cost incurred. In this step of the ROI process, a monetary value is placed on each unit of data connected with the programme. Following are some of the methods used for converting data into monetary values:

- Conversion of output data into profit contribution or cost savings
- Calculation of cost of quality and conversion of quality improvements into cost savings.
- Training programmes involving time-saving techniques
- Use of organizational cost data to determine the specific value of improvement
- Use of external and internal experts to estimate the value of improvement
- Use of external databases, such as government and industry databases, to estimate the value or cost of data items
- Using the trainees to estimate the value of a data item
- Using supervisors and line managers to assign values to the improvement shown due to training
- Using senior management to provide estimates on the value of improvement
- Using HRD staff estimates to determine the value of an output data item

This is the most vital step in ROI process because it is this step which enables the evaluators to determine the value of training programme in monetary terms.

NOTES

Tabulating programme costs

For completing the ROI process, it is necessary to tabulate the costs involved in conducting the training programme. Tabulation of costs involves monitoring all the costs before, during and after the programme. Among the cost components, the following are included:

- Cost of designing and developing the programme
- Cost of training material
- Cost of trainer(s); in case of internal staff trainer, his salary is the cost component and in case of external consultant, the cost is his fees.
- Cost of training
- Travel, boarding and lodging costs of the trainees and external trainers
- Salaries and benefits of employees who attend the training programme
- Administrative and overhead costs

The above-mentioned costs are broad and general; specific costs are difficult to list as these would be determined by the specifics of the training programme. The cost of conducting training needs assessment will give a more accurate cost benefit assessment.

Calculation of ROI

The return-on-investment is calculated in the following manner:

Benefit-cost ratio = Programme benefits/Cost

Net benefit = Programme benefit – Cost

ROI = Net benefit/Program cost

13.3.3 Levels of Evaluation

A four-level model for evaluation of training was developed by Donald Kirkpatrick. His four levels of evaluation consisted of reaction, learning, behaviour and results. Measurements at each level were based on the objectives established in the design phase. Following is the detailed explanation of the four levels as enunciated by Kirkpatrick.

Level 1

Level 1 assesses the reaction of the trainees to the training experience. The level focuses on the trainees' immediate response to training experience. The level looks at what the trainees thought of training experience and includes experiences such as quality of training materials, trainer or instructor skills (presentation skills, content, subject expertise, ability to manage trainees), course content and its relevance to the job, infrastructural facilities, administrative support etc. In practice, reactions are often measured using what are sometimes called review sheets, which look like customer satisfaction surveys. Measuring reactions, according to Kirkpatrick, is important for several reasons:

- Measuring reactions provides valuable feedback which not only helps in evaluation but also aids in improving the design of the training programme in future.
- Reactions imply that the trainers are there to do their best to train and help trainees achieve desired performance levels, but they do need an effective feedback to determine how effective they were during training.
- Reaction sheets can provide trainers with quantitative information that can be used to establish standards of performance for future programmes.

Level 2

Level 2 consists of two aspects or parts. The first part is learning and the second part focuses on demonstration of learning. This is the extent to which trainees improve their knowledge, skills, and attitudes as a result of training experience. Level 2 attempts to determine the level of learning that took place and looks at changes induced by learning. For example, did the computer training course improve the word processing skills of trainees?

Level 2 also addresses the demonstration of learning within that training experience. This is the demonstration side of the training content, and is where the trainees practice their new skills or behaviour. While the practice is going on, an observer with a checklist observes the trainee's demonstration of skills to ensure that the demonstration of new skill or behaviour is up to the desired standards. For example, a coaching programme teaches five steps in coaching. For practice, the participants can role-play a coaching session demonstrating the five steps. An observer has an observation feedback (evaluation) instrument. This instrument could be a simple yes/no questionnaire to indicate if the behaviour was observed or a scaled instrument to reveal the extent to which the learner demonstrated the five steps.

Level 3

Level 3 evaluation measures behaviour or transfer to the job. The idea of transfer is simply the shifting of something from one place to another. We shift residences from one place to another. Similarly for learning, the knowledge, skills, and attitudes gained in the learning experience shift to the work environment and job. This shift is measured in how much training knowledge or skills are applied on the job by the trainee after training experience.

NOTES

Transfer also consists of two parts. Effective transfer of learning is both a design issue and an environmental issue. The first part is the use of new knowledge, skills and attitudes on the job. Are participants using the learning on the job? To what extent? Did the learning experience provide them with only the content for knowledge transfer or also the skills and tools to apply the course content to their job?

The second part of Level 3 is work environment, which either supports the transfer of learning or hinders the transfer. For example, one of the barriers to transfer could be the line manager prohibiting the use of new skills. Another barrier could be the lack of tools or equipment – i.e. if the equipment or tools that were used in training for practice are not available at work.

At the same time, the work environment can also support the transfer process. For facilitating transfer of learning, organizations can incorporate some enablers in the design and can also establish management practices to support learning. The design can include instructional strategies that support transfer. These can be such things as performance contracts, action planning, and involving management in delivery and action learning, etc. On the job, the immediate manager can have a discussion with the trainer as to how to incorporate training in job assignments. The challenge for the designer, trainer, and manager is to create and sustain an environment that enhances transfer and reduces barriers to transfer.

Level 4

Level 4 evaluation assesses results that include both the impact of training on the organization and return on investment (ROI). This is the stage when evaluation process enters into business metrics. Did the business metric change due to training? Were there fewer grievances and complaints? Was turnover reduced? Did cost decline? The evaluator must monitor results to measure the impact. After all, the change in business is the reason for training in the first place.

Outcomes used in evaluation

Some training practitioners and experts felt that training outcomes are useful for evaluating training programmes. And they classified training outcomes into five categories: Cognitive outcome, skill based outcome, affective outcomes, results, and return on investment.

- **Cognitive outcomes**

  Cognitive outcomes measures the knowledge acquired by the trainee in the training session. It measures the trainees understanding of concepts, principles, procedures and processes which were discussed in the training session. Cognitive outcomes are measured by using pencil/ pen paper tests like multiple choice questionnaire or work samples.

NOTES

- **Skill-based outcomes**

  Skill-based outcome refers to the measuring of skills which were learnt during training. It is basically evaluation of the level of psychomotor or technical skills. The level of skills acquired is measured by observation or work samples. A skill-based outcome also measures the transfer of skills to the job and is mostly measured by observation. For instance, a line manager may observe a trainee's behaviour or skill and rate him. Or a senior training manager may observe the trainer while making presentations and evaluate his presentation skills.

- **Affective outcomes**

  These are outcomes related to motivation, attitude and reaction. One of the affective outcomes that evaluators are keen on measuring is the reaction outcome of trainees. Reaction outcomes measure trainees' response to a training event such as training facilities, trainer performance, etc. These are also known as trainer evaluation. Trainees' reactions are sought typically after the training event and are used to gather information on training aspects. This information is used to understand the factors that contributed to learning and identify the barriers to learning. Other affective outcomes that might be collected in an evaluation are a trainee's motivation to learn, his customer service orientation, etc.

- **Results**

  Results refer to overall benefit of training for the organization. Result outcomes include improved safety at work site, increased production, decrease in customer complaints etc.

- **Return on investment**

  It refers to comparing the benefits of training with the cost of training. The cost-benefit analysis looks at the total cost to produce a training programme and attempts to quantify the benefits. Cost includes everything from the needs assessment, through design, development, delivery, and finally the follow up. Both direct and indirect costs are used to determine the cost of the programme. Total benefits of the programme may be reduced costs or increased revenues directly attributable to training. In many cases, benefits can only be estimated.

Table 13.1 *Outcomes Used in Evaluating Training Programmes*

Outcome	Example	How it is measured?	What is measured?
Cognitive outcomes	• Safety regulations • Communication principles • Filing procedure	• Multiple choice questionnaire • Work sample	• Acquisition of knowledge
Skill-based outcomes	• Presentation skills • Flying skills • Word processing skills	• Observation • Work sample • Ratings	• Behaviour • Skills

NOTES

Affective outcomes	• Motivation to learn • Satisfaction with trainer presentation	• Interviews • Focus groups • Attitude surveys	• Motivation • Reaction to training programme • Attitudes
Results	• Productivity • Customer service orientation • Customer complaints	• Observation • Performance records	• Benefits to the company
Return on investment	• Currency, which can be in rupees, dollars, pounds	• Comparison of cost and benefits	• Economic value of training

13.3.4 Evaluation Designs

Evaluation is a process of data collection and subsequent analysis of it to arrive at a judgement concerning the value or effectiveness of training. Data collection is the toughest part of evaluation, because it is entangled with issues of reliability and validity. For an evaluator, designing training evaluation is a very challenging task, because no evaluation design can say conclusively that the results of evaluation are completely due to training. However, issues of reliability and validity are not our area of concern, so in the following paragraphs, we shall be outlining different types of evaluation designs, which are available to the trainer to evaluate training programmes.

One-shot programme design

The one-shot programme design for evaluation of a single group after completion of a training programme collects no data prior to it. Many uncontrolled factors, such as the environment (time of day and place) and the trainees' attitudes (energy levels, accomplishments, perceived ability to transfer the learned concepts, and thoughts about training) might influence the design's measurement and invalidate the conclusions drawn from it.

There are two situations in which this design may be useful: While measuring the performance of a group for which it was not possible to measure performance beforehand, and, when there is no significant knowledge, skill or ability existing before it is conducted.

Single group pre-test and post-test design

This design goes one step beyond the one-shot programme design, as it collects data before and after the training event. To identify improvements in trainees' performance levels, their knowledge, skills and abilities before the training programme are compared with those after it. The shortcoming of the strategy is that it may sensitize trainees to training content, which may affect the post-test measurements.

Single group time series design

This is a series of measurements for evaluating training programmes before and after the event. In this design, the experimental group acts as

NOTES

its own control group. The multiple measurements prior to the programme eliminate the problems incurred when a separate control group is not used. The usefulness of this design is that the repeated measurements after the programme allow for comparison of the initial results and enable the measurement of its long-term effect.

Control group design

The control group design compares two groups, one experimental and one control. The experimental group receives the training programme, whereas the control group does not. Data is gathered on both groups before and after it. Comparing the results of the experimental group to the control group assesses the effect of the training programme. For this design to be acceptable, the two groups must be similar with respect to the selection criteria.

Types of evaluation processes

There are two types of evaluation processes for measuring training event's effectiveness: Formative evaluation and summative evaluation

- **Formative evaluation:** Formative evaluation activities take place throughout the training process. It starts with identification of needs analysis and continues through till the implementation stages to identify any required revisions.
- **Summative evaluation**: Activities occur at the end of the training programme delivery to determine if the training objectives have been met or not. Summative evaluation can include performance-based evaluation, follow-up or longitudinal evaluation, and programme effectiveness evaluation.

Table 13.2 *Types of Evaluation Processes*

Type	Description	Method
Formative	Type of evaluation that assesses the programme before full implementation. Instructional designer usually conducts this with small focus groups	Test materials and instructional methods at each phase of the development.
Summative	Type of evaluation that assesses the final training programme after implementation (example, Kirkpatrick's evaluation model)	Determine degree to which objectives were met and the results after widespread use of training.

Types of measurement

There are four basic methods for measuring results: Experimental, critical incident, problem solving, and management information system.

