

TEERTHANKER MAHAVEER UNIVERSITY MORADABAD, INDIA

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**Programme Name- MBA
Semester-II**

Course Name-Human Resource Management

Syllabus

OBJECTIVE AND EXPECTED OUTCOME OF THE COURSE:

The objective of this course is to provide basic knowledge of human resource management. And to make students aware of the importance of this subject in the working of organisations.

UNIT-I

Introduction: Definition; Nature, Scope & Objectives; Need; Significance of Human resource management. **Manpower Planning:** Definition, Objectives, Process, Factors affecting Manpower Planning. **Job Analysis:** Meaning, Objectives, Uses, Process; Techniques and Problems.

UNIT II

Recruitment: Meaning, Process, Sources, Methods. **Selection:** Meaning, Importance, Process. **Tests and interviews, placement and induction. Job changes** - transfers and promotions.

UNIT III

Training and development: concept and importance; identifying training and development needs; designing training programmes, evaluating training effectiveness. **Career planning and development:** Meaning, Objectives, Responsibility, Stages, Steps in effective career planning. **Performance appraisal system:** nature and objectives; techniques of performance appraisal; Potential appraisal and employee counselling.

UNIT IV

Compensation: concept, policies and administration; Methods of wage payments and incentive plans; fringe benefits; performance linked compensation. **Job evaluation:** Meaning, Importance, Methods. **Maintenance:** employee health and safety; employee welfare; social security; grievance. Handling and redressal.

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LESSON 1: INTRODUCTION TO HUMAN RESOURCE MANAGEMENT

STRUCTURE OUTLINE

- 1.1 Learning objectives
- 1.2 Introduction,
 - 1.2.1 Meaning
 - 1.2.2 Definitions
- 1.3 Nature ,Scope and objectives of HRM
 - 1.3.1 Characteristics of HRM
 - 1.3.2 Scope of HRM
- 1.4 Functions Of HRM
- 1.5 Roles and Importance of HRM
- 1.6 HRM and HRD: A Comparative analysis .
- 1.7 HRM practices in India
- 1.8 Summary
- 1.9 Glossary
- 1.10 Answers to check your progress
- 1.11 References
- 1.12 Terminal and model Questions

1.1 LEARNING OBJECTIVES

After going through the lesson you will be able to

- To understand the meaning, nature & scope of HRM
- To know the functions of HRM
- Appreciate the Importance of HRM
- Make a Comparative analysis HRM and HRD
- To know about HRM practices in India

1.2 INTRODUCTION, MEANING AND DEFINITIONS OF HRM

Every organization requires pool of human beings or human resources in addition to other resources of management like men, machinery, money and methods in order to function effectively. The essence of human resources in the organizations lies in the fact that non human resources are to be mobilised, organized and utilized by human resources of the organisation.

Every organization desires to have trained and skilled employees in order to make their organization more effective in comparison to its competitors. Humans beings are most imperative for an organization because no operation or activity in the organization can be performed without them.

Human Resource Management (HRM) is that function of management which deals with issues related to human resources of the organisation. Human Resource Management is that function of management which deals with the issues related to the human resources of the organisations such as recruiting, selecting, training, developing the employees, performance management, compensating the employees, health, safety and welfare of employees, employee motivation, communication etc.

1.2.1 Meaning:

Human Resource Management is the process of recruitment and selection of employee, training and developing their skills, assessing their performance, offering them adequate compensation and benefits, motivating them, maintaining sound industrial relations, ensuring safety, welfare and health of employees by adhering to labour laws.

Human: It refers to the skilled workforce in the organization.

Resource: It refers to limited availability or scarce.

Management: It refers to maximize or proper utilization and make best use of limited and a scarce resource.

On the whole, human resource management is the process of optimal utilization of available limited skilled workforce. The core purpose of the human resource management is to make efficient use of existing human resource in the organization.

1.2.2 Defining HRM

Many intellectuals had defined human resource management in different ways, but the conclusion is human resource management deals with managing employees in the organization.

According to Edwin Flippo “HRM is planning, organizing, directing, controlling of procurement, development, compensation, integration, maintenance and

separation of human resources to the end that individual, organizational and social objectives are achieved.”

The National Institute of Personal Management (NIPM) of India has defined human resource management as “that part of management which is concerned with people at work and with their relationship within an enterprise. Its aim is to bring together and develop into an effective organization of the men and women who make up enterprise and having regard for the well – being of the individuals and of working groups, to enable them to make their best contribution to its success”.

1.3 NATURE, SCOPE AND OBJECTIVES OF HRM

Out of various factors of production, only human resources are living, active and animate with feelings emotions, mind and action oriented. Rest factors are inanimate and inert and passive.

NATURE OF HRM

1. **Human resources are heterogeneous in nature.** No two human resources are identical in their work potential, loyalty and other psychological frame work. Their behavior being unique, the supervisor therefore, has to use multiple methods to get work done from them.
2. **Human resources are the scarcest resource** of an organization. Rest of resources is readily available for a price.
3. **As time passes, human resources acquire skill, knowledge and competence and appreciate in value.** All other resources except land depreciate with passage of time.
4. Human resources have the **ability to form union** against management laws, government etc.
5. Several laws have been framed to safeguard human resources against unhealthy practices of the employers like **Factories Act, Workmen’s Compensation Act** etc.

Given the unique nature of human resources, it is important that these resources be managed in such a way as to maximize both employee as well as organizational effectiveness. The function of management which takes care of this aspect of human resources is called human resource management (HRM).

1.3.1 Characteristics of HRM

1. **HRM is a continuous process** that transforms people into effective human beings. Such transformation includes both behavior transformation as well as competency transformation. HRM uses different methods for such transformation including training, counseling, performance appraisal etc.
2. **HRM begins even before the employee joins the organization** and is a continuous and planned process continues even when the organization growth has reached the plateau.
3. **HRM aims to develop human resources** to maximize both employee and organization effectiveness.
4. **It also aims at contributing towards professional wellbeing**, motivation and pride of employees.
5. HRM helps in building an environment in the organization that **promotes healthy employee- employer relations in the organization.**

1.3.2 Scope of HRM

Considering the vast scope of HRM, all major activities in the working life of a worker right from the time he joins an organization till he leaves fall within the preview of HRM. Few methods of HRM extend beyond these activities like HR planning, job analysis and design and retirement planning but still are covered under HRM activities .**All these activities can be classified into following sections:**

- i. Human resource planning
- ii. Recruitment, selection and placement.
- iii. Employee training & development
- iv. Performance management
- v. Compensation management
- vi. Employee motivation
- vii. Employee maintenance
- viii. Managing employee movements (promotion, transfer, separations)
- ix. Industrial relations
- x. HRM prospects.

1.4 FUNCTIONS OF HRM

So as to realize above outlined objectives HRM must perform certain functions which were stated while outlining the scope of HRM. Following paragraphs provide a brief description of these functions:

1. Manpower planning: It deals with handling shortage and surpluses of manpower in the organization keeping in view present goals of the organization and future plans of the organizations, thereby assessing manpower needs & manpower audit. The Manpower requirements must be assessed objectively keeping in future plans, existing labor turnover, retirements spin offs, transfer etc.

2. Planned recruitment and selection: Recruitment explains exploring or searching for prospective employees and providing them stimulus to apply for specific job in an organization through various sources. Recruitment creates a pool of available labor force to meet additional manpower needs of an organization in the requisite number as and when they require it.

Selection on the other hand is a screening procedure to select most appropriate employee for the job. Different organizations use different methods of screening depending upon job description available. Selection helps an organization appoint best employee for the organization.

3. Performance appraisal and feedback – These are important HRM functions. This mechanism helps an employee identify his growth needs and redefine his future goals. HRM should ensure a participative performance appraisal. Such an open objective and participative appraisal and feedback mechanism will help develop better superior-subordinate relations, will help in the award of promotions, incentives and trainings to the employees.

4. Training and Development: One of the important functions of HRM is to provide training and development to its employees in order to impact

- (a) Improved performance of the employee on his present job.
- (b) Preparation of the employee for related jobs and future prospects
- (c) General growth of the employee to assume greater responsibility in future.

5. Career management: In present scenario employee is more aware and concerned about his future prospects he believes in career planning and development to achieve his career goals. New employees should be made aware of their specific career path. Necessary help may also be given to the employees through training and development to make them ready for future job positions. Such career management initiatives by the organization help retain employees in the organization for longer time duration at the same time fulfilling their career aspirations.

6. Employee compensation and reward- HRM should ensure that employee compensation is totally based on job analysis. Job description or job specification should assess the worth of job. The salary structure must be based upon those characteristic features of a job. Salary structure should assess an employee upon those characteristic features of the job. Employee's reward system should be fair, equitable and based on the performance of an employee on the job and not attributes like educational qualification, past experience and closeness to his superior. Employee remuneration structure should motivate employees to achieve the goals.