- Experimental approach focuses on comparing trained and untrained, pre- and post-trained learners (or some combination of both) on several

NOTES

predetermined measures of performance. After a brief time gap, the results are compared by using a descriptive statistical process to establish the training programme's effectiveness.

- Critical incident approach requires the trainer to collect specific incidents of improved performance from the trained group to show the effectiveness of training. This approach generates a considerable amount of evaluation data and if the approach is used in a systematic and logical way, the evaluator can continuously tie results to programme objectives.
- In problem-solving approach, the evaluator is involved in identifying, quantifying, and solving high priority problems. They easily lend themselves to pre and post-measurement and provide high visibility. If training programmes are based on clear objectives that have been developed by careful needs analysis and are directly related to profit producing performance, then the results of training will invariably be quantifiable.
- Management information system approach believes that looking at the effect of training should be part of an ongoing performance tracking and feedback system. Tracking and feedback should include after-training performance and ongoing-progress reports.

Factors that influence the type of evaluation design

Since no evaluation can yield conclusive results, there is no perfect evaluation design. But evaluation process is an integral part of training process, hence, according to S. I. Tannenbaum, and S. B. Woods, the following factors must be considered before selecting an evaluation design:

- Change potential of the design, i.e. assess if the data collected will be useful for implementing changes in training design
- Scale of evaluation, i.e. the number of trainees in the training programme which need to be evaluated
- Objectives of training, i.e. whether the training is focussed on skills, knowledge or attitudes
- Expertise available with the organization to conduct such an exercise
- The cost of conducting evaluation exercise
- The time duration available for conducting the evaluation

Conducting evaluation is complex and time-consuming, so most managers or organizations indulge in a less rigorous evaluation design, which is not expensive, least time-consuming and needs little expertise. But there are situations in which the organizations have to use rigorous evaluation designs, which have been identified by S. I. Tannenbaum and S. B. Woods.

- When evaluation results can be used to change the training programme

NOTES

- When an ongoing training programme has the potential to affect many employees and customers
- When a training programme involves a large number of trainees
- When cost justification is based on numerical indicators
- When the in-house trainers have the ability to design and evaluate data collected form evaluation study
- When training costs create a need for producing results
- When there is enough time to conduct evaluation
- When the company is interested in comparing two training programmes

Evaluation effectiveness

For evaluation to be effective, several things must be present:

- Evaluation must be linked to needs analysis
- The feedback must be timely. The evaluation data must be given to the appropriate people while the training programme and potential problems are still current.
- Evaluation data must be collected on an ongoing basis throughout the training process, summarized right after training, and acted upon immediately.
- The training environment must support change. The effectiveness of the evaluation system is based upon a training environment that allows change. An environment not supportive of change could result in a situation in which trainers are not obliged to improve training.

13.3.5 Accountability For Training

The training function is supported financially by organizations, hence, as part of the evaluation process, organizations analyze the value addition made by training to the organization's growth and development. In this section, we shall discuss the process of calculating return on investment through cost-benefit analysis. Cost-benefit analysis refers to the process of calculating the benefits of training in economic/monetary terms. Accounting methods are used to calculate costs and benefits. According to A.P. Carnevale and E.R. Schulz, collecting training cost information is vital for the following reasons:

- To understand the total expenditure incurred
- To compare the costs of alternative training programmes
- To evaluate the proportion of money spent on training design, administration etc.
- To control costs

Following are the stages in the process of calculating return on investment.

NOTES

- Understanding the training objectives
- Collection of data to measure the objectives
- Isolating effects of training from other factors
- Conversion of data into monetary value
- Calculation of return on investment

In practice, calculation of return on investment is a costly exercise hence organizations resort to it very sparingly. Companies use ROI analysis usually when operational issues or companywide strategies are involved.

Determination of cost

Accounting methods are used to calculate costs and the following categories of costs are used:

- Training programme development cost or cost of purchasing the programme from vendor
- Cost of instructional material for trainers and trainees
- Cost of equipment and hardware
- Cost of travel and lodging
- Salary of trainers and non-training support staff
- Cost of lost productivity while trainees attend training

Another method for determining costs is the resource requirement model. This model compares costs of equipment, facilities, personnel, and materials across different stages of the training programme. This model is suitable for determining overall differences in costs among training programmes within an organization.

Determination of benefits

The needs which originally initiated the training programme act as guidelines for determining the benefits of the training programme. Following are some methods which are useful for identifying training benefits:

- Technical and academic literature which explain the benefits of a specific training programme
- Use of pilot training programmes to assess the benefits of a specific programme before introducing it to a large number of trainees
- Observing expert and successful job performers helps the company in identifying the qualities of an expert worker
- Trainees and managers can provide estimates of training benefits

Apart from these methods for conducting cost-benefit analysis, there are other methods like utility analysis, which are used by organizations. According to J. E. Matheiu and R. L. Leonard,

NOTES

'Utility analysis involves assessing the monetary value of training based on estimates of the difference in job performance between trained and untrained employees, the number of individuals trained, the length of time a training programme is expected to influence performance and the variability in job performance in the untrained group of employees.'

13.3.6 Evaluation of Training Programme

For evaluating the programme, the basic question to be asked is, to what extent the programme achieved what it set out to achieve. Evaluation at the very end of the programme tells about the new knowledge, understanding, and skill that the participant has gained during training. The same kind of data at various stages of the post training phase shows how stable these gains are and to what extent they have survived transfer to the work situation. This could be done at an interval of two months after its completion. A comparison of repeated ratings can yield four different results:

- If the ratings steadily fall within the satisfactory range of performance and show improvement when repeated, this means that the programme was sound, and that the participant had learned enough during training to keep on improving his performance through practice on the job.
- If the ratings tend to decline with repetition, this means that the participant found the training less useful, or did not have enough training during the programme, or enough support on the job to carry on successfully.
- If the results show a sharp drop at first and then rise, this shows that the transfer from training to action was unexpectedly difficult, but the participant and the organization have overcome the difficulties and are making up. If the results show a sharp drop and stay down, this means that the training objectives turned out to be unrealistic, and the organization and/or participant were not prepared to make the change on the job. These results are clearly important as a guide to further action.

Role of Participants

The training process comprises a number of action-steps incumbent upon three functionary constituents namely management, trainer, and participant, representing goal identification perpetration, presentation-learning, and on-the-job application-support which dialyze into three distinct phases of pre-training, training, and post-training. The overall effectiveness of training is, to a large extent, dependent on the effectiveness of the roles of each of the three functionary constituents in all of the three phases, and the interaction they have between themselves within each phase. The roles to be played by the two functionaries, i.e., management and trainer have been discussed above. The role for the third functionary, i.e., the participant is now described. The participant has a responsibility in recognizing his own needs for improvement on his job. This leads to positive, intrinsic motivation for training. The participant realizes that willingness to attend training is neither owning up to deficiencies nor is it a weakness. The participant realizes that adults too can learn and learn well. Once selected for a programme, the participant owes it to himself to prepare himself for it. He has the responsibility to free himself from his other commitments. He formulates his own strategy for learning and benefiting from the training. The participant is to be motivated by relating the training to his job and to his own interests, by paying attention to individual differences and giving immediate feedback. A participant with clearly felt needs is a well-motivated participant. Learning is an active process requiring involvement and effort. A participant unadjusted to the training/ group may not learn and may become a problem to the fellow-participants and to the institution. Change, like charity, begins at home within the participant looking for opportunities to use his training in appropriate situations. Periodic self-appraisal in terms of how effective he is in applying the fruits of the training, realizing that training had but only initiated the learning process, that the most effective learning is in the live situation - on his job, in his organization, and continuing to learn - whatever the source may be.

Evaluating the Participants

A number of organizations have set up individual evaluation procedures for these purposes and in this manner, for example, the use of merit rating schemes. For these purposes, the trainer can help the organization develop regular and rigorous procedures for collecting data from the participants and their superiors, colleagues and subordinates. It can also help in analysing the results. If, on the other hand, evaluation is to be used for other purposes, or is to be kept confidential from participants, the institution had better stay away from it. Nothing so inhibits participants from developing a free close relationship with trainers as the idea that the institution will be in touch about them with their organization. Instead of exploring new methods, they will hold themselves back and shrink from taking the risks of learning, and they will be preoccupied with pleasing the trainers. All this is to ensure as far as possible, a good report. Ethics apart, this price is excessive.

The training institution can help the organization by suggesting the most suitable placement of participants after training and the specific support participants may need to carry through the planned changes on the job. The trainer can give any other information desired by the organization by dealing with the questions in collaboration with the participant himself.

Evaluation of participants is also a basis for reviewing the criteria by which participants are selected for training programmes. Many studies reveal that a particular programme is of greater profit to participants with substantial working experience, or competence in a basic subject, or department.

Finally, this evaluation can guide decisions about supporting programmes for participants.

Evaluation of Training Effectiveness

Questions of effectiveness occur when we discuss training activities. It is not enough to assume that any organizational training is effective. We have to develop substantive evidence to determine whether our training effort is achieving its goals. Funding of training and development programmes is expensive— costs incurred in training alone justify evaluating of the effectiveness. To avoid the uncontrolled expansion of training costs, the management must make a thorough cost-benefit analysis to ensure that training money generates satisfactory returns.

It is assumed by many managers that any type of training is worthwhile. But this may not be right. It is impossible to claim that training is effective unless it is evaluated.

The question is how are training programmes evaluated? The simplest answer is to interview the employees who have recently completed a training programme and ask for their opinions. If the comments are generally positive, the programme gets a favourable evaluation and the organization continues it.

We have argued that evaluation is important. The reactions of participants are the least valid. Subjective opinions regarding the effectiveness of training are not reliable. Therefore, let us direct our attention to three approaches, each of which offers an improvement over subjective opinions:

- **Test-Retest Method**: The first method is referred to as the Test-Retest method. Participants in a training programme are given a test before they begin the programme. After the programme is completed, the participants retake the test. Change in the test scores will be reflected in performance and that whatever change has occurred can be fully attributed to the instruction. However, the test may not be valid.
- **Pre-Post Performance Method**: The utilization of tests as proxies for job performance creates an opportunity for error. The pre-post-performance method is designed to correct this error. Under this method, each participant is evaluated prior to training and rated on actual job performance. After instruction is completed, the participant is revaluated.
- **Experimental-Control-Group Method**: A more sophisticated evaluative approach is the experimental-control-group method. Groups are established that are comparable in skills, intelligence and learning abilities and evaluated on actual job performance. Members of the control group work on the job but do not undergo instruction. The experimental group is given instruction. At the conclusion of training, the two groups are re-evaluated. If the training is really effective,

NOTES

the experimental group's performance will be improved and its performance will be substantially better than that of the control group. This approach attempts to correct for factors other than the instruction programme that influence job performance.

Of the three methods mentioned, the experimental-control-group method is preferred. Within the evaluation, we should assess trainee reaction, learning, behaviour and results. We have already discussed these earlier. We need to know if the objectives of the programme were consistent with the expectations of the participants. If the trainees perceive that the training programme was ineffective, it should be stopped.

Learning criticism is an attempt to assess whether the skills and knowledge that have been taught were in fact, acquired by the trainees. Testing may help indicate if this occurred. The behavioural change criterion attempts to look at how the trainee acts back on the job after training has taken place. Most learning results in some type of outward action and this action is exemplified in one's behaviour

Every training programme can be evaluated by its effectiveness. Here, we can conceive three measures- cost, change and impact. We have to determine cost per trainee. The change factor looks at the difference between what one knew after training as compared with what was known before the training. The change factors could be expressed in behavioural attitude or performance terms. The last factor, impact, tries to show what change was solely attributed to the training programme. It measures 'after training results' with 'before training status'.