7. Quality of work life and employee – A good remuneration system is not sufficient to attract motivate and retain employees in the organization. A congenial working environment, good physical conditions and motivating work are equally essential for employee welfare. Though several laws have been enacted by the government for ensuring a quality of work life and employee welfare, yet HRM function should go focus to enhance the moral of its employees by providing conducive work environment to the employees.

8. Workers participation in strategies decision making - One of the vital function of HRM is ensure that worker are given adequate opportunity of representation in all matters affecting them and the organization. Issues like employee welfare, employee training, absenteeism, high labor turnover, wage and salary settlement and employee grievances etc. must be settled through participatory mode. Worker participation helps in better understanding among employer – employee and higher productivity for the organization.

9. Communication- Free flow of desired information at all levels ensure good governance and transparent management .Suggestions and new ideas of the employee should reach top level for evaluation, acceptance and implementation. Communication is necessary

- (a) to provide the information and understanding necessary for group effort i.e. skill to work and
- (b) to provide the attitude necessary for motivation, cooperation and job satisfaction i.e. will to work. Communication is needed to build linkages of the organization with the outside world compressing government, clients, customers etc.

10. Counseling and Mentoring- HRM also aims at providing timely guidance to workers on problems relating to hand and heart. Many organizations still employ trained counselors for the employees guidance. Senior employees can also act as mentors to the employees to help them decided their career growth path.

11. Role analysis and role development - This is an extremely important function of HRM . Under this the job of an individual in the organization is analyzed and enriched in terms of his role and not in terms of his job .A role is sufficiently challenging for the employee so that he is able to explore his potential .He should be given adequate autonomy for taking imitative. His role should be integrated with other organizational role to give him a feeling of importance and association. Job enrichment signifies efforts to make a job more motivating for the employees.

In large organizations, such data is computerized for easy and quick retrieval and continued updating.

1.5 IMPORTANCE OF HRM

Experience show that many managers, presidents, superiors have been successful with inadequate plans , organizations or controls because they had the knack of hiring their people for the right jobs and motivating , appraising and developing them. On the other hand, there are organizations with brilliant plans, clearly down organizational charts, setting up modern assembly lines and using sophisticated accounting controls but still failing due to hiring wrong people or by not motivating subordinates. Organization's growth is promoted by its human

resources rightly selected, rightly placed, adequately trained, fairly compensated and treated with fairness. All these are activities of HRM. Hence, the need for HRM arises.

1. HRM is needed to recruit, select, train and develop right people for the organization. No organization can survive if its employees are not competent in terms of knowledge, skills, attitudes and competencies. HRM has been continuously engaged in manpower planning, recruitment, selection, training, compensation and grievance handling of the employees. HRM is needed both in profitable as well as non-profitable organizations.

2. HRM is needed to strike a balance between personal and professional life of an employee. The process of Industrialization had reduced workers to a mere tool in the hands of management. The factory system dehumanized and deskilled various jobs. HRM has brought about a change and human resources are given due respect and recognition. Job enrichment has actually made their job challenging, greater autonomy, creativity and career growth options are provided to the employees. Potential appraisal, feedback, counseling, mentoring, conducive working environment and quality of work life have enabled a worker live an integrated life. An employee is able to strike a balance between his personal life and professional life.

3. HRM aims to bring about the change at all levels. The traditional human source development methods like training and job rotation focus on bringing about a change in the subordinates. In traditional methods the top management personnel often have the attitude that all is well with them and it is only the lower level which needs to be trained, changed and developed. The Modern HRM techniques aim at bringing about the change at all levels and ensuring that the change is a system wide change to enrich the entire socio-technical system of the organization. It helps in enhancing quality of work life for all in the organization.

4. HRM helps to develop a proper development climate in the organization that can continuously identify, bring to surface, nurture and use the capabilities of people- a climate that can make people more open, independent, authentic, trustworthy, creative and collaborative in their behavior. Such an open climate will

enhance employee effectiveness on the job ,improve employee- employer relationship and achievement of organizational goals.

Check your progress 1

Fill in the blanks

1. **Human resources arein nature** as No two human resources are identical in their work potential, loyalty and other psychological frame work.
2. **Human resources are the..... resource** of an organization as all other resources are readily available for a price.
3. **As time passes, human resources acquire skill, knowledge and competence andin value.**
4. Concepts likemust be incorporated in the existing organization structure to meet the increasing demand of women workers to balance their job and family demands

1.6 HRM AND HRD : A COMPARATIVE ANALYSIS.

As discussed in the previous sections, you have understood by now that human resources management is concerned with managing all aspects of the human resources at work place. It aims at creating the most favorable working environment for employees so that they wholeheartedly contribute to the organizational goals.

It would be imperative here to state that HRD encompasses organization development, training and development and career planning and development of individuals.In short we can say that HRD is a subsection of HRM , HRM deals with all the aspects of human resource function which includes manpower planning, recruitment and selection, training and development, compensation and rewards, performance appraisal, industrial relations, collective bargaining etc while HRD deals only with the development and training part of HRM

Check your progress 2

State whether true or false

- 1 HRM and HRD are one and the same thing.
- 2 HRD is a part of HRM function
- 3 HRM includes development of individuals and the organization
- 4 HRD includes training and development, organization development and career development of individuals.

1.7 HRM PRACTICES IN INDIA

It would be imperative to understand the present business scenario in India in order to comprehend and appreciate the HRM practices as of today. It would not be out of place to recall that India is recognized as a global leader in software development, thanks to the technological rebirth that has engulfed the Indian business environment. The Indian software industry has been instrumental in the international attention the country receives today. Besides the biggest strength lies in India having a well-educated English-speaking workforce which can communicate easily with other English-speaking cultures. The workforce is also often commended for its strong work ethics and willingness to work 12-hour days, six days a week. In addition, professional labor costs are significantly lower in India--almost 25 percent lower than in the United States. Global consulting group McKinsey estimates that if a multinational bank of 1,000 employees moved to India, the bank would save \$18 million annually in labor costs.

A study by Mercer identified some of the best companies to work for in India, most of which are from the IT industry, further demonstrating how important the IT industry is to the Indian economy.

Infosys Technology, the top company on Mercer's list, was identified by the American Society for Training and Development (ASTD) as one of the best companies providing global training. The results of the Mercer study helped benchmark best employers in the industry which are obviously because of the best HRM practices in their respective organizations.

HRM practices which helped the Indian organizations in gaining competitive advantage are discussed below.

1.Enactment of Federal Employment Laws

The chronological enactment of employment laws reflects the increased importance of HR in the workplace. Indian organizations also noted the increased visibility and value of HR by migrating away from the use of the term “personnel” to “human resources.”

HR began to play a vital role with the early enactment of these employment-related laws like...the worker’s compensation Act 1923,the trade union act 1926, the industrial disputes act 1948, the factories act 1948, the EPF act 1952, the minimum wages act 1948, the payment of bonus act 1965 to name a few .

2. Recruitment practices

The recruitment practices followed by Indian organizations have incorporated activities like inviting biodata’s of candidates with very high academic background, reinforcing with seeking referrals, resorting to aggressive succession planning well in time , holding recruitment tests and following the trends of E recruitment.

3. Training and development practices

The Training and development practices followed by Indian organizations have incorporated activities like treating training programmes as an extension of the already received highest qualification by the selected employee, frequently holding entry level induction orientation and training programs. Laying emphasis on in house training programs instead of outside consultants and resorting to deductive style of learning better known as top down approach where learning starts with introducing to the basic concepts and then moving to the higher level i.e application of the learned theoretical concepts at the workplace.

Among Indians, training creates loyalty to the company. For entry-level employees, there is often a large disconnect as to what they are taught in graduate school and what they have to do when they enter the workplace. Therefore elaborate entry-level training focuses on soft skills such as effective

communications, team dynamics and also relevant product-based and technical knowledge.

4. Performance Appraisal

The Performance Appraisal practices followed by Indian organizations have incorporated the following activities like giving impetus to developing good relations between superiors and subordinates at the workplace resulting in increased commitment towards the organization , resorting to seniority vis a vis merit when it comes to promoting them to higher echelons of the organizational hierarchy, then following the system of annual confidential reports as a time tested method of performance appraisal , biased ratings by the superiors is another frequently observed phenomenon in the Indian organizations. However, leading Indian companies are adopting a very progressive approach to performance management by adopting a 360-degree approach or management by objectives (MBO).

5.Compensation and Benefits

In today's '**Dynamic Era**' Human Resource Management in India is emerging out from its traditional cocoon to take up the challenge posed by the imminent multinational firms. Slowly but surely Indian organizations have started realizing the importance of human capital that spells the difference between winning and losing. The Human Resource managers are today pre-occupied with the most important task of attracting, retaining and motivating the talented personnel to gain a competitive edge in the market place. The most significant of all the HR functions is the management of compensation-the hallmark of employee retention and satisfaction, and thus importance of right compensation policies and practices can't be underestimated especially in today's highly competitive environment.

However, the success of any Compensation Management Program would hinge upon as to how well the organizations adopt a focused and structured approach towards it.

Today's corporate scenario stands out in deep contrast to what was obtaining earlier. For job markets are witnessing a turbulent time with both employers and employees engaged in a constant tug of war in extracting the best deal for themselves. The trend of downsizing, divesting, mergers and acquisitions have on

the one side led to reduction in the number of jobs and on the other hand a rise in the pay level of the remaining jobs.

Executives no longer pay importance to aspects like loyalty or long term career progression but are focusing on the quick improvement in their job content and the commensurate rise in pay packages.

India's tryst with liberalization has resulted in the influx of several new players both domestic as well as multinationals in the country. The ensuing competition has resulted in understanding the criticality of human capital for the organizational success and their paucity thereof. All the above factors have ensured a very dynamic movement in the levels of pay for various jobs. Especially in the Indian context, it is interesting to note that not only professionally managed firms but also the family owned businesses have witnessed this phenomenon in their organizations.

With the onset of the new millennium, the business of HRM has been completely transformed and revolutionized beyond imagination. With a myriad of emergent people issues, the arena of compensation and rewards can no longer remain cut and dry. No longer can we assume that an inflation linked pay increase, a traditional annual performance review, or the routine once-in-three years vertical career progression either satisfies or motivates individuals or indeed helps improve organizational effectiveness.

From being a single, often isolated issue, reward management now impinges on all activities.

- It connects with business objectives as also with individual and team performance.
- The second change is that rewards are no longer restricted to narrow hemispheres; companies are exercising a wide variety of options – incentives, shares and even developmental opportunities.
- And finally rewards are closely linked to the values and culture of the organization, what more they even cater to individual employer needs.

So, while compensation and rewards specialists can have a field day juggling with all the colorful bubbles in their trays, it may be tough to figure out which of those will sparkle the brightest to hold the attention of employees.

With regard to the designing and developing of the compensation structure, the organizations should look into the following aspects to make it more executive friendly. The compensation specialists should, at the outset, link rewards to performance, check the system for its equity, individualize the package, to suit the

executive's needs and demands and aspirations, benchmark the best practices adopt market driven approach to retaining talent, allow them to structure their own salaries, incorporate stock option plans, gain sharing plans, spot bonuses etc. to make the compensation policies and practices more effective ,workable and acceptable. Linking compensation to customer satisfaction is also on the agenda/radar of compensation experts. Offering them perks and fringe benefits that would last for lifetime, rewarding them with an incentive travel, recognizing their performance i.e. giving them a pat on the back, downloading information to them about their future i.e. developing career planning strategies for them, encouraging entrepreneurial spirit amongst executives, facilitating life planning, creating a learning environment and helping the executives in creating life styles for themselves, adopting certain motivational strategies, introducing flexi- timings for the executives, adopting certain retention strategies to catch the falling stars, are some of the suggested recipes for a successful compensation plan.

1.8 Summary

HRM is an integral function of any organization encompassing planning organizing directing and controlling of the procurement, development, compensation integration, maintenance and separation of human resources to the end that individual, organizational and social objectives are accomplished.

HRM is defined as a management function that helps managers recruit select train and develop members of an organization. It is a process of acquiring, training, apprising and compensation of employees, and of attending to their labour relating, health, safety and fairness concerns. With change in technology and globalisation, the HR managers are facing newer challenges. Now they need to devise HR policies keeping in view the requirements of the business, competition, work force and technology.

Human resources are heterogeneous in nature, they are the scarcest resource of an organization. As time passes, human resources acquire skill, knowledge and competence and appreciate in value. Human resources have the **ability to form union** against management laws, government etc. There are several laws enacted to safeguard human resources against unhealthy practices of the employers like **Factories Act, Workmen's Compensation Act** etc.

1.9 Glossary

Human Resource Management: One of the most important functions of management encompasses attracting retaining and motivating the right people in the organization.

Manpower planning: Man power planning is concerned with ensuring that there is a right man at the right place doing the right things at the right time in the organization .

Recruitment and selection: Recruitment is a positive process which aims at attracting the right people to the organization through advertising the vacancies through both traditional and modern methods of hiring and then selecting the candidates who fit in the bill and provide a right personality job fit to the organization.

Performance appraisal and feedback – Performance appraisal and providing timely and continuous feedback to the employee about their effectiveness is an important HRM function. This mechanism helps an employee identify his growth needs and redefine his future goals.

Training and Development: Training and development is provided to the employees in three basic areas: Technical (Skill enhancement) Behavioral and (Behavior modification) Conceptual (Knowledge area) .It involves Improved performance of the employee on his present job, Preparation of the employee for related jobs and future prospects, General growth of the employee to assume greater responsibility in future.

Potential appraisal: potential appraisal is concerned with identifying the potential of an employee for future development and promotion in the organization.

Career management: Today's employee is more aware and concerned about his future prospects he believes in career planning and development to achieve his career goals. It may therefore, be useful to help new employees become aware of their specific career path well in advance.

Quality of work life and employee –A congenial working environment , good physical conditions and motivating work are essential for employee welfare which ensures quality of work life.

Workers participation in strategies decision making - One of the important function of HRM is ensure that worker are given adequate opportunity of representation in all matters affecting them and the organization .

Communication- Free flow of desired information at all levels ensure good governance and transparent management .Similarly, suggestions and new ideas of the employee should reach top level for evaluation, acceptance and implementation.

Counseling and Mentoring- HRM aims at providing timely guidance to workers on problems relating to hand and heart. Many organizations employ trained counselors for the employees guidance .

Role analysis and role development - This is an extremely important function of HRM . Under this the job of an individual in the organization is analyzed and enriched in terms of his role and not in terms of his job .

1.10 Answers to check your progress 1

1. Heterogeneous
2. Scarcest
3. Appreciate
4. Flexi-timings and Tele work

Answers t to check your progress 2

1. False
2. True
3. True
4. True

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1.12 Terminal and Model Questions

1. Explain the term HRM and its importance in an organization? How would you differentiate it from personnel management?
2. Outline the scope and objectives of HRM, do you think they have undergone any changes in the light of the changing business environment and challenges of new businesses. explain
3. What are the various operative and managerial functions of HRM department? Discuss in detail
4. How do you think is HRM is different from HRD. explain
5. Outline the HRM practices being followed in India post globalization liberalization and privatization.

LESSON 2 : MANPOWER PLANNING OR HUMAN RESOURCE PLANNING

STRUCTURE OUTLINE

2.1 Learning Objectives

2.2 Introduction, Meaning , Definition of manpower planning Human Resource Planning

2.3 Need and importance for HR Planning

2.4 Process of Human Resource Planning

2.4.1 Forecasting Demand for Employees, Methods of human resource planning

2.4.2 Forecasting Supply for Employees and

2.4.3 Balancing Supply And Demand

2.5 Functions of HR planning

2.6 Types and Levels of Human Resource Planning

2.7 Benefits of Making HRP effective

2.8 Importance of HRIS

2.9 Summary

2.10 Glossary

2.11 Answers to check your progress

2.12 References

2.13 Suggested readings

2.14 Terminal and model Questions

2.1 LEARNING OBJECTIVES

- To comprehend the meaning and definition of Human Resource Planning,

- To gain insight into the need and importance of HRP
- To understand the process of HRP,
- To explain the demand, supply forecasting and balancing the demand and supply considerations
- To know the benefits, problems engulfing HRP and suggestions for making HR planning effective,

2.2 INTRODUCTION, MEANING, DEFINITION OF MANPOWER /HUMAN RESOURCE PLANNING

As defined by Bulla and Scott, human resource planning is ‘the process for ensuring that the human resource requirements of an organization are identified and plans are made for satisfying those requirements’.

Reilly defined workforce planning as: ‘A process in which an organization attempts to estimate the demand for labour and evaluate the size, nature and sources of supply which will be required to meet the demand.

2.3 NEED AND IMPORTANCE FOR HUMAN RESOURCE PLANNING

The need for manpower planning is necessitated due to following reasons

- 1.** To ensure that the organization is right sized to meet the current and the future human resource requirements of the organization.
- 2.** To ensure that the organization is ready to meet any type of contingency with regard to its human resource needs and have enough surplus resources to meet the exigencies in the internal as well as the external environment.
- 3.** To help the organization in filling up the gaps which may arise out of the organizations decision to expand diversify and grow across the world
- 4.** To ensure that the human resources are well prepared to take up the challenges of the present and future times by providing them adequate training and development opportunities from time to time.

5. To help the individuals in fulfilling their personal and professional growth requirements by doing career planning for them and preparing them for taking up higher level positions in the organization through promotions, transfers job enrichment and job enlargement
6. To ensure that the organization is financially prepared to fill up the future manpower requirements of the organization.
7. To ensure that the current pool of human resources are utilized optimally and most productively.
8. To see to it that the employees are promoted in the organization in a very systematic manner.
9. To maintain an adequate reservoir of talent at all times in the organization for smooth production and flow of activities.
10. To prepare to fill up the posts in the near future by resorting to timely succession planning.
11. To meet up the organizational strategies of expansion and diversification in the near future.