Self-Evaluation

A trainer plays an important role in the training and development of the employees working in an organization. Training is a continuous process goaded by the need to increase efficiency in the organization. It contributes towards imparting knowledge and skills to employees to increase the productivity of the organization. The role of a trainer broadly encompasses the following:

- Providing direct inputs on the topic of training
- Encouraging sharing within the group to enable interchange of learning experiences
- Conducting exercises and practice sessions
- Observing participants and catering to their individual needs
- Informal exchanges with participants

(a) Providing direct inputs

The trainer should be a subject-matter expert so that he can make a meaningful contribution. Inputs can be provided through lectures, talks and presentations.

These, in turn, should be thrown open for discussion to encourage varying points of view. The trainer must, however, be in a position to answer, clarify and elaborate on points raised in the discussions.

NOTES

Due emphasis should be placed on related theories, concepts and practical use of the topic Problems and issues relating to the topic ought to be analysed.

(b) Encouraging sharing within the group

The trainer should be clear on the objectives of sharing, and insist only on exchange of relevant experiences. All participants should be free to share their opinions without fear of rejection or ridicule. Often the trainer would need to draw out people from their shells. A tricky but imperative role of the trainer is to channelize and transpose experiences into concepts and approaches, which would be clearly understood by all.

(c) Conducting exercises and practice sessions

Actual activities involving interviews, field work, physical working on machines, sales promotions, writing of promotional materials, and so on will turn theory into practice, thus enabling the trainees to put the training to test.

(d) Observing participants and catering to individual needs

Each participant has a different way of imbibing knowledge and skills. The trainer should be alert to such idiosyncrasies and provide input accordingly. For example, some may learn by watching the trainer himself; others may require practical exercises.

Informal Exchanges with Participants

- Especially suitable for in-house training, interaction among the team members can lead to indirect but positive training. Confidence levels increase, personalities are developed by observing others and the horizon of knowledge is widened.
- In order to be a successful trainer, the individual must possess the following qualities and strengths:
- Excellent communication skills to hold the trainees' attention, including friendly body language
- An interactive approach to the training programme keeping the priorities in mind
- A thorough knowledge of the topic
- A friendly and confident manner; humorous without being superior
- Ability to take on any challenges thrown in his stride
- An easy rapport with the participants and acceptance of feedback

NOTES

- Conviction and passion in what he is doing
- Enlisting the cooperation of his co-trainers, if any, and the participants
- Commitment to the training programme
- A repertoire of various activities with flexibility to adapt wherever required
- Conversant with a variety of aids
- Ability to package the programme attractively and in a value-based manner

Check Your Progress

4. Distinguish between evaluation and measurement.
5. Why is it important to measure trainees' reaction to a training event?
6. What are the elements necessary for making evaluation effective?
7. Which basic questions should be asked to evaluate a training programme?
8. What are the costs involved in a training programme?

13.4 ANSWERS TO CHECK YOUR PROGRESS QUESTIONS

1. One merit of On-the-Job-Training is that the trainee learns on the actual equipment in use and in the true environment of his job.
2. Job Instruction Training method is also known as 'training through step-by-step learning'.
3. Vestibule training is a classroom training which is often imparted with the help of the equipment and machines which are identical with those in use in the place of work.
4. Although 'evaluation' and 'measurement' are linked, from training point of view they cannot be used interchangeably. Measurement is the process of ascribing a numerical value to different aspects of a training event. It is primarily focused on collecting data about a specific training event or a programme. Evaluation is the process of analysing the data and arriving at some form of judgment about the training event.
5. Trainees' reactions are sought typically after the training event and are used to gather information on training aspects. This information is used to understand the factors that contribute to learning and identify the barriers to learning. Other affective outcomes that might be collected in an evaluation are a trainee's motivation to learn, his customer service orientation, etc.

NOTES

6. For evaluation to be effective, the following factors are taken into consideration:
    - Evaluation must be linked to needs analysis
    - The feedback must be timely. The evaluation data must be given to the appropriate people while the training programme and potential problems are still current.
    - Evaluation data must be collected on an ongoing basis throughout the training process, summarized right after training, and acted upon immediately.
    - The training environment must support change. The effectiveness of the evaluation system is based upon a training environment that allows change. An environment not supportive of change could result in a situation in which trainers are not obliged to improve training.
7. For evaluating the programme, the basic question to be asked is, to what extent the programme achieved, what it desired to achieve.
8. The following costs are taken into account for estimating training costs:
    - Training programme development cost or cost of purchasing the programme from vendor
    - Cost of instructional material for trainers and trainees
    - Cost of equipment and hardware
    - Cost of travel and lodging
    - Salary of trainers and non-training support staff
    - Cost of lost productivity while trainees attend training

13.5 SUMMARY

- The forms and types of employee training methods are interrelated.
- It is difficult, if not impossible, to say which of the methods or combination of methods is more useful than the other.
- In fact, methods are multi-faceted in scope and dimension, and each is suitable for a particular situation.
- The methods of training are as follows:
    - o On-the-job-training (OJT)
    - o Job instruction training (JIT)
    - o Vestibule training
    - o Training by experienced workmen
    - o Classroom or off-the-job-training

NOTES

- The JIT method requires skilled trainers, extensive job analysis, training schedules and prior assessment of the trainee's job knowledge. This method is also known as 'training through step-by-step learning.'
- It involves listing all necessary steps in the job, each in proper sequence. These steps show what is to be done.
- Alongside each step is also listed a corresponding 'key point', which shows how it is to be done and why.
- The JIT method provides immediate feedback on results, quick correction of errors and provision of extra practice when required.
- It is a classroom training which is often imparted with the help of the equipment and machines which are identical with those in use in the place of work.
- This technique enables the trainee to concentrate on learning the new rather than on performing an actual job.
- Evaluation of training refers to the process of collecting data pertaining to training activities. The collected data is analysed to make decisions about training activities.
- Warr, Bird and Rackham identified the two basic dimensions of evaluation as input evaluation and outcome evaluation.
- Input evaluation covers questions which need to be asked before the training event can be organized. Outcome evaluation is concerned with identifying from evidence changes which have occurred as a result of training.
- Evaluation as a process generates data, while analysis and utility of evaluation as a process lies in the purpose it serves.
- Evaluation process helps in verifying the needs assessment, training objectives, instructional strategies, training delivery and training content.
- Evaluation provides the trainer with an understanding of the effectiveness of instructional strategy used.
- Evaluation enables identifying shifts in business metrics and contribution of training to organizational growth.
- Often organizations introduce training programmes to solve issues which might require non-training solutions. An effective evaluation system can identify such situations for the benefit of the organization.
- Training in itself has no utility value for organizations unless and until the learning is transferred to the job site or work place.
- In fact, research shows that sixty to ninety per cent of job-related skills or knowledge acquired in training is not being implemented on the job by the worker or employee.

- Positive evaluation results attest the utility of the programme. And the success of training programme in one division creates possibilities of its success in other divisions also, if similar training needs exist.
- Line managers or supervisors are often sceptical of releasing employees for training programmes at the cost of production schedules.
- A comprehensive evaluation system often helps the training department in determining the training programme priorities.
- The long-term effect of investing in training evaluation is the transformation of training and development function.
- Training evaluation models trace their roots to the measurement and evaluation practices of psychology. The practice of evaluation has also been influenced by learning and instructional theories of educational psychology.
- Kirkpatrick identified four levels of evaluation — reaction, learning, behaviour and results.
- But some trainers and critics found Kirkpatrick's model silent on activities of the learner before the training programme. And some found that it did not cover the financial aspect adequately.
- Jack Philips added two more levels to Kirkpatrick's four-level model — Level 0, which covers activities of the trainee before he attends the training programme, and Level 5, which covers the financial results, especially, the return on investment.
- Warr, Bird and Rackham identified four categories for the purpose of evaluation: (i) Context evaluation (ii) Input evaluation (iii) Reaction evaluation (iv) Outcome evaluation
- Benjamin S. Bloom's taxonomy model provides training developers with an effective structure for not only designing but also evaluating training programmes.
- For completing the ROI process, it is necessary to tabulate the costs involved in conducting the training programme. Tabulation of costs involves monitoring all the costs before, during and after the programme.
- Some training practitioners and experts felt that training outcomes are useful for evaluating training programmes. And they classified training outcomes into five categories: Cognitive outcome, skill based outcome, affective outcomes, results, and return on investment.
- Affective outcomes are outcomes related to motivation, attitude and reaction. One of the affective outcomes that evaluators are keen on measuring is the reaction outcome of trainees.

NOTES

- Evaluation is a process of data collection and subsequent analysis of it to arrive at a judgement concerning the value or effectiveness of training. Data collection is the toughest part of evaluation, because it is entangled with issues of reliability and validity.
- In the single group time series design, the experimental group acts as its own control group. The multiple measurements prior to the programme eliminate the problems incurred when a separate control group is not used. The usefulness of this design is that the repeated measurements after the programme allow for comparison of the initial results and enable the measurement of its long-term effect.
- Critical incident approach requires the trainer to collect specific incidents of improved performance from the trained group to show the effectiveness of training.
- The training function is supported financially by organizations, hence, as part of the evaluation process, organizations analyze the value addition made by training to the organization's growth and development.
- In an effort to making a training programme more effective, it is necessary to evaluate the trainer and the objectives of training.
- Evaluation at the very end of the programme tells about the new knowledge, understanding, and skill that the participant has gained during training.
- The training process comprises a number of action-steps incumbent upon three functionary constituents namely management, trainer, and participant, representing goal identification perpetration, presentation-learning, and on-the-job application-support.
- A number of organizations have set up individual evaluation procedures for these purposes and in this manner, for example, the use of merit rating schemes.
- To avoid the uncontrolled expansion of training costs, the management must make a thorough cost-benefit analysis to ensure that training money generates satisfactory returns.
- The role of a trainer broadly encompasses the following:
  - o Providing direct inputs on the topic of training
  - o Encouraging sharing within the group to enable interchange of learning experiences
  - o Conducting exercises and practice sessions
  - o Observing participants and catering to their individual needs
  - o Informal exchanges with participants

13.6 KEY WORDS

NOTES

- **Vestibule:** It refers to an antechamber, hall, or lobby next to the outer door of a building.
- **Case Study:** It is a process or record of research into the development of a particular person, group, or situation over a period of time.
- **Test-Retest Method:** It is a technique used to estimate the reliability or consistency of some measurement by correlating the results of multiple measurements, spread over time.
- **Pre-Post Performance Method:** It is a method in which every participant is evaluated prior to training and rated on actual job performance
- **Pilot Programme:** It is the process of previewing a training programme with a small group of trainees to test its benefits.
- **Reaction Outcome:** It refers to a trainees' response to training, which is collected immediately after training.

13.7 SELF ASSESSMENT QUESTIONS AND EXERCISES

Short Answer Questions

1. List the various methods of training.
2. What is Job Instruction Training?
3. Evaluation of training contributes to improved learning design. Do you agree?
4. What are the different types of evaluation designs?
5. What are the basic methods for measuring results?
6. What are the effects of faulty job analysis?
7. What are the factors that govern the overall effectiveness of a training programme?
8. How can a training institution help the organization?
9. What is the simplest way to evaluate a training programme?
10. What is the role of a trainer in training and development of employees of an organization?