2.4 THE PROCESS OF HRP

Human resource planning is the first function of HR manager which aims at ensuring that the right people board the bus with the right attitude having the right skills to perform the right jobs at the right time.

Simply stating it aims at having the right people at the right pace doing the right things at the right time at the right place. This is what Human resource planning is all about. Here the organization strives towards striking a trade off between the supplies of current manpower with the future demands of the organization. It is more or less about rightsizing the organization at all times to avoid any kind shortages or surpluses .because both the situations are not favorable to the organization.

1. Human resource assessment

THE HR manager begins with conducting an external and internal environmental analysis to find out the existing supply of human resources along with the available pool of knowledge skills and abilities at its disposal.

2. Demand Forecasting

The next logical step for the HR manager is to predict the future requirements of the organization in terms of the quantity and quality of human resources to help the organization in achieving the desired levels of production .here it becomes imperative to know the future plans and strategies of expansion growth diversification etc in the local markets or international markets.

3. Supply Forecasting

Apart from demand forecasting it is important to assess the current manpower supply with the organization. When the organization wants to fill the positions from within inside it may resort to promotions transfers job enlargement and job enrichment , which will entail the benefits of increased morale motivation and confidence of the employees . Plus it also fulfils the condition of doing adequate career planning for the employees. In case nobody fits the bill from within inside, the organization may look out for the right fit for the job.

4. Matching Demand and Supply

Now it is time to try strike a tradeoff between the supply and demand of human resources at its disposal which is absolutely necessary to plug the gaps and also to make sure that the organization is not overstaffed at any point of time.

5. Action Plan

The last leg of human resource planning encompasses allotting the HR functions and duties. Now it is time to start the recruitment process by external or internal sources, selecting the right candidate, inducting and giving him orientation, imparting training and development to the employees and conducting performance appraisal. It aims at ensuring that the planning matches the HR objectives and policies. There are all the chances of the action plan being reviewed in terms of changing . see figure 1.



Figure 1 : Steps in human resource planning

2.4.1 Forecasting demand for employees

The organization keeps a tab on the current human resource pool and also keep on assessing the future needs which is done through scanning the external environment . The demand for human resources keep on fluctuating due to factors ranging from external challenges , organizational decisions, workforce factors .

The external challenges could be due to economic developments or slowdowns, whatever the scenario of the economy, the various socio political legal and technical challenges which are becoming prominent due to the onslaught of multinational organizations. And of course the ensuing competition which keeps them on their toes to fight for survival in this Darwin's world where survival of the fittest can only save the organizations.

Apart from the above factors , the demand forecasting would also depend upon the current state of employment trends in the economy, the level of employee productivity, the rate of employee attrition and turnover, the general trend of low morale leading to absenteeism of the employees.

The methods of forecasting used by the organization also play an important role in human resource forecasting . **The HR professional usually follow the following three steps:**

- 1. The workforce analysis**
- 2. The workload analysis**
- 3. The job analysis**

1.The workforce analysis

The workforce analysis takes into consideration the average loss of manpower in the form of leaves retirement's death transfer, layoff discharge which may have taken place in the last few years in the organization. Besides the rate of employee absenteeism and turnover is also accounted for. It is also advisable to take into consideration the rate of competition in the similar organizations in the economy i.e how much employee poaching and fishing is taking place and for what level of positions is more vulnerable to being lured away with hefty packages and benefits which is becoming more of a trend these days .the past experiences and data base of the employees may also prove to be quite useful in this regard.

2. The workload analysis

The organization also finds out the human resource requirements on the basis of workload analysis, where the organization might work out the total the total man-hours required to perform the tasks in various departments at a point of time with reference to the planned output schedule after taking into consideration the rate of employee absenteeism , idle time etc. thus the workers level of productivity contributes substantially in calculating the workload analysis

3.Job analysis

Job analysis is an important technique of human resource forecasting which helps the organization in identifying the requisite knowledge skills and abilities in the prospective employees of the organization. It entails job description and job specification.

Job description describes the job in terms of the duties and responsibilities involved in the job and required to be performed by the employees while job specification specifies the requisite knowledge skill and abilities of the prospective employees .

2.4.2 Forecasting the supply of human resources

The organization prepares a manpower inventory in order to assess the quantity and quality of human resources available at its disposal at a point of time to man the various positions at all levels in the management hierarchy. Nevertheless all the organizations invariably resort to two major sources of human resources i.e from internal and external sources.

The internal human resource supply would be assessed in the form of profiling the employees in terms of their age, qualification, experience gender training job level past performances and of course the future potential from time to time to be kept for ready reference as and when required.

Now here it is again important to assess the requirements in terms of its growth expansions diversification internal movement in the form of transfers promotions, demotions retirements, layoffs retrenchment and voluntary retirements .

Some of most refereed techniques of forecasting are preparing a staff table, conducting the Markov analysis and assessing the skill inventory.

Staffing table

This table clearly exhibits the number of employees in each job category in the organization. It also classifies the employees on the basis of their age, gender, spatial background qualification experience. This helps the HR manager to ensure that the existing human resource pool is optimally utilized.

Markov Analysis

This technique helps the organization in drawing inferences from the past trends in the movement of human resources within the organization through transters promotions and attrition and turnover and uses this information to predict the future manpower requirements of the organization.

Skills inventory

Another technique is to prepare the skills inventory of the available human resources in terms of their knowledge skill and abilities, ambitions and career aspirations from time to time , at least every two years to ensure that they are being trained and developed to take up the newer responsibilities and duties .

2.4.3 Balancing supply and demand considerations

Balancing supply and demand considerations for the human resources in the organization would call for ensuring that the demand for the current and the future manpower requirements is duly met by the HR department. The organization should be neither oversized nor undersized , it should be ideally right sized as it will not put a burden on the organization financially as well. In today's scenario where most of the organizations are resorting to contingent workforce i.e part timers instead of permanent staff it becomes all the more difficult to meet up this challenge of maintaining an optimized amount of workforce at all times. If you have a surplus of employees, this requires you to consider employee layoffs, retirements and situations where employees may need to be demoted or moved into a lateral position (rather than receiving a promotion). Transfers are also an option sometimes to create a balance between the demand and supply of human resources.

Some of the strategies that can be adopted to ensure a balance are laying off the surplus staff through introducing voluntary retirement plans, golden handshakes etc., introducing flexi timing and working in fewer shifts than required

Resorting to flexi timing can help the organization in meeting up the lesser demand during periods of slowdown and lesser production . instead of laying off the employees the company can reduce the number of hours per working week , reduce the working days in a week or shut down working on all the shifts

2. Training and developing the in house employees can save the organization from the hassle of recruiting people from outside who may not be that committed as the existing workforce is to the organization. Recruiting or promoting people from within will bring with it the benefits of increased morale and motivation of the workers with increased levels of job satisfaction and commitment.

3. Hiring more of a contingent workforce than a permanent one is also an alternative when it comes to creating a balance between the demand and supply of employees .

4. Contract workers are used when special skills are needed on a limited basis or limited amount of time.

5. Leasing of the employees from the leasing companies is another phenomenon which is fast picking up in the corporate world as it both cheap and feasible for organizations involved in seasonal production rather than throughout the year.

CHECK YOUR PROGRESS

Fill in the blanks

1. Human resources planning is a process that identifies..... needs for an organization to achieve its goals .
2. Human demand and supply can be balanced by usingto prepare employees to perform certain tasks or jobs.
- 3.If you have a surplus of employees, this requires you to consider
- 4..... helps in determining the number and type of personnel/human resources required in future.
5. For forecasting supply of human resource we need to consider

2.5 FUNCTIONS OF HR PLANNING

A company succeeds in large measure because of the skill, creativity and dedication of its managers and employees. Human resource planning is the process of making sure the company has the right people in the right positions -- those who possess the skills, experience and spirit of teamwork required for the company to grow and effectively compete. Planning staff levels requires comparison of present and future needs of the organization with present resources and future predicted resources.

Assuring Adequate Staff Levels

A primary function of human resources planning is ensuring various company departments have sufficient staff to complete all the work required to meet the organization's goals. The business owner also must make sure that the workload is balanced -- no individual or department should be so overburdened with work that it is impossible to complete all assigned tasks on time. The results of this type of poor human resource planning include heightened stress levels for employees,

burnout, missing deadlines and mistakes and errors. All of these outcomes negatively affect productivity and may result in higher employee turnover.

Matching Skills to Current Organizational Needs

As the company grows, the management function becomes more complex. Instead of everyone reporting to the owner, layers are added to the organization structure. The management team must supervise additional employees. Addressing these changing needs requires the business owner to determine if the current management team has the necessary experience and skills to succeed in a larger, more structured, more complex organization. If he identifies gaps, he creates new positions and hires new people.

Building an Ethical Business Culture

A business owner often creates a code of conduct for employees to follow which defines what is considered ethical -- good -- conduct in dealing with customers, suppliers and co-workers. The aim of building an ethical culture can be furthered by bringing on new hires who have a track record of high ethical behavior which may require a more in-depth interviewing process in which the hiring manager asks candidates how they have dealt with ethical dilemmas on the job. Just because a sales manager has a track record of meeting or exceeding quotas in past positions, he may not live up to the ethical standards the owner wants to set for his organization.