Long Answer Questions

1. What is On-the-Job-Training? List its merits and demerits.
2. What is Vestibule Training? What are its merits and demerits?

3. 'The utility of evaluation as a process lies in the purpose it serves.' Discuss.
4. Though evaluation is an expensive and time-consuming process, even then organizations conduct training evaluation. Why?
5. What are the outcomes used for evaluating training?
6. Do you think that the training function is accountable to the organization?
7. What are the factors which affect the evaluation design?
8. How is a training programme evaluated?
9. Write a note on the role of participants in a training programme.
10. How important is it to evaluate the participants in a training programme?
11. Give a detailed account of ways in which the effectiveness of training is determined.
12. What qualities must an individual possess to be a successful trainer?

13.8 FURTHER READINGS

Venkataraman, C.S. & B. K. Srivastava. 1991. *Personnel Management and Human Resources.* Tata McGraw Hill.

Yoder, Dale & Paul D Standohar. 1990. *Personnel Management and Industrial Relations.* Sterling Publications.

Well, Ian Beard and Len Holden. *Human Resource Management - A Contemporary Perspectives.* Macmillan.

UNIT 14 JOB METHODS

Structure

14.0 Introduction
14.1 Objectives
14.2 Lecture System and limitations
  14.2.1 Retraining
14.3 Management Development
  14.3.1 Objectives of Management Development
  14.3.2 Methods of Management Development
14.4 Promotion, Demotion, Transfers and Separation
  14.4.1 Indian Perspectives on Promotion
14.5 Answers to Check Your Progress Questions
14.6 Summary
14.7 Key Words
14.8 Self Assessment Questions and Exercises
14.9 Further Readings

14.0 INTRODUCTION

Organizations need a process for developing the skills of their managers as these employees direct and organize the work of all other employees. To retain good talent in the form of managers, it is important for an organization to provide a positive environment for their personal and professional growth.

Management development is the overall concept that describes the many ways in which organizations help employees develop their personal and organizational skills.

In this unit, you will study about the concept, purpose and objectives of management development. The concepts such as promotions, demotions, transfers and separation are also discussed in this unit along with Indian case studies.

14.1 OBJECTIVES

After going through this unit, you will be able to:

- Discuss the lecture system and its limitations
- Describe the purpose and objectives of management development
- Explain promotions, demotions, transfers and separation
- Assess case studies from India

14.2 LECTURE SYSTEM AND LIMITATIONS

NOTES

Lectures are regarded as one of the simplest ways of imparting knowledge to the trainees, especially when facts, concepts, or principles, attitudes, theories and problem-solving abilities are to be taught. Lectures are formal organized talks by the training specialist, the formal superior or other individual specific topics. The lecture method can be used for very large groups which are to be trained within a short time, thus reducing the cost per trainee.

In training, the most important uses of lectures include the following:

- Reducing anxiety about upcoming training programmes or organizational changes by explaining their purposes.
- Introducing a subject and presenting an overview of its scope.
- Presenting basic material that will provide a common background for subsequent activities.
- Illustrating the application of rules, principles; reviewing, clarifying and summarizing.

Limitations of Lecture System

- The learners are passive instead of active participants. The lecture method violates the principle of learning by doing.
- A clear and vigorous verbal presentation requires a great deal of preparation for which management personnel often lack the time.
- The attention span of even a well-motivated and adequately informed listener is only from 15 to 20 minutes so that, in the course of an hour, the attention of listeners drifts.
- It is difficult to stimulate discussion following a lecture, particularly if the listener is uninformed or awestruck by the lecturer.
- The untrained lecturer either ramples or packs far too much information in the lecture, which often becomes unpalatable to the listener.
- The presentation of material should be geared to a common level of knowledge.
- It tends to emphasize the accumulation and memorization of facts and figures and does not lay stress on the application of knowledge.
- Though a skillful lecturer can adapt his material to the specific group, he finds it difficult to adjust it for individual differences within a group.

14.2.1 Retraining

Retraining programmes are generally arranged for employees who have long been in the service of an organization. The retraining programme may be necessitated by the following facts:

NOTES

- Some employees are engaged in a confined phase of a particular task and lose their all-round skills in a particular trade. Hence, to keep them active in all-round skills, such training is needed.
- During prolonged lay-off periods, employees on certain highly skilled jobs are given retraining when they are called back to work.
- Technological changes may make a particular job, on which an employee is working, unnecessary, and the company may desire to retrain him rather than discharge him.
- An employee, because of illness, accident or incapacity due to age, may no longer be able to do his share of the work he performed when he was in normal health.
- Economic depression or cyclical variations in production create conditions in which employment stabilization may be achieved by having a versatile workforce capable of performing more than one job.

14.3 MANAGEMENT DEVELOPMENT

Executive or management development is a long-term educational process utilizing a systematic and organized procedure by which managerial personnel learn conceptual and theoretical knowledge. Development is a related process. It covers not only those activities that improve job performance, but also those, that bring about growth of the personality; help individuals in the progress towards maturity and actualization of their potential capacities so that they become not only good employees but also better human beings. In organizational terms, it is intended to equip persons to earn promotion and hold greater responsibility. Training a person for a bigger and higher job is development.

According to Harold Koontz and Cyril O'Donnell, 'Developing a manager is a progressive process in the same sense that educating a person is. Neither development nor education should be thought of as something that can ever be completed, for there are no known limits to the degree one may be developed or educated. Manager development concerns the means by which a erosion cultivates those skills whose application will improve the efficiency and effectiveness with which the anticipated results of a particular organizational segment are achieved.'

According to G.R. Terry, 'Management development should produce change in behaviour which is more in keeping with the organization goals than the previous behaviour. The change frequently consists of a number of small steps resulting from training but the cumulative effect is considerable. It is also basic that a terminal behaviour is identified before the development efforts starts.' Thus, executive or management development implies that there

NOTES

will be a change in knowledge and behaviour of the individuals undergoing development programme. The individual will not only be able to perform his job better but also increase his potential for future assignments through the acquisition, understanding and use of new knowledge, insights and skills. Self-development is an important concept in the whole programme of management development.

Need and Importance of Management Development

In this age of 'professionalization of management' importance of executive development cannot be minimized. Executive talent is the most important asset of an organization. According to Peter Drucker 'An institution that cannot produce its own managers will die. From an overall point of view the ability of an institution to produce managers is more important than its ability to produce goods efficiently and cheaply.' The need for executive development is felt because:

(a) There is a shortage of trained managers. The organization has to develop the talented employees and maintain an inventory of executive skills to meet the future demands.

(b) The performance of a company depends upon the quality of its managers. Executive development, therefore, is of paramount importance to have effective and desired managerial talents to meet the organization's demand.

(c) Obsolescence of managerial skills is another factor, which calls for continuous executive development. A manager must regularly update himself to successfully meet new challenges.

14.3.1 Objectives of Management Development

(a) To ensure a steady source of competent people at all levels to meet organizational needs at all times.

(b) To prevent managerial obsolescence by exposing the managers to new concepts and techniques in their respective fields of specialization.

(c) To prepare the employees for higher assignments so that they may be promoted from within.

(d) To develop a second line of competent managers for future replacements.

(e) To promote a high morale and good organizational climate.

14.3.2 Methods of Management Development

These can be classified into two broad categories:

(i) On-the-Job Methods

(a) **Coaching:** This is learning through on-the-job experience. Coaching involves direct personal instructions and guidance usually with demonstration and continuous critical evaluation and correction. On-the-job coaching is given by a superior as he teaches job knowledge and skills to a subordinate.

The coaching method offers certain advantages:

- It provides an opportunity to a trainee to develop himself.
- It provides quick feedback to the trainee as well as the trainer of what they lack and what measures can be taken to overcome their shortcomings.

(b) **Job rotation:** Job rotation is a means for management development offers certain positive contributions. It allows the managers to appreciate the intricacies involved in difficult jobs and how their own jobs are affected by such intricacies. Further, managers may develop broader horizon and perspectives of a generalist rather than the narrower horizon of a specialist. The trainee is periodically rotated from job to job so that he acquires a general background of different jobs.

(c) **Special projects:** Under this method, a trainee is assigned a project that closely related to the objectives of his department. The trainee will study the problem and make recommendations upon it.

(d) **Committee assignments:** Under this method, an ad hoc committee is constituted and assigned a subject to discuss and make recommendations. The committee will make a study of the problem and present its suggestions to the departmental head. The trainees have to work together and offer solutions to the problem. This method helps trainees to solve an actual organizational problem. The advantage of committee assignments is to help trainees develop team spirit and work together towards common goals.

(ii) Off-the-Job Methods

(a) **Role playing:** Role playing as a method of learning that involves human interaction in an imaginary situation. In drama and play, actors play various roles wherein they assume themselves to be persons whose role they play. Similar is the case in role playing training, where the trainee is given a role to play. Role playing technique is used in groups where various individuals are given the roles of different managers who are required to solve a problem or to arrive at a decision. Role playing helps the trainees to develop better perspective in performing their jobs, because they may see the jobs from different angles. It also develops sensitivity among trainees which is quite helpful in maintaining better human relations.

NOTES

(b) **Case study:** Case method of learning has the following objectives:

- It introduces realism into formal instruction.
- It develops the decision-making ability in the trainee.
- It develops a cooperative approach and independent thinking in work-related situations.
- It demonstrates various types of goals, facts and conditions obtained from real organizational settings.

The case study method of training employs simulated business problems for trainees to solve. The trainee is expected to study the information given in the case and make decisions based on the situation. Typically, the case method is used in the classroom with an instructor who serves as a facilitator.

The trainees may be given a problem to discuss which is more or less related to the principles already taught. This method gives the trainee an opportunity to apply his knowledge to the solution of realistic problems.

(c) **Conference training:** In this method, the trainer delivers a lecture and involves the trainees in a discussion so that doubts, if any, are clarified. The conference method is a group-centred approach where there is a clarification of ideas, communication of procedures and standards to the trainees. The trainee as a member can learn from others. The conference is ideally suited to learning problems and issues and examining them from different angles.

(d) **Management games:** A management game is a classroom exercise in which teams of students compete against each other to achieve common objectives. The game is designed to be a close representation of real-life conditions. Here, two or more teams participate depending on the situation, with each team having 4 to 7 participants. Each competing team is given a company to operate in the light of the situation provided in the game. If designed and conducted properly, management games contribute in the development of participants in the following ways:

- The participants develop skills particularly diagnostic decision-making skills and group interactions skills.
- Participants learn to operate in a competitive environment.

(e) **Sensitivity training, or T-Group training:** It is an experience in interpersonal relationships that results in change in feeling and attitudes towards oneself and others. In sensitivity training, a small group of ten to twelve people is assisted by a professional behavioural scientist who acts as a catalyst and trainee for the group. There is no specified agenda and a leaderless group discussion takes place where group members express their ideas and feelings freely. They can discuss

NOTES

anything they like. As the members discuss and engage in a dialogue, they are encouraged to learn about themselves and the way they should interact with others.

(f) **In-basket exercise:** Also called 'in-tray' method of training, it is built around the 'incoming mail' of a manager. In this method, the participants are given a number of business papers such as memoranda, reports and telephone messages that would typically come to a manager's desk. One method is to present the exercise to the trainee and to note his reaction. A slight variation is that business papers are given to the participant, and he is required to act on the information contained in these papers. Initially, assigning a priority to each particular matter is required. Through the feedback, the trainee comes to know his behavioural pattern and tries to overcome the one which is not productive or functional. Thus, he can learn techniques of giving priorities to various problems faced by him.

(g) **Syndicate method:** This refers to a method of management development technique wherein groups of trainees consisting of 8–10 members in each group are involved in the analysis of a problem. Each group is given a brief about the problem. Each group independently discusses the issues involved and presents its ideas. These are then evaluated by group members with the help of the trainer. Such exercises are repeated so as to enable the participants to look at the problems in the right perspectives. This enables trainees to develop decision-making skills.

(h) **Multi-management:** Also known as 'junior-board of executives', it is a system in which permanent advisory committees are constituted to study problems of the organizations and make recommendations to the top-level management. In multi-management, the constituted committees discuss actual problems and offer alternative solutions. The recommendations are made based on the best alternative.

(i) **Special courses:** The executives may be required to attend special courses, which are formally organized by the enterprise with the help of experts from educational institutions.

Check Your Progress

1. State one limitation of the lecture system.
2. What is management development?
3. Mention one objective of management development.

14.4 PROMOTION, DEMOTION, TRANSFERS AND SEPARATION

NOTES

There are several work situations in which an individual demonstrates the capacity to contribute towards organizational goals beyond the level of his or her present job and, thus, can be considered as a candidate for promotion. In organizational settings, promotion relates to the assignment of an individual to a position of higher responsibility or to one which involves the use of his or her particular education or experience. Therefore, promotion can be defined as a reassignment of the individual to a job of a higher rank usually involving an increase in responsibility and accompanying pay, privileges, prestige, status, authority, etc. Upgrading can take the form of minor promotion, promotion within grade or horizontal promotion.

Dukes describes an ideal sample promotion process. Job description is attached with every position in the organization. It involves duties and responsibilities of an incumbent and also indicates experience and education required on his or her part. Job description can frequently be supplemented with a job requisition embracing other items such as age range and personality characteristics. The personnel specialist can use the position requirements as search parameters to review files of the present employees containing their qualifications. This review may help in identifying the individuals who possess the desired qualifications of the job such as age limits, education, experience and allied qualities. This is essentially a quantitative search for individuals. On the other hand, qualitative search relates to assessment of personality through interviews, reference checks, counselling and psychological testing to obtain the pertinent qualitative information on the part of a prospective incumbent.

Promotion as a Source of Recruitment

Promotion forms a recruitment source for an organization. The process of promotion leads to an influx of one or more persons to fill a particular position or a series of positions caused by a single promotion. Suppose, a general manager (marketing) is promoted to the position of a vice-president. This single initiation of action may have a chain reaction, causing an upward movement of anywhere from one to several individuals depending upon the organizational hierarchy. Except in situations where there is adequate supply of promotable talent, vice-presidential promotion may cause recruitment from outside to fill potential vacancies, especially those in the middle or lower supervisory positions. This path of demonstrated progression can exert a motivational impact on any ambitious individual contemplating joining an organization as well as on those who have put considerable length of service with it. This system of promotion, as opposed to infusion of high level talent from outside, is highly beneficial and forms a selling point for the organization.

Types of Promotion Systems

(*a*) Informal versus Formal Systems

Several organizations adhere to an informal promotion 'system' which enables key executives to assign individuals to projects with whom they have had prior work experience or who have left a good impression. The key executives develop an insight into not only what is required as background to fill particular positions but also the personalities of the incumbents who possess varied extents of managerial effectiveness. Their personal experience also familiarizes them with different executive positions in terms of know-how, problem-solving and accountability. Therefore, they are able to judge not only the required qualifications for different positions but also the compensation levels for them. However, although such informal promotion systems have the minor advantage of key executives' recommendations and thorough knowledge, they may have several disadvantages stemming from personal errors or prejudices. As opposed to these informal or personality-oriented approaches, there exist more objective or systematic formal approaches to promotion.

The formal promotion systems have two essential characteristics: (1) objective assessment of the responsibilities, duties and extent of relative significance of different positions within the organizational structure, and (2) an objective assessment of the capabilities of individuals in terms of the present and potential performance. Although subjective measures, such as personality assessment, cannot be excluded from the process of considering candidates for promotion, these measures must be thoroughly evaluated. This process helps in selection of eligible candidates for promotion in view of an objective assessment of what is required on the job, and identification and selection of individuals who can effectively meet these requirements. The formal systems provide not only the most qualified individuals from within the organization for different openings but also ensure that all qualified people have been considered for promotion.

(*b*) Open versus Closed Systems

In the open system, all individuals within the organization are considered as potential candidates. Hence, the position openings are advertised internally. On the other hand, in a closed promotion system, the vacancies are not announced internally and thus, the candidacy of all the individuals within the organization is restricted in some way to promotions only. Attempts may also be made to use a combination of these two systems. For example, all positions below the executive level can be open for any individual within the

NOTES

organization. For executive level positions, promotions can be made through discussions between personnel specialists and related departmental heads. Adherence to a particular approach is a function of company philosophy stressing the extent of confidentiality with respect to responsibility level and compensation brackets attached to different positions.

For implementing an open system of promotion, the management must be committed to the notion that there is no need for secrecy with respect to responsibility and compensation attached to the advertised positions. Another commitment relates to communicating to the people that an individual who is yet not qualified for promotion can use his/her supervisor's time to develop skills for promotion in future. Still another managerial commitment which must be communicated is that supervisors should not check the employees from applying to open positions to avoid any dissatisfaction among them. Finally, while adhering to an open system of promotion, the management must take into account contractual obligations and legal requirements, if any.

Significance of Promotion

Experts are of the opinion that promotion is an effective tool for building employee morale. As Yoder *et al.*4 observe, it provides an incentive to initiative, enterprise and ambition, minimizes discontent and unrest, attracts capable individuals, necessitates logical training of advancement, and forms an effective reward for loyalty and cooperation, long service, etc. This demands sound promotion policies involving a suitable combination of merit and seniority, and fair and objective administration. Some authors argue that management should stress ability above seniority in promotions, and it should take seniority into consideration only where qualifications of two individuals being considered for promotion are largely equal. Whatever bases for promotion are used, attempts should be made to maintain fairness and objectivity in taking related decisions.

Although promotion from within an organization is a strong morale-building device, sometimes infusion of new blood from outside is highly desirable in organizational settings. Explicitly, a systematic objective promotion system involves: clear-cut definitions of lines of advancement, detailed personnel records, specific promotion plans, definite allocation of responsibility for identifying suitable candidates for promotion, and a centralized coordination of promotion. Seniority can be measured in terms of starting date, accumulation and the standing of the individual at a point in time, and future difficulties can be minimised by advance planning and agreement on definitions and implications of terms and clauses.

Key Issues in Promotion

The key issues in promotion include: (*a*) the role of personnel specialists, (*b*) training and development of personnel, (*c*) salary administration and promotion, and (*d*) human problems. These issues are exemplified in the case study 'Central Fertilizer Company Ltd.' (refer to Annexure 6.1).

(*a*) Role of Personnel Specialists

NOTES

As Dukes observes, personnel specialists play a comprehensive role in promotion.

(*i*) They must secure a policy statement from top management that they have the sole responsibility for developing the list of appropriate candidates for all openings in the organization. By ensuring top management's support and approval, they can locate the appropriate candidates.

(*ii*) They are required to educate middle level executives to obtain from their immediate supervisor the qualifications required for position openings and consider any nominations by him or her.

(*iii*) After reviewing the requirements suggested by the immediate supervisor, they are required to review personnel files keeping these requirements in view and assess the background of any candidate nominated by him or her. The process of reviewing both the nominated candidates and all other candidates located through their own efforts in terms of the stated criteria leads to involvement of all executives in the selection of candidates for promotion.

(*iv*) They are required to counsel those individuals who were rejected for promotion due to personality or qualification reasons so that they develop themselves for any future promotional searches of a similar nature. The effective performance of this role necessitates possession of pleasant personality and a diplomatic approach on the part of personnel specialists.

(*b*) Training and Development of Personnel

The training and development of personnel to prepare them for higher jobs is of utmost significance. Individuals for such training and development programmes may be selected on the basis of their performance in present positions and potentialities for higher jobs, although sometimes factors such as length of service, education, training courses attended, earlier work history, etc. are also taken into account. A research study has indicated that sociological and interpersonal factors are of utmost significance in determining the candidate selected for promotion. Among these factors are included religion, political affiliations, membership in a particular social club, family connections, personal friendships, etc. Obviously, top managers tend to select those individuals for promotions who were carbon copies of themselves vis-à-vis social, political, economic and religious interests. Thus, individuals who did not fit the attitudes, beliefs and culture of the organization had to try their luck elsewhere.

NOTES

However, some organizations use assessment centres as a measure to overcome the shortcomings of traditional methods. The assessment centre method involves establishment of centres where candidates are observed and rated by specially trained managers employing a series of techniques such as interviews, tests and exercises. The combined judgement of this group of observers forms a basis for making decisions related to promotions. This system has been found highly useful in several organizations such as the Bell System and the Standard Oil Company.

(*c*) Salary Administration and Promotion

Establishment of a standardized or reasonable approach to promotion involves certain guidelines with respect to salary administration policies and practices. Frequently, some supervisors are overimpressed by the performance of a particular individual or hold an excessively optimistic view of another individual's background to obtain his or her services. Such personal enthusiasm must be prevented from upsetting an ordered salary administration plan by putting a limit on the amount of increase which can be allowed either in terms of money or of job grade promotion. There may be varied types of limits including step limits, per cent increase limits, type limits and career path limits.

For example, there may be a provision that an employee cannot advance more than two job grades. In situations, where a 10 per cent increase is the norm for a performance or merit increase, a promotion action may have a bottom limit of 8 per cent and an upper limit of 17 per cent. In this context, an attempt should be made to delineate merit or performance increases from promotional increases. Type limits may dictate that a promotion increase should neither take place in conjunction with a merit increase nor within a specified time limit preceding or following a merit increase. The career path limits indicate that no individual should receive indefinite promotions in view of a 'ceiling' of a particular job grade. However, care should be taken to ensure that such salary administration limitations on individuals or groups do not exert an adverse impact on the organization. It must be held that although every individual cannot be a president, he or she can try to accomplish that position as far as his or her intelligence and motivation levels permit. In this context, occasional lateral transfers can also be made as a development measure with arrangement for counselling.

(*d*) Human Problems

Promotion programmes give rise to numerous human problems in organizational settings. Therefore, it becomes imperative that suitable steps are taken in this respect. Attempts should be made to establish a clear-cut promotion system embodying built-in controls so that deserving individuals are not by-passed. Explicitly, the morale of individuals is affected

NOTES

considerably if they are constantly deprived of promotions, which they richly deserve. Sometimes, individuals perform well in their existing positions but do not possess the ability for gaining higher position. To avoid this situation, the superiors should always discuss with their subordinates and suggest ways of improving their ability and acquire qualifications for higher jobs. It may be noted that some people may even refuse promotions.