Finding Team Players

A critical but difficult aspect of human resource planning is determining whether prospective new hires will fit in with existing members of the team. The owner wants to foster a harmonious work environment characterized by open and honest communication, so the more specifically he can articulate the corporate culture he seeks to create, the better the chances that candidates for new positions can articulate why they believe they would fit in.

Identifying Employees Ready for Advancement

Human resource planning should include creating a path for advancement for each employee. The business owner must assess which employees are ready to move up in the organization and which might need more seasoning in their current positions. He wants to make sure his organization is developing its own in-house managerial

talent, and he may provide education and training opportunities to move the employees down the path toward taking on additional responsibilities.

2.6 LEVELS OF HR PLANNING IN HUMAN RESOURCE MANAGEMENT ARE AS FOLLOWS:

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

1. HRP at National Level:

When it comes to HRP at the national level , it becomes the responsibility of the government to take care of the basic educational facilities for its people especially the primary and the secondary education along with the vocational and technical education which is the back bone of any nation. Regulated efforts need to be made at the national level to invest in the training and development of the human resources to turn them into assets for the nation and to utilize them optimally. This would also help in the sustainable long term development of the nation as well.

2. HRP at the Sectoral Level:

India has been following the policy of five year plans since independence to ensure regulated development of a selected sector in a n effective and efficient manner, since then each plan has been concentrating on a particular sector . This has been facilitated through proper allocation of resources and budgets to achieve the desired level of improvement thereof. Like the first five year plan was dedicated to agriculture, the second one was for industry and so forth. Thus human resource planning at the sect oral level helps in planning for a particular sector and allocating adequate resources depending upon the strategic contribution and priority accorded to it in the economic plans.

3. HRP at the Industry Level

Human resource planning at the industry level ensures that a right quantity and quality of human resources are trained and developed for that particular industry. E.g of late India has been doing quite well in software development and consequently a lot of impetus has been given to technical and computer education in the country. This has not only provided the talent pool but has also put India into the league of computer savvy nations.

4. HRP at the Unit Level

Now the closest is the human resource planning at the unit level which is the most significant as it takes into consideration the organizations plans for growth expansion diversification etc. the corporate strategy at the top level determines what is the number of people required in which department and what skills knowledge and abilities on the part of the employees will help the organization in achieving its desired targets. The most important is the type of industry i. e whether it is a chemical, automobile, FMCG, Cement, manufacturing or services etc as it will be required to have the right man with the right qualification for the core area followed by the requirement in the auxiliary areas or departments. E.g. if it is a chemical or pharmacy company the most important or the core department will be R & D , for which they will be recruiting people with a degree and penchant for research and development. The other supporting departments will be secondary.

5. HRP at the Departmental Level

Since there are a number of functions being interlinked and performed in the organization, it becomes imperative to fill all the strategic positions in each department with the right man at the right place. All the departments ranging from marketing, human resources, finance, production, IT etc will have adequate line and staff positions to help and support the core department of the organization.

2.7 Benefits for making HRP effective

Human resource planning entails the following benefits to the organizations

1. At the outset it aims at checking the corporate plan of the organization.
2. By offsetting uncertainties and changes to the maximum possible extent, the organizations are able to have the right men at the right place doing the right things .
3. It provides ample training and developmental opportunities to the employees at all times and helps them in making market ready.
4. It also helps the organization in determining the right compensation packages for the employees in accordance with their knowledge skills and abilities and thus helps in budgeting for salary enhancements if any for the organization.
5. It helps in foreseeing the need for redundancy and plan to check it or to provide alternative employment in consultation with the trade unions, other

organizations and government through remodelling organizational, industrial and economic plans.

6. HRP also helps the organization in contemplating any changes in the attitudes, values and aptitudes of human resources and to change the technique of interpersonal management.
7. HRP helps to meet up all kinds of the requirements of the organisation.
8. Enables the organizations to Counterbalance insecurity and change.
9. Helps in checking labour imbalance in the organization
10. Enables Right-sizing the human resource requirements of the organisation
11. Enables to meet expansion and diversification needs of the organisation.
12. Fulfills Individual Needs of the Employees.
13. To Check Joblessness

Problems involved in making Human Resource planning effective

Now human resource planning is not free from administrative and operational hassles which could arise due to a number of factors as delineated below.

- Human resource planning can prove to be only as good as the ability of the company to predict the external environmental trends in the economy, including the threats and opportunities on which the company has no control.
- The technological spurt at the workplace due to influx of newer technologies makes it difficult for the organizations to keep a ready workforce to meet up the challenges of technological upgradation in today's fast paced business environment.
- It becomes difficult to make accurate predictions with regard to people's decisions to stay put with the organization or leave for better opportunities with in no time and sometimes without adequate notice period which makes it all the more difficult for HR managers to fill in the vacant positions at the right time.

Succession Planning

Succession Planning

The role of top leadership is amply manifested in their earnest efforts to succession planning for the organization which is one of the highly significant endeavors of HRD initiatives by the top management.

- The top leaders have ambition not for themselves but for their organizations
- They routinely select superb successors. E.g Ratan Tata chose Cyrus Mistry as his successor, Bill gates chose Satya Nadella as his successor to Microsoft, Jack Welch chose Jim McNerny for GE, the top management at Infosys has of course been a pioneer in doing succession planning on time with Narayan Murthy passing on the reins to Nandan Nilekeni, then to S Gopalakrshnan and now S. D.Shibulal(due to retire in 2015)
- They want to see their organizations become even more successful in the next generation.
- They are Comfortable with the idea that most people won't even know that the roots of that success trace back to them. Any succession planning of the organization would follow the steps in identifying the potential candidates to fill up their shoes or other important positions in the organization as the posts fall vacant. For the simple reason that the show must go on irrespective of the person at the helm of affairs.

Step 1: Identify critical positions

- identifying the critical positions in the organization to be filled in the near future is of paramount importance to keep the company going with the right person at the right place.

Step 2: Identify competencies

- identifying the requisite competencies in terms of knowledge skills and abilities in the potential candidates is essential .

Step 3: Identify succession management strategies

- the next step is to choose the strategies, including developing internal talent pools to address succession planning.

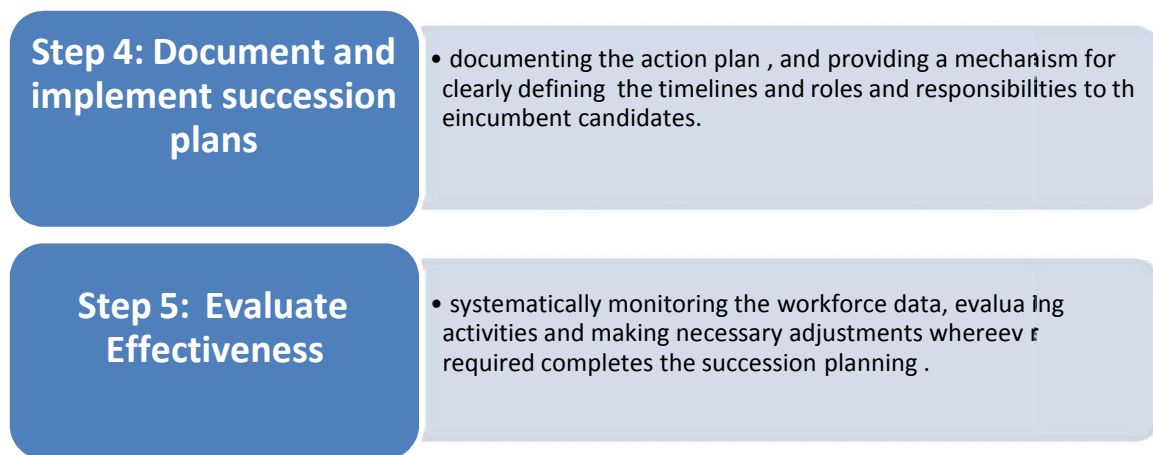


Figure 2 : steps in succession planning

2.8 IMPORTANCE OF HUMAN RESOURCE INFORMATION SYSTEM

All the organizations today are relying on the time tested method of seeking the help of human resource information system for maintain an authentic data base of all their human resources in a computerized system. This proves to be quite handy these days as most of the organizations have automated attendance systems of entry and exit of the employees. Apart for this it also helps in their salary and compensation which is computer generated.