For example, blue-collar workers may refuse promotions as foremen in view of lack of security in these positions. Further, some supervisors are hesitant to release subordinates for promotion to higher positions to other departments because of the fear of losing capable individuals and also departmental efficiency. The feeling of hoarding best subordinates can be prevented by recognizing the efforts of superiors to develop subordinates. In several organizations, promotion opportunities are not equitable for different categories of personnel. Usually, college graduates working in production and sales departments are given more promotions than engineers, chemists, and allied personnel possessing technical training. This type of differential treatment can be avoided by providing equivalent salary grades to technical personnel. Sometimes, imbalance in a promotion system is caused because of divergent attitudes of superiors towards it. Obviously, some managers are very conservative about promoting subordinates while others are extremely liberal in this respect. Efforts should be made to avoid such imbalances.

Mechanics and Systems of Promotion

Mechanics

The above discussion of policy and organizational aspects of promotion will provide the management with an understanding of human considerations of the whos and the whys of promotion. However, as Dukes observes, the actual mechanics or how of promotion can be understood with the aid of skills or interests inventories. This concept will enable the management to compare the skills or interests required by a position opening to the extent to which an individual has such skills or interests. It involves an organized compilation of critical skills and relevant educational factors embodied in most of the openings within an organization.

Compilation of Critical Skills

There are two approaches to compile a list of relevant experience or educational factors. The *first* is the broad approach involving compilation of varied items including even those which have only a remote chance of being referenced. The rationale underlying this approach is that skills or experience/background which are currently irrelevant, may be useful in future. The *second* is a specialized approach confined to detailing what is currently relevant, and thus involves only a limited number of items to be considered

NOTES

as important. Notwithstanding the divergent coverage, the two approaches embrace some amount of objectivity with respect to what forms pertinent skills rather than leaving it up to the supervisor to determine what is necessary for promotion. Explicitly, some supervisors with vested interests in filling a vacancy tend to reinforce their preferences and prejudices.

Skills and Inventory Coding

The personnel specialist may review an individual employee's personnel file, pertinent position descriptions and supervisor specifications for different position openings to prepare qualitative summaries of each individual's qualifications. However, this process is only relevant to smaller organizations. In large organizations, where numerous persons and a large number of job factors are involved, it would be time-saving and practical to assign logically ordered series of codes to represent such skills or education factors. Then, an attempt may be made to match either a four- or five-digit skill code for the desired characteristics with a similarly designed code assigned to the individual's specific background experience factor. The use of such codes involves code sources and coding structures.

Dukes cites a comprehensive skill- inventory prepared by combining the inventories developed by IBM, National Science Foundation and Refinery Skills. It consists of 4,000 items put into punch cards and forms a part of the employee information system databank. This skills inventory can be adapted to meet the needs of a particular organization. Next, an attempt may be made to evolve a coding structure using a combination of letters and numbers. This has several advantages. Specifically, it is less confusing and has the support of earlier coding experience. This system starts from the item AA 001 and ends with the item ZZ 999. It can be handled with the use of computers as well as manually.

Systems

Beach describes promotion systems for unskilled and semi-skilled workers, skilled craftsmen, clerical employees, professionals and managerial personnel in business enterprises. As regards unskilled and semi-skilled workers, entry is made into a labour pool, and thereafter upgrading takes place on the basis of seniority or a combination of both seniority and ability. Skilled craftsmen are recruited as helpers or apprentices. Thereafter, upward mobility occurs even up to positions of foremen, inspectors or production coordinators. Entry in clerical jobs is through appointment as clerks, typists or stenographers and subsequently promotions are made to the positions of secretaries or administrative assistants. In professional jobs, entry is made as assistant engineer or scientist, followed by promotion to the rank of associate engineers, engineers, senior engineers, project engineers or even managers. Lastly, in managerial jobs, individuals enter as management trainees or assistant supervisors. Thereafter, mobility occurs horizontally and vertically embracing several staff and line assignments to middle management levels and even in some cases to top management positions.

NOTES

Basis of Promotion

Promotions may be based on systems such as the 'rank-in-the-job' or 'rank-in-the-man'. In the former system, the content of the job including level of skill, efforts and responsibility forms the basis for determining pay and status in the organization, while the latter, in which rank is largely tied to the individual, involves the levels of skill and performance of the individuals as determinants of the position levels in the hierarchy of career pattern. Obviously, the 'rank-in-the-job' system stresses job analysis, job evaluation, organizational planning and allied concepts, and promotion in this system involves greater job demands and responsibilities.

On the other hand, the 'rank-in-the-man' system, which is largely used with professional workers, emphasizes proficiency rather than differences in the basic job content, although somewhat intersecting the 'rank-in-the-job' system in view of enhanced complexity and responsibility at higher levels. Indeed, the 'rank-in-the-man' system provides incentives for high performers by creating several ranks within a job family and develops loyalty to the organization. The number of ranks or promotion steps may range from three to seven. It may be noted that an excessive number of such ranks or steps involves administration problems and minimises the sense of teamwork, and that very few ranks or steps may not provide enough incentive and it may lower the motivation of personnel in organizational settings.

Elements in Promotion System

Beach, in his analysis of the promotion system of professional and managerial personnel, thinks that attempts should be made to introduce an effective promotion programme involving six elements as follows: (*i*) policy, (*ii*) channels, (*iii*) selection and appraisal, (*iv*) training and development, (*v*) communication and centralized records, and (*vi*) coordination.

The policy should stress whether or not to fill vacancies from within the organization, or whether or not to grant substantial increase in pay at the time of promotion. Usually, internal promotions are preferred over external recruitment, and significant financial incentive is given at the time of promotion. Moreover, there must be clear-cut formal promotion channels determined through careful job analysis and organization planning, although sometimes non-standard routes may also be opened for promotions. Furthermore, the selection of individuals for promotion is closely linked with performance appraisal and centralized records. Frequently, a committee of supervisors in collaboration with personnel specialists may review the qualifications of several candidates and recommend them for promotion.

The 'job-post-and-bid' system of filling vacancies (that is, posting of job-vacancies indicating job titles, duties, pay and qualifications on company bulletin boards) is also very useful in avoiding the possibilities of overlooking the deserving candidates.

NOTES

Box 14.1: Partnership in Promotion

HRD develops a promotion policy, and gets it approved by top level and other managers, identifies critical attributes (CAs) of key roles (and later, other roles), and puts them into a Role Directory, develops potential appraisal systems, trains people to use the system, surveys working of the system, and gives feedback to line management and revises the system, as needed.

Top Management critically reviews the promotion system developed by HRD and ensures objective promotions of senior managers. It is the *line management's* function to carry out periodical potential appraisals of the executives, participate in developing critical attributes (CAs) of various roles, recommend promotions according to the policy and provide feedback to the HRD on working of the system. *IR* help line management in promoting competent workers. *Personnel* initiate potential appraisal, initiate review of persons based on CAs of the roles being vacant and potential candidates recommended by line management, help in completing the promotion exercise and take action regarding placement of promoted persons.

Source: Pareek, U., 'Partnership in Human Resources Function', *Indian Journal and Industrial Relations,* 32(3), 1997, pp. 345–53.

14.4.1 Indian Perspectives on Promotion

In this section, an attempt is made to describe the viewpoint of the National Commission on Labour and promotion systems in two undertakings in India.

Viewpoint of the National Commission on Labour

The report of the National Commission on Labour indicates that with the establishment of large industrial complexes, the issue of promotion has assumed significance in India. Dissatisfaction over promotions has played a key role in work stoppages in many organizations. In several cases, although the dissatisfaction may not be overt, it hampers production even more in view of continuance of the grudge in a latent form for a considerable period of time. It forms a reward for hard work and incentive to mobilize and direct the best efforts of individuals towards organizational goals. It facilitates improvement in morale and stimulates individuals to cultivate qualities which are prerequisities to advancement in a career.

While such stimulation for effective work is significant in all work settings, it acquires special relevance in the public sector where the management finds it difficult to reward a worker in other ways.

It has been widely recognized that there are several jobs including those of sweepers, attendants or watchmen where channels of promotion are more or less non-existent. Likewise, there are several jobs in the Indian Railways involving thousands of employees where there is little hope for promotion in view of the limited number of jobs available at higher levels within the hierarchy of the railway administration. Such situations necessitate specialized treatment.

As the commission points out, during the course of its inquiries, several employers reported the existence of well-defined policies for promotion based on seniority, merit, trade test, efficiency and allied criteria and their strict implementation in practice. However, several organizations of workers have alleged prevalence of nepotism, favouritism and corruption with respect to promotion practices in their respective work settings. Some unions also charge that the policies of employers are instrumental in generating dysfunctional conflict among workers. The commission could not assess the extent to which these allegations were true. In situations where promotions are not based on predetermined standards (or at least the workers perceive them as arbitrary decisions) the commission felt it would be advisable for the management to evolve a promotion policy in consultation with the recognized union, if any.

Promotion Based on Seniority-cum-Merit

The commission suggests that wherever it is possible to determine the merit objectively, promotion should be based on seniority-cum-merit. Merit relates to efficiency, skill, aptitude and allied qualities. There must be an optimal combination of merit and seniority, and the management must pursue a policy of adequately balancing these factors. This policy can be made more effective if it operates in consultation with the workers. No uniform norms for promotion can be evolved for all industries, all undertakings within the same industry or even all categories of workers in the same unit. Older units have formulated their promotion policies as a consequence of years of experience. However, they cannot be successfully utilized elsewhere. In general, the commission recommends that in the lower rungs, particularly among the operative and clerical categories, seniority can be used as a basis for promotion. Likewise, seniority-cum-merit can be used as a criterion for promotion with respect to middle level technical, supervisory and administrative personnel. However, exclusive merit can be used as a guiding force for promotion to higher levels of technical, managerial and administrative positions.

Lastly, there is a conflicting issue relating to introduction of new talent in the enterprise. In the opinion of the employees, recruitment from outside should be resorted to only in those situations where there is lack of suitable internal candidate for promotion. On the other hand, the employers feel that such internal promotions would preclude the opportunity for infusion of new blood in the enterprise. The commission suggests that it is important to evolve a middle path harmonizing both claims of existing personnel and the newcomers. It can be accomplished by earmarking some vacancies at each level of responsibility.

NOTES

Promotion System in Telco

The Tata Engineering Locomotive Co. Ltd. provides significant opportunities for advancement and development of personnel. For example, in case of a vacancy at the assistant foreman level or above in a shop or at the level of an assistant or above in the office, attempts are made to notify it to the recruitment officer. If the department head visualizes that the next senior most individual is capable for the post, he recommends him for promotion. The recommendation is examined by a screening committee and if it agrees with it, the issue is sent for approval of the general manager. If the general manager approves it, the promotion is affected. However, if the general manager rejects the recommendation, an advertisement embodying detailed information about the post is prepared by the recruitment officer. The notification of the vacancy is sent to different branches of the company, local employment exchanges and newspapers for publication. While selecting applicants for the vacant position, internal candidates, especially those from the same department, are preferred. The effectiveness of the promotion system of the company is revealed from the fact that numerous trade apprentices, supervisory apprentices and graduate and postgraduate apprentices have acquired the posts of assistant superintendent, superintendent and manager, respectively.

Promotion System in Sandoz (India) Ltd.

Sandoz (India) Ltd. has an effective upgrading and promotion system. Promotions are largely made on the basis of merit, potential and seniority. Merit is determined through the annual merit rating systems and attempts are made to identify promotable individuals in advance and prepare them for promotion through proper training. The major characteristic of the system is that care is taken to assess the promotability of individuals keeping in view the requirements of the higher positions and their potentialities for them rather than their performance in the existing positions. Explicitly, the departmental heads make recommendations for promotions of the individuals at the time of the annual merit rating. The individuals promoted to higher positions are kept on probation for six months (or one year in the case of management cadre) during which their salary grades are not changed. If the individuals successfully complete the probationary period, they are given higher salary grades failing which they are reverted to their preceding positions. Sometimes, promotions are made to positions temporarily created or caused by leave vacancies from among the candidates in the promotability list. Usually, the individual has to complete three years' service with the company before he or she is entitled for promotion. As regards upgrading, there is agreement with the union to conduct departmental examinations twice a year under the supervision of a panel of examiners consisting of plant managers. Any male operators who have completed five years' service with the company can appear for examinations. On successful completion of the examination, they are promoted as Grade I operators.

NOTES

Demotion

Beach defines demotion as the reassignment of an individual to a job of lower rank and pay, usually involving lower level of difficulty and responsibility. Downgrading and bumping are also used in this context. In downgrading the initiative is taken by the employer, while in bumping the employee takes the initiative. Demotion may occur for several reasons. It may be used during periods of economic stress. While some employees are laid off, others are demoted to lower positions because of elimination of several higher jobs and combinations of departments. Moreover, individuals may be demoted in view of their inadequacies to meet job standards. This may occur in the case of newly promoted employees who are unable to meet the standards of performance as well as in situations where old employees fail to adapt to the new technologies and methods. In the former case, the need for demotion can be minimized by carefully handling the probationary period. Demotion in the latter case is not justified for the long-service employees. Attempts should be made to take away from these individuals the burden of complex duties and responsibilities which they are not able to accomplish even after adequate training, and care should be taken to maintain their status and income so that they are able to retain their dignity in society.

Demotion is also used as a disciplinary measure. However, it does not serve the desired purpose. The habitual patterns of behaviour such as violation of company rules, poor attendance, insubordination, etc. still continue in the lower rungs to where the individuals are demoted. Therefore, demotion should not be used normally for disciplinary causes. However, if the management makes, in exceptional cases, disciplinary demotions, adequate care should be exercised to clearly list the rules, communicate them effectively, carefully analyze the cases of violations, administer it through the immediate superior, and have provisions for review. Whatever be the causes of demotion, the management should take enough care to handle such situations.

Transfer

Yoder along with other theorists defines transfer as a lateral shift causing the movement of individuals from one position to another usually without involving any marked change of duties, responsibilities, skills needed or compensation. There are three kinds of transfers including (*a*) production transfers, (*b*) personnel or remedial transfers, and (*c*) closure transfers.

The aim of production transfers is to deal effectively with the fluctuations in work requirements and enhance versatility and competence of key personnel. This type of transfer may take place due to several factors. It may be used in organizational units where there is a decline in production,

NOTES

or where there exists a great rush of work. A variety of production transfers is replacement transfers used during lay-off periods when short-service employees are replaced by long-service ones. Numerous organizations use versatility transfers as a measure to provide varied job experience to their employees. Production transfers may also be caused due to efficiency reasons. It has been frequently noted that an individual who is an utter failure under one supervisor and in one type of work, is highly effective in another area in which he has optimal interest and aptitude.

The personnel specialist may play a crucial role in this context. Personnel or remedial transfers purport to correct faulty placement, dissipate monotony, improve employee relations, provide creative opportunities and impart training to individuals for subsequent advancement. Usually, such transfers are made for reasons such as health or other personal difficulties in cases where the original placement has been wrong. Relocation of employees enhances their adjustment and retains their interest in the job. Shift transfers form a variety of personnel transfers.

Closure transfers are a result of closing down of one plant and the establishment of another at a distant place. In such situations, workers are usually left jobless, while professional and managerial personnel move to the new location. There is no specific reason why such closure transfers should not be applicable to rank-and-file employees. Explicitly, workers willing to move to a newly established plant should be given an opportunity to do so without any loss of seniority and pay.

Elements in a Transfer Programme

Yoder *et al.* stress the consideration of several elements in a transfer programme. These include kinds of transfer to be employed, areas where transfers are to take place, the basis for transfers, nature of transfers, remuneration problems, training and allied issues, and responsibility for transfers. The employers should attempt to use as many types of transfers as possible to attain adaptiveness in different situations.

The area of transfer is determined by several factors such as nature of jobs, company rules, etc. If the nature of work is similar throughout the organization, inter-departmental transfers can be effectively made. However, if the jobs are highly dissimilar in various departments, the area of transfer is limited, and it cannot be made effective except for versatility reasons. Likewise, if company rules prescribe seniority on a departmental basis, the area of transfer is extremely limited. The basis for transfer also deserves considerable attention. Production transfer is at the instance of the employer, while personnel transfer may occur at the request of the employee himself. A proper framework making adequate allowances for individual differences and situations should be prepared to handle personnel transfers on a consistent and equity basis.

NOTES

The nature of transfer should also be taken into account in the programme. Transfers resulting from changes in the volume of production and absence of key personnel are of temporary nature, while those stemming from changes in nature of the company's business or organizational structures are permanent ones. Consent is not required from the individual concerned or the representative union in case of temporary transfers ranging from one week to three months, but as regards permanent transfers such consent is necessary. Transfers also cause remuneration problems. In production transfers, except during the lay-off periods, the individuals should be paid earlier remuneration if the new situation involves lower rates and he should get equivalent rates of pay, if the present position involves higher emoluments. However, in case of personnel transfers, the employee has to accept the new rate, even if it is lower than what he earlier received. Problems related to training of transferees should be given proper attention and handled effectively through adequate planning. The responsibility for transfer lies with the line personnel. In the case of inter-departmental and mass-scale transfers which form the major responsibility of higher line managers, the personnel specialists can play consultative and advisory roles effectively.

Proper administration of a transfer programme is highly useful not only in adjusting to varying situations, but also in placing individuals gainfully in different economic and personnel situations. Transfers should not be made frequently, and adequate notification including both 'what' and 'why' aspects of the programme should be made. Disciplinary transfers should be avoided.

The Indian Perspective

Davar describes transfer systems in India at TELCO and Sandoz (India) Ltd. The Tata Engineering and Locomotive Co. Ltd transfers its employees from one unit to another at its own discretion, and individuals are paid emoluments as obtained in the units where they are transferred.

In Sandoz (India) Ltd., intra-department, inter-department and head office to unit and vice-versa transfers form a part of service conditions of the personnel. Transfers are initiated by plant managers in consultation with the personnel department, and care is taken that seniority and salary of the individuals involved are not adversely affected by such transfers. Obviously, the transfers are made at the discretion of the management with a view to meeting the exigencies of the work requirements of the company, accomplishing the needs, age and health requirements of the individuals, improving the inconsistencies in employee relations, providing creative opportunities to the individuals, preparing employees for future advancement and promotion, and improving the faulty placement of personnel. Although the company provides adequate provision for raising objections to transfer on reasonable grounds, non-compliance with a transfer order is considered as misconduct. Intra-departmental transfers can be made by the plant

NOTES

manager without issuing any written order in these respects. As regards inter-departmental transfers, the employee is given a written transfer order signed by the personnel manager and the plant manager where he is being employed. However, in the case of temporary inter-departmental transfers involving less than a month, the employees can be verbally transferred under intimation to the personnel department. Transfers from head office to unit and vice-versa involve substantial costs, and therefore, are made only if necessary in view of exigencies of the work. In such cases, advance notice is given to the individuals being transferred, but no changes in their salary structures are made.

Separation

Lay-Off

During the period 1991–95, 53.29 per cent workers were laid off owing to power shortage, followed by shortage of raw materials (16.44 per cent). The number of workers laid off increased from 58.067 in 1994 to 61,986 during 1995 (*Indian Labour Journal,* 1188–89, 1996).

Lay-off has been defined as an indefinite separation from the payroll due to factors beyond the control of the individual. There may be several causes for lay-off including decline in sales, shortage of raw materials, market fluctuations, delays in production and displacement caused by technology. Although a lay-off is a temporary separation at the instance of the employer, sometimes it turns out to be a permanent one, as production never picks up and thus laid off individuals are not re-employed in the enterprise. The longer the period of lay-off, the less the possibility that the individuals will return to the organization. Lay-off is considered as a thorny issue because of involvement of human sentiments and adjustment problems. Indeed, it causes problems for managers as well as the union. The management's problem is to maintain productive efficiency involving qualitative considerations. The highly skilled and productive individuals are to be retained keeping in view the technical functions of the enterprise. The morale of the workforce caused by the methods of laying off and retaining employees has to be given utmost attention. In addition, the public relations aspect of lay-off problem needs care. The problem of the union relates to finding out uniform and impartial ways to distribute the limited quantity of work among its members.

Lay-off problems of unorganized labour differ from those of organized workforce. When the workforce is unorganized, the management has full freedom to lay-off and retain employees and sometimes it is considered as a golden opportunity to weed out the undesirable individuals. It can retain individuals who are highly productive and lay-off the ones least efficient. Frequently, in practice, the criteria for lay-off and retention of employees include ability, length of service, age, number of dependents, financial obligations and health.

As regards the lay-off of organized workforce, it is a highly complicated process. During the lay-off periods, the union makes its best possible efforts to preserve itself, maintain its organizational structure, protect the jobs of members as much as possible, provide employment rights to the individuals being laid off, and ensure that its members are treated on an equitable and impartial basis. Frequently, the union insists on sharing of work by reducing hours of work, division of work and rotation of employment. Working hours are usually reduced by 32 hours a week before lay-off is resorted to. According to division of work method, the entire work is equally divided among all the employees to ensure equal earnings. This method is especially applicable where wage incentive or piece rate system is operating. In rotation of employees, short periods of lay-off are rotated among all the individuals instead of laying off a group of employees. In addition, there are several other supplementary methods such as restriction on new recruitment, restriction on overtime work, etc., which are used by the union.

Seniority is of great significance in lay-off of organized workforce, although ability is also taken into consideration. Explicitly, short-service employees are laid off in cases where long-service employees have the ability to accomplish the outstanding work. Thus, seniority is the major factor, other things, i.e., ability, physical fitness, etc. being equal. However, seniority is a highly complex issue. Seniority can be classified into several types such as job-family seniority, departmental seniority, plantwide seniority, and companywide seniority. It is difficult to determine the type of seniority to be used during lay-off periods. Obviously, the union stresses the companywide seniority system. In cases where this type of seniority is used, the long-service employees are bumping the short-service employees, if they are capable of doing their work. As this process disrupts the efficiency of the company, the management usually stresses departmental or unit seniority. Seniority is also used as a basis of recall when business picks up and the workforce expands. The workers may be re-employed in an inverse order of lay-off or in terms of their seniority. However, this process is again a complicated issue. As some departments expand before others, the re-employed individuals are likely to be placed in departments other than their original ones. Obviously, in this context, ability and physical fitness are again considered along with seniority.

Steps in Lay-off

There are several steps in the administration of a lay-off programme.

First, attempts should be made to have advance planning and consider several factors to be involved subsequently in the programme with a view to resolving future problems and reducing the arising dislocations effectively.

Second, the union should be given advance notification regarding the lay-off beyond merely what is legally required.