- 1) **Profiling the personal details** of the candidate covering his age, academic qualification, social status , place of birth and education, work experience etc.
- 2) **The recruitment details** including his date of joining the current job, his rank in the written test and group discussion and interviews etc.
- 3) **The work Experience details** including his experiences in the previous companies, his work profile covering his duties and responsibilities in the previous job, any promotions transfers , job enlargement, job enrichment and performance grades over the years including his reasons for exiting the previous organization are also an important source of information for the current organization
- 4) **The performance appraisal details** covering his past appraisals and the grades there of in each position over the years, whether the person has been appraised for his potential ,his behavior in the critical incidents his overall

organizational commitment is also recorded in both quantitative and qualitative terms.;

5) **The Training details** covering the amount and nature of training being imparted to him during his tenure and what are the future requirements of training by him

6) **Other significant details** with regard to his health, personal or marital problems, any issues with regard to drug addiction, smoking or alcoholism which might create problems for his fellow colleagues or spoil the internal environment of the organization are some of the issues of great concern which are duly recorded in the HRIS . See exhibit 1.



Needless to mention here that an HRIS system is a part of the organizations larger Management information system(MIS). It keeps a complete record of the past present and the future requirements of the organization in terms of human resources. The various contributions of an HRIS system to the HR department can be summarized as below;

1. **It helps the organization in HR planning and analysis: it takes care of**
 - Preparing Organization charts

- Making staffing projections
 - Preparing skill inventories
 - Doing turnover analysis
 - Absenteeism analysis
 - Restructuring costing
 - Internal job matching
 - And job description tracking
- 2. Equal employment opportunities : it is involved in**
- Taking Affirmative action plan
 - Applicant tracking
 - Workforce utilization
 - Availability analysis
- 3. Staffing activities includes**
- Hunting and finding out Recruitment sources
 - Applicant tracking
 - Job offer refusal analysis
- 4. HR development : it encompasses activities ranging from**
- Employee training profiles
 - Training needs assessment of the employees
 - Succession planning
 - Career interests and experience
- 5. Compensation and benefits : it entails**
- The pay structures and their revisions from time to time
 - Wage and salary costing
 - Flexible benefit administration
 - Vacation usage
 - Benefit usage analysis
- 6. Employee health safety and welfare and security: it looks into**
- Employee safety training measures
 - Accidents records
 - Material data records
- 7. Employee and labour relations: this aspect take care of**
- Union negotiation costing

- Auditing records
- Attitude survey results
- Exit interview analysis
- Employee work history

Thus it can be established that having an HRIS system not only helps but aids in the smooth functioning of the HR department especially in the fulfillment of the very first function i.e human resource planning.

CHECK YOUR PROGRSS 2

State whether true or false

1. Planning staff levels requires that an assessment of present and future needs of the organization be compared with present resources and future predicted resources.
2. OD does not promote the collaborative spirit and self renewing skills of its employees.
3. To succeed in today's dynamic and strategic HR world, we CAN'T afford HR staff who are "administrators of programs", who have no ability to think strategically.
4. Succession planning is a process whereby an organization ensures that employees are recruited and developed to fill each key role within and outside the company.
5. Human resource information systems (HRIS) are a method by which an organization collects, maintains and reports information on people and jobs and the information is generally stored in hard files.

2.9 SUMMARY

Human resource planning is all about ensuring that the organization has the right number of people at the right place doing the right things at the right time . the process encompasses doing the current human resource assessment, forecasting the demand and supply of human resources and matching the demand and supply to ensure smooth functioning of the organization through optimum utilization in the most effective and efficient manner.

2.10 GLOSSARY

Human resources planning: it is a process that identifies current and future human resources needs for an organization to achieve its goals

HR demand forecasting: HR forecasting is the process of estimating demand for and supply of HR in an organization. Demand forecasting is a process of determining future needs for HR in terms of quantity and quality.

HR supply forecasting: Supply is another side of human resource assessment. It is concerned with the estimation of supply of manpower given the analysis of current resource and future availability of human resource in the organization. It estimates the future sources of HR that are likely to be available from within an outside the organization.

Succession planning: Succession planning is a process whereby an organization ensures that employees are recruited and developed to fill each key role within the company

2.11 ANSWERS TO CHECK YOUR PROGRESS

Answers to check your progress 1

1. Current and future human resources
2. Skill training programs
3. Employee layoffs, retirements
4. Demand forecasting
5. Internal and external supply.

Answers to check your progress 2

1. True
2. False (it does)
3. True
4. False (only within)
5. False (in central human resource data bank)

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2.14 TERMINAL AND MODEL QUESTIONS

1. What do you understand by human resource planning? Discuss the objectives of HRP.
2. Outline the steps involved in HRP.
3. Explain the meaning and importance of human resource planning in today's uncertain and volatile business environment.
4. Discuss the importance of human resource planning in a large organization viz a viz a small organization.
5. What are the various methods used in forecasting the demand and supply for employees in an organization?
6. HRP is a prerequisite for effective management of human resources of an organization. Analyze the significance of HRP in the light of this statement.
7. Why do you think that the HRIS is playing an important role in human resource planning these days.

LESSON 3 : JOB ANALYSIS , JOB DESCRIPTION, JOB SPECIFICATION AND JOB EVALUATION

STRUCTURE OUTLINE

3.1 Learning objectives

3.2 Introduction, Definition of Job Analysis

3.3 Objectives, benefits, process of Job Analysis

3.3. 1 Uses of Job Analysis

3.3. 2 Competency Mapping Approach to job analysis

3.4 Outcomes of job analysis: job description and job specification

3.5 Techniques and problems in Job Analysis.

3.6 Job Evaluation

3.6.1 Process of Job Evaluation

3.6.2 Advantages of Job Evaluation

3.6.2 Features of Job Evaluation

3.7 Methods of job evaluation

3.7.1 Quantitative Methods of Job Evaluation

3.7.2 Qualitative Methods of Job Evaluation

3.7.3 Difference between job evaluation and performance evaluation

3.8 Alternative to job evaluation

3.8 Summary

3.9 Glossary

3.10 Answers to check your progress

3.11 References

3.12 Suggested readings

3.13 Terminal and model Questions

3.1 LEARNING OBJECTIVES

After going through the lesson you should be able to:

- Understand the meaning of job analysis , job description and job specification and Job evaluation
- Describe various methods of Job analysis
- Explain modern management techniques of job evaluation

3.2 INTRODUCTION

One of the most significant activities undertaken by an HR manager is to conduct a job analysis which encompasses job description and job specification.

Job analysis is a procedure which helps the organization to : see figure 1

- Outline the duties and responsibilities entailing a particular job which is also called job description
- Delineate the key skills knowledge and abilities which are required from the person who will perform the job which is also called job specification

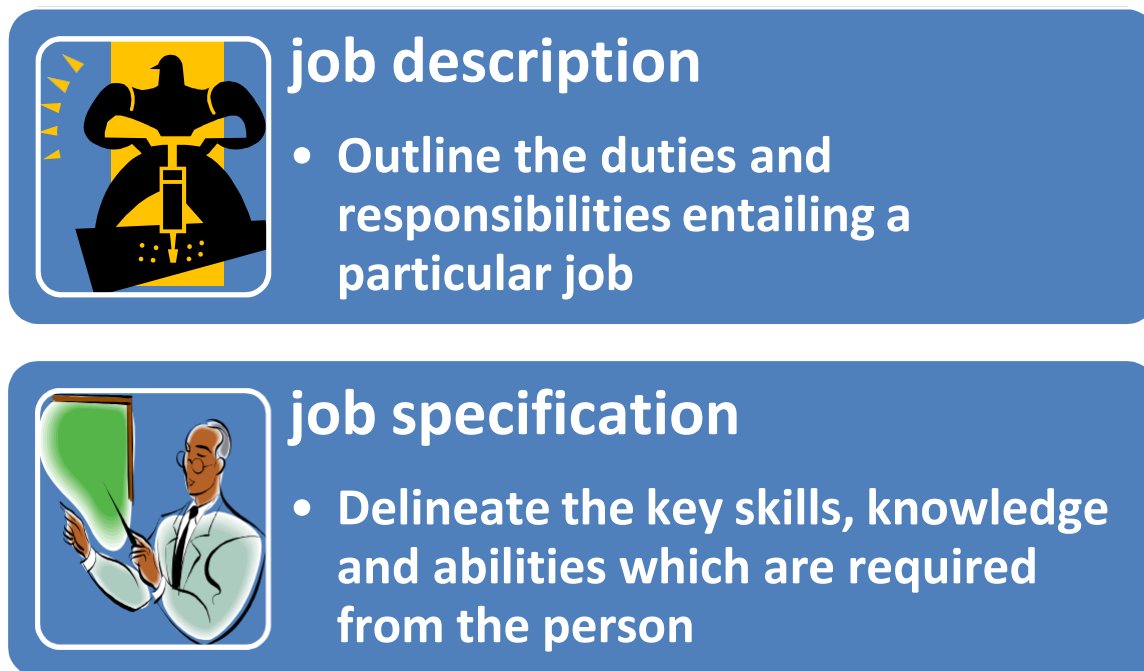


Figure 1 : Components of Job Analysis

Job analysis is thus an examination of

(1) **The duties and responsibilities** that would be required to be performed which would be manifested in the employee's role

(2) **The working Conditions** provided to the employee for the completion of his job

(3) And last but not the least ,what Exactly is the requirement of the job In Terms Of employees Aptitudes comprising of his Potential For Achievement, his Attitudes towards work i.e his Behavioral Characteristics, the Knowledge, Skills, abilities and Educational Qualifications of the employees.

3.3 OBJECTIVES OF JOB ANALYSIS

Any job analysis activity has the following objectives to be achieved whereby it aims to

- (a) Find out most effective and efficient ways of performing the jobs and simplifying the duties and responsibilities by removing the overlapping one's .
- (b) Increase employee's job satisfaction and the resultant morale and motivation at the workplace.
- (c) Identify the most relevant and significant core areas which might need training and retaining from time to time and finding out best and of course the newer techniques of training.
- (d) Develop suitable performance measurement systems for the organization, and
- (e) Ensure person job fit by matching job-specifications with employee specifications while selecting the right candidate.

One of the main purposes of conducting job analysis is to prepare job descriptions and job specifications which in turn help to hire the right quality of workforce into an organization.

3.3. 1 Uses of Job Analysis

In today's highly competitive business environment, it is very important for both the employees and the employers to have clear understanding of the job, the duties and responsibilities involved and of course the type of persons required to perform the jobs with specific knowledge skills and abilities and other personality traits which would help in the achievement of the desired goals of the organization. Apart from this conducting a job analysis would be quite useful for the organization in the following terms;

It will be the most useful, when the organization is doing human resource planning (ensuring the right man at the right job doing the right things at the right place and right time)

Secondly, when it come to recruiting the right people, it is useful by clearly outlining the indicators and contra indicators for the job in the advertisement itself so that only the most eligible candidates a are attracted and apply in the organization.

Thirdly, when it comes to selecting the right candidates, the job analysis would aid in finding and selecting the right person job fit for the organization.

Fourthly, It is useful when the employees are placed and their orientation is conducted , where they are adequately apprised and informed about the job descriptions in clear and unambiguous terms, their duties and responsibilities, their reporting relationships etc.

Finally, this is the only activity which helps in outlining the job descriptions and job specifications which is the backbone of any human resource department.

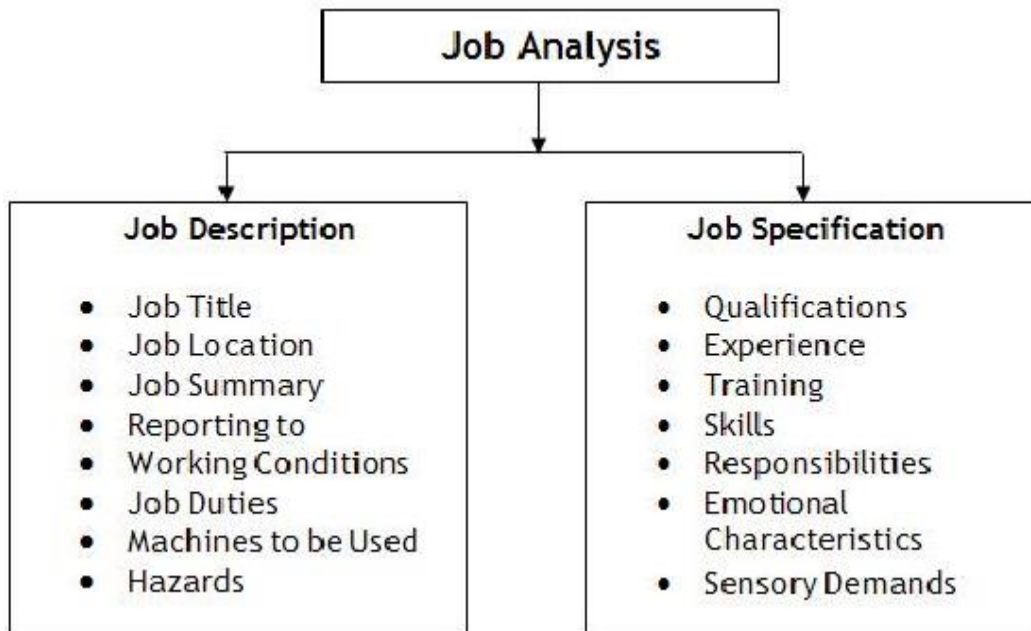
3.3. 2 Competency Mapping Approach to job analysis

Adopting Competency Mapping Approach to job analysis entails striking a tradeoff between business strategy and individual performance efforts. In the highly competitive business environment of today , the employees are encouraged to take up multiple tasks responsibilities and duties requiring different degrees of skills abilities and knowledge sets and of course their decision making abilities ,this is actually the scenario of the DE jobbed organizations , where the employees are encouraged to do away with ‘this is not my job mentality’ and indulge into multitasking which is considered to be beneficial for both the organizations and its employees in the long run, unlike the emphasis on specialized organizations.

Thus competency method of job analysis encourages the employees to develop role based competencies instead of being boxed in particular jobs only in different work settings and situations. These competencies tend to be developed in line with organizations culture and strategy and might include abilities like communication skills , interpersonal skills , leadership qualities, decision making abilities, conflict resolution techniques and strategies, flexibility, adaptability and self direction and motivation. It also encourages the employees to develop their conceptual and cognitive abilities and intelligence, there moral values and abilities , their behavioral skills , reasoning and rational thinking and above all their spiritual intelligence to name a few. These multiple intelligences play a significant role in determining the employees performance on the job and goes a long way in determining their success on the job

3.4 OUTCOMES OF JOB ANALYSIS: JOB DESCRIPTION AND JOB SPECIFICATION

Outcome of the process of job analysis is the two documents namely job description and job specification. Both of these documents completely define a job and guide the employer in taking the decision about recruiting and selecting the right candidate for the right job who would be doing the right things at the right time.



3.4.1 Job Description

A job description includes identifying the duties and responsibilities to be performed on the job. Job description also describes in detail the summary of the job, the working conditions under which the job is to be performed, machines and equipments to be used and safety measures to be considered while performing the job.

Purpose of Job Description

Why is it important to write a job description at all would be answered by the following purposes it serves for both the organization as well as the employee. Some of the purposes are

1. To cull out the whole information with regard to the job requirements as is to be advertised for attracting the right people to apply for the job.
2. It helps in briefing the employees with regard to their job profile encompassing what they are supposed to perform on the job.
3. It helps the organization in zeroing in on the job person fit for a particular job.
4. It establishes in clear terms the reporting relationships within the organization to avoid any overlapping and ambiguity.

3.4.2 Job Specification

A job specification identifies the knowledge, experience, competence, skills and abilities required to perform a job.

Purpose of Job Specification

- It helps in providing a brief summary of the essential qualifications required in a job incumbent.

- It clearly outlines the responsibilities and skills required on the job.
- Finally this activity is the important as it helps the organization in finding out the best man for the job.

3.5 METHODS OF JOB ANALYSIS

There are two different approaches or methods of job analysis namely:

1. The Task-oriented method
2. The Worker-oriented method

1. The Task-oriented method of job analysis entails the following steps;

As is evident from the name itself , this method concentrates on the actual tasks to be performed at the first place , along with its corresponding duties and responsibilities.

The next step deals with outlining the task statements which gives out details of the tasks to be performed with precision and great detailing.

Then comes ranking of the tasks on the basis of their importance in the job hierarchy, the difficulty if any involved in its execution and performance etc. rating the jobs would invariably help in deepening the understanding of the jobs and the requisite behaviors and skills required to accomplish it .

One of the most commonly used technique for collecting information regarding the job is to actually observing the workers on the site , helping the analyst to jot down the actual requirements for the successful completion of the job. This method is called cognitively oriented task analysis (COTA).

2. The worker oriented method of job analysis entails the following steps;

This method of collecting information aims at finding out in detail the personal attributes which would be required to perform particular activities in terms of KSA's, i.e. The knowledge , skills and abilities which are also called indicators , it also mentions some of the contra indicators i.e what the prospective employees should not have. E.g sometimes it is mentioned in the advertisement that candidates above a certain age need not apply , with a certain physical personality attribute like height , vision, medical history etc are also dissuaded from applying to a particular job .

Methods

Once the appropriate KSAOs are identified, tests and other assessment techniques can be chosen to measure those KSAOs.

There are several ways or techniques to conduct a job analysis, including:

- Direct Observation,

- Interviews with incumbents and supervisors,
- Critical incident investigations,
- Questionnaires and surveys
- Position Analysis Questionnaire
- Checklists

1. Observation: The process involves simply watching the employees or the incumbents perform their jobs and taking notes thereof to use the information later on .

2. Interviews: this involves using a standard format for interviewing both the workers and the supervisors with regard the job requirements to supplement the information collected through observation.

3. Critical incidents and work diaries: this again is qualitative data collection technique aiming at collecting behaviorally focused descriptions of work and other related activities.

4. Questionnaires and surveys: one of the most commonly used methods is preparing questionnaires and conducting survey's to collect job related information.

5. Position Analysis Questionnaire: these are us usually designed to elicit quantitative information with regard to job elements. T typical PAQ consists of 194 items divided into six major areas namely; the information inputs or manuals for workers, the mental processes required, the physical activities involved, relationships with other people , the job context and other essential job characteristics .