NOTES

Third, the industrial relations and personnel department should be involved not only in an advisory capacity but also in counselling the employees to dissipate the problem caused by lay-off.

Fourth, the actual lay-off operations should be executed by the line officials whatever be their magnitude instead of delegating the function to the staff unit. If the lay-off is of indefinite nature, the employees should be informed about it and, as far as possible, alternative jobs should be arranged for them elsewhere.

Fifth, there should be adequate provision for reviewing the issue if a particular individual thinks that lay-off is not justified in his case.

Last, attempts should be made to follow up the lay-off programme to assess its positive and negative characteristics which can provide valuable experience for the future.

Discharge

Discharge has been defined as a permanent separation from the payroll of the company, frequently due to the incompetence of or offence caused by the employee. The absolute right of the employer to discharge a worker has been checked by the unions and labour laws. As a result of the collective bargaining agreements, workers can be discharged only for 'just causes'. Again, they can make an appeal against such actions. However, managers, administrators and professional personnel in private sectors can easily be discharged on numerous grounds including decline in sales and production volumes, poor performance, alleged or actual misbehaviour, and even on account of a supervisor's dislike for them.

Elements in Discharge

Yoder *et al.* point out several elements in a discharge programme.

First, an attempt should be made to clearly enlist the reasons for discharging an employee.

Second, the individuals concerned should be adequately informed about the reasons for their discharge.

Third, the supervisors initiating the discharge action should be fully familiar with the rules and their enforcement in the company.

Fourth, an attempt should be made to carefully analyze the facts regarding the violations of the rules and regulations.

Fifth, the discharge should be administered by line officials. As regards the foreman, he should only be empowered for a discharge of an employee from his department and not from the company. Some higher line officials should be responsible for the review of the discharge of an employee from the company.

Sixth, there should be a clear-cut procedure to settle the case of a discharged employee.

Seventh, there should be adequate provisions for a review of the discharged employee, especially where the workforce is organized.

NOTES

Last, as regards discharge on grounds of incompetence, every attempt should be made to find out a position for the individual where he/she is not inefficient before discharging him/her from the company. Indeed, personnel transfers can reduce the possibility of discharge on grounds of incompetence. Further, effective selection and placement programmes can also contribute markedly to minimize such discharge cases.

Legal Framework on Lay-off and Retrenchment

In India, Sections 25-A to 25-S (Chapters VA and VB) of Industrial Disputes Act, 1947 relate to lay-off and retrenchment. Sections 25-C to 25-E do not apply to industrial undertakings to which Chapter VB applies. These sections also do not apply to industrial undertakings where less than 50 workmen on an average per working day have been employed in the preceding calendar month, or which are of seasonal nature, or where work is performed only intermittently. Section 25-C asserts that whenever a workman, with the exception of a *badli* or a casual workman, whose name is borne on the muster rolls of an industrial undertaking and who has completed not less than one year of continuous service with the employer, if laid off whether continuously or intermittently, he/she has to be paid by the employer for all days during which he/she is so laid off, except for such weekly holidays as may intervene, compensation equivalent to 50 per cent of the total of the basic wages and dearness allowance that would have been payable to him/her, had he/she not been so laid off. However, during any period of 12 months, for a workman who is so laid off for more than 45 days, no such compensation has to be paid in respect of any period of the lay-off after the expiry of the first 45 days, if there is an agreement in this respect between the workman and the employer.

Again, as Section 25-E asserts, no compensation has to be paid to a workman if he/she refuses to accept any alternative employment in the same undertaking from which he/she has been laid off, or any other undertaking belonging to the same employer situated in the same town/village or situated within a radius of five miles from the undertaking to which he belongs, if in the view of the employer, such alternative employment does not involve any special skill or prior experience and can be performed by the workman, provided that the wages which would be paid normally are also offered for the alternative employment. He/she is also paid no compensation if he/she does not present himself/herself for work in the undertaking at the appointed time during normal working hours at least once a day as well as if such lay-off is due to strike or slowing down of production on the part of workmen in another part of the company.

NOTES

Section 25-F asserts that no workman employed in any industry who has been in continuous service for not less than one year under one employer can be retrenched by the employer unless he has been given one month's notice in writing indicating the reasons for retrenchment, and the period of notice has expired or the workman has been paid in lieu of such notice, wages for the period of notice. Likewise, Section 25-FF, Section 25-FFA and Section 25-FFF prescribe compensation to workmen in case of transfer of undertaking, 60 days' notice of intention to close down an undertaking and compensation to workmen in case of closing down of undertakings, respectively. Further, Section 25-G and Section 25-H deal with procedures for retrenchment and re-employment for retrenched workmen, respectively.

Chapter VB of Industrial Disputes Act, 1947, deals with special provisions relating to lay-off, retrenchment and closure in industrial undertakings, excluding those of seasonal nature, or in which work is intermittently performed, where not less than 100 workmen were employed on an average per working day for the preceding 12 months. Section 25-M asserts that no workman, with the exception of a *badli* or a casual workman, whose name is borne on the muster rolls of an industrial undertaking to which this chapter applies, can be laid off by his employer except with the prior permission of the appropriate government or such authority as may be specified by that government by notification in the official gazette unless such lay-off is due to shortage of power or natural calamity. The section further specifies several conditions for its operation.

Moreover, Section 25-N asserts that no workman employed in any industrial undertaking to which this chapter applies, who has been in continuous service for not less than one year under an employer, can be retrenched until he has been given three months' notice in writing indicating the reason for retrenchment, and this period of notice has expired, or the workman has been paid in lieu of such notice, wages for the period of the notice and the prior permission of the appropriate government or such authority as may be specified by that government by notification in the official gazette has been obtained. Section 25-O, Section 25-P, Section 25-Q and Section 25-R deal with 90 days' notice of an intention to close down any enterprise, special provisions relating to restarting of an enterprise closed down before operation of the Industrial Disputes (Amendment) Act, 1976, penalty for lay-off and retrenchment without prior permission and penalty for closure, respectively. The government has taken steps to further regulate lay-offs, retrenchments and closures through the Industrial Disputes (Amendment) Acts of 1982 and 1984. As per the Act, any worker who has completed not less than one year of continuous service, is entitled for a minimum amount of compensation for retrenchment/closure. It may be noted that the number of units affecting retrenchment has shown a steady decline since 1991.

NOTES

Check Your Progress

4. What is an open system?
5. Mention two key issues in promotion.

14.5 ANSWERS TO CHECK YOUR PROGRESS QUESTIONS

1. One limitation of the lecture system is that the learners are passive instead of active participants. The lecture method violates the principle of learning by doing.
2. Executive or management development is a long-term educational process utilizing a systematic and organized procedure by which managerial personnel learn conceptual and theoretical knowledge.
3. One objective of management development is to ensure a steady source of competent people at all levels to meet organizational needs at all times.
4. In the open system, all individuals within the organization are considered as potential candidates.
5. Two key issues in promotion include: (*a*) the role of personnel specialists, (*b*) training and development of personnel.

14.6 SUMMARY

- Lectures are regarded as one of the simplest ways of imparting knowledge to the trainees, especially when facts, concepts, or principles, attitudes, theories and problem-solving abilities are to be taught.
- Retraining programmes are generally arranged for employees who have long been in the service of an organization.
- Executive or management development is a long-term educational process utilizing a systematic and organized procedure by which managerial personnel learn conceptual and theoretical knowledge.
- In organizational terms, it is intended to equip persons to earn promotion and hold greater responsibility. Training a person for a bigger and higher job is development.
- Executive talent is the most important asset of an organization.
- According to Peter Drucker 'An institution that cannot produce its own managers will die. From an overall point of view the ability

NOTES

of an institution to produce managers is more important than its ability to produce goods efficiently and cheaply.'

- Role playing technique is used in groups where various individuals are given the roles of different managers who are required to solve a problem or to arrive at a decision.
- The case study method of training employs simulated business problems for trainees to solve.
- A management game is a classroom exercise in which teams of students compete against each other to achieve common objectives.
- There are several work situations in which an individual demonstrates the capacity to contribute towards organizational goals beyond the level of his or her present job and, thus, can be considered as a candidate for promotion.
- Upgrading can take the form of minor promotion, promotion within grade or horizontal promotion.
- Promotion forms a recruitment source for an organization. The process of promotion leads to an influx of one or more persons to fill a particular position or a series of positions caused by a single promotion.
- Several organizations adhere to an informal promotion 'system' which enables key executives to assign individuals to projects with whom they have had prior work experience or who have left a good impression.
- The formal promotion systems have two essential characteristics: (1) objective assessment of the responsibilities, duties and extent of relative significance of different positions within the organizational structure, and (2) an objective assessment of the capabilities of individuals in terms of the present and potential performance.
- For implementing an open system of promotion, the management must be committed to the notion that there is no need for secrecy with respect to responsibility and compensation attached to the advertised positions.
- The key issues in promotion include: (*a*) the role of personnel specialists, (*b*) training and development of personnel, (*c*) salary administration and promotion, and (*d*) human problems.
- Promotion programmes give rise to numerous human problems in organizational settings.
- There are two approaches to compile a list of relevant experience or educational factors. The *first* is the broad approach involving compilation of varied items including even those which have only a remote chance of being referenced.

- Beach defines demotion as the reassignment of an individual to a job of lower rank and pay, usually involving lower level of difficulty and responsibility.
- Yoder along with other theorists defines transfer as a lateral shift causing the movement of individuals from one position to another usually without involving any marked change of duties, responsibilities, skills needed or compensation.
- There are three kinds of transfers including (*a*) production transfers, (*b*) personnel or remedial transfers, and (*c*) closure transfers.
- Lay-off has been defined as an indefinite separation from the payroll due to factors beyond the control of the individual.

14.7 KEY WORDS

- **Lecture:** It is a talk someone gives in order to teach people about a particular subject.
- **Specialization:** It is the process of concentrating on and becoming expert in a particular subject or skill.
- **Committee:** a group of people appointed for a specific function by a larger group and typically consisting of members of that group.
- **Conference:** It is a formal meeting of people with a shared interest, typically one that takes place over several days.
- **Syndicate:** It is a group of individuals or organizations combined to promote a common interest.

14.8 SELF ASSESSMENT QUESTIONS AND EXERCISES

Short Answer Questions

1. Discuss the important uses as well as the limitations of the lecture system.
2. Why is retraining arranged?
3. State the objectives of management development.
4. Briefly discuss the methods of management development.
5. Discuss the significance of promotion. What are its key issues?
6. What is the basis of promotion?
7. Write a short note on discharge.

NOTES

Long Answer Questions

1. What is management development? Why is it needed?
2. Discuss promotion as a source of recruitment. What are the types of promotion system?
3. Describe the elements in promotion system.
4. Discuss promotion from the Indian perspective.
5. Give a detailed description on demotion.
6. What are the types of transfer? State the elements in a transfer programme.
7. What do you understand by lay-off? What are the steps involved in a lay-off?
8. Explain legal framework on lay-off and retrenchment.

14.9 FURTHER READINGS

Venkataraman, C.S. & B. K. Srivastava. 1991. *Personnel Management and Human Resources.* Tata McGraw Hill.

Yoder, Dale & Paul D Standohar. 1990. *Personnel Management and Industrial Relations.* Sterling Publications.

Well, Ian Beard and Len Holden. *Human Resource Management - A Contemporary Perspectives.* Macmillan.