CHECK YOUR PROGRESS 1

STATE WHETHER YOU AGREE OR DISAGREE WITH THE FOLLOWING STATEMENTS

1. Job description describes the experience, knowledge, skills and abilities required to perform a job.
2. The traditional methods of job analysis are one-on-one interviewing; Behavioral event interviews; phone interviews; surveys;
3. Job Scan is a measurement instrument which defines the personality dynamics within all types of jobs .
4. The Position Analysis Questionnaire (PAQ) is a well-known job analysis instrument.

3.6 JOB EVALUATION

J ob evaluation is the process of systematic evaluation of relative worth of the jobs in an organization in order to determine which jobs should be more paid than others.

Definitions of Job Evaluation

In the words of **Edwin B. Flippo**. "Job evaluation is a systematic and orderly process of determining the worth of a job in relation to other jobs."

Dale Yoder defined Job evaluation as, "Job evaluation is a practice which seeks to provide a degree of objectivity in measuring the comparative value of jobs within an organization and among similar organizations."

3.6.1 THE PROCESS OF JOB EVALUATION

Job evaluation is the process of developing a plan to compare the jobs on the basis of the factors which organization considers important for determining the worth of jobs. The steps involved in the job evaluation are briefly discussed in the **figure 2**.



Figure 2 : Steps In Job Evaluation

3.6.2 Advantages of Job Evaluation

1. An ideal job evaluation would help in benchmarking and comparing the job complexities
2. It helps in designing career planning programs for its employees by properly layering down the jobs in a designated hierarchy according to the organizational structure , whether a tall or a flat one.
3. Aids in streamlining the responsibility levels in the organization across various levels.
4. Helps in organizational restructuring from time to time by doing away with repetitive and non functional activities.
5. To top at all it aims at placing the right men at the right place.
6. It helps in deciding the compensation and salary structures across all the levels and positions according to the duties and responsibilities of the jobs and the incumbents qualifications etc.

A word of caution however before conducting job evaluation is that it should not be viewed as a performance measurement technique , neither is it concerned with fitting the round pegs into round holes i.e finding an ideal person job fit.

3.6.2 Features of Job Evaluation

Job evaluation is characterized by following features

- It is the outcome of conducting a job analysis .
- It helps in deciding the compensation patterns and structures for the organization.
- It aids in rationalizing the pay structures on the basis of the job analysis and job descriptions.
- An expert panel is responsible for conducting job evaluation programs to avoid any kind of anomalies in the organizational job structures.
- It aims at determining the actual worth and the value of the job in terms of its cost benefit analysis for the organization.

An ideal job evaluation would always keep the employees satisfied and motivated in terms of their contribution to the organization according to their skills knowledge and abilities and also pays them equitably and adequately .

3.6.3 The Objectives of Job Evaluation

The primary objective of job evaluation is to find out the worth of the job but this varies from time to time and from place to place under the influence of changing business environment and the ensuing internal strengths and weaknesses and the external threats and opportunities facing the organization.

Another prime objective is to establish an orderly, rational, systematic structure of jobs based on their worth to the organization.

The secondary objectives could be :

- To develop compensation and rewards systems based on the concept of total rewards philosophy encompassing pay, benefits, opportunities for growth and helps in maintaining work life balance.
- Aims at ensuring that the employees are adequately rewarded on both internal as well as external equity front .
- Aims at justifying the pay structures within the organizations and are able to pacify the unions when it comes to pay structures
- To ensure that the employees are compensated in fair and equitable manner justifying their duties and responsibilities.

It is also viewed that **job evaluation is done basically to see that the objective of internal equity and external equity are well taken care of besides,**

- Establishing and designing pay structures for the jobs and positions arising in the organizations due to change in business strategies and policies of expansion and diversification etc.
- Outlining the career planning for the employees, clearly showing them the path of their progression through fast track programs to higher levels more quickly than through normal course of routine, who are interested in improving their financial security (better compensation and benefits) faster through faster promotions.
- Complying with the legal and statutory regulations with regard to pay fixation.
- Developing compensation programs based on performance and competencies
- Redesigning and rejuvenating the pay structures from time to time with changing measures of performance and matching them to cost of living indices.

3.7 JOB EVALUATION METHODS

After job analysis preparations of job descriptions comes the essential stage of job evaluation, namely, the systematic comparison of jobs in order to establish a job hierarchy. The techniques which have been commonly used tend to fall into one of the two main categories: see **figure 3**

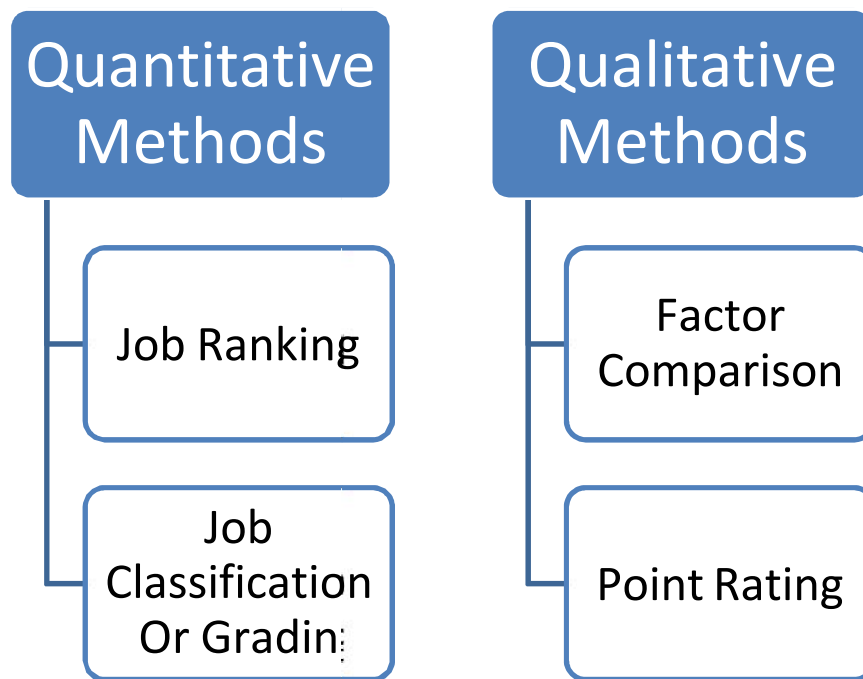


Figure 3 : Methods Of Job Evaluation

3.7.1 Quantitative Methods of Job Evaluation

The Job Ranking Method

This method of job evaluation is perhaps the most sought after simple and inexpensive method as it aims at evaluating the worth of each job on the basis of its title and contents in terms of its duties and responsibilities. Each job is compared with others and its place in the job hierarchy is determined thereafter.

The major drawback of the method is in terms of its being subjective in nature while comparing the jobs as it does not break down the job into factors thus rendering it difficult to measure the whole job as such.

However its advantages lie in its being simple and ease of administration which makes it more acceptable and suitable for smaller organizations.

2. Job Grading method

Unlike the ranking method, the job grading methods does not call for a detailed quantitative analysis of the job factors; it considers the job as a whole. On the other hand it has specific yardsticks in the form of job classes or grades for grading the jobs while the ranking method does not have any yardsticks for evaluating jobs. In this method first of all grades are decided and then the factors corresponding to these grades are determined. Then eventually the factual information and data with regard to the jobs is collected and is matched with the

grades which have been established so far

One of the most important prerequisite of job grading method is to outline grade descriptions to cover discernible differences in the job features ranging from the skills abilities and other discernible job characteristics. Then comes arranging the jobs in accordance with their importance in the form of a schedule, specifying the amount of responsibility and supervision required for each job. Like the jobs at the lowest rung are the one's requiring the highest degree of physical activity and lowest degree of responsibility and involvement under close supervisory actions. Subsequently the jobs will be placed depending upon the degree of physical activity and responsibility and supervision involved in the order.

However the disadvantages of the method are that, it is not possible to quantify the job grade descriptions, besides difficulty in convincing the employees for placing the jobs in particular grades due to ambiguity in grade descriptions itself.

Again its advantages lie in its simplicity and being inexpensive in administration plus this method is quite useful in organizations where the number of jobs is small.

3.7.2 Qualitative Methods of Job Evaluation

1. The Factor Comparison Method

This qualitative method of job evaluation starts with the selection of five important factors or requirements of the job in terms of ; mental abilities, skills , stamina both physical and emotional, responsibility involved and the working conditions under which the job is to be performed. These factors are considered to be constant for all jobs , then each factor is ranked individually with other jobs, like first of all the jobs may be put through comparison with regard to the mental abilities required , then with other factors one by one. This may result in ranking the job higher in skills requirement and lower in physical exertion. Then the total point values are assigned to each factor, making it easier to determine the worth of the job by adding all the point values.

The disadvantage of this method lies in its complexity and expenditure involved. But the advantage of this method is that all the jobs in spite of being dissimilar in nature are evaluated with the same set of factors. See figure 4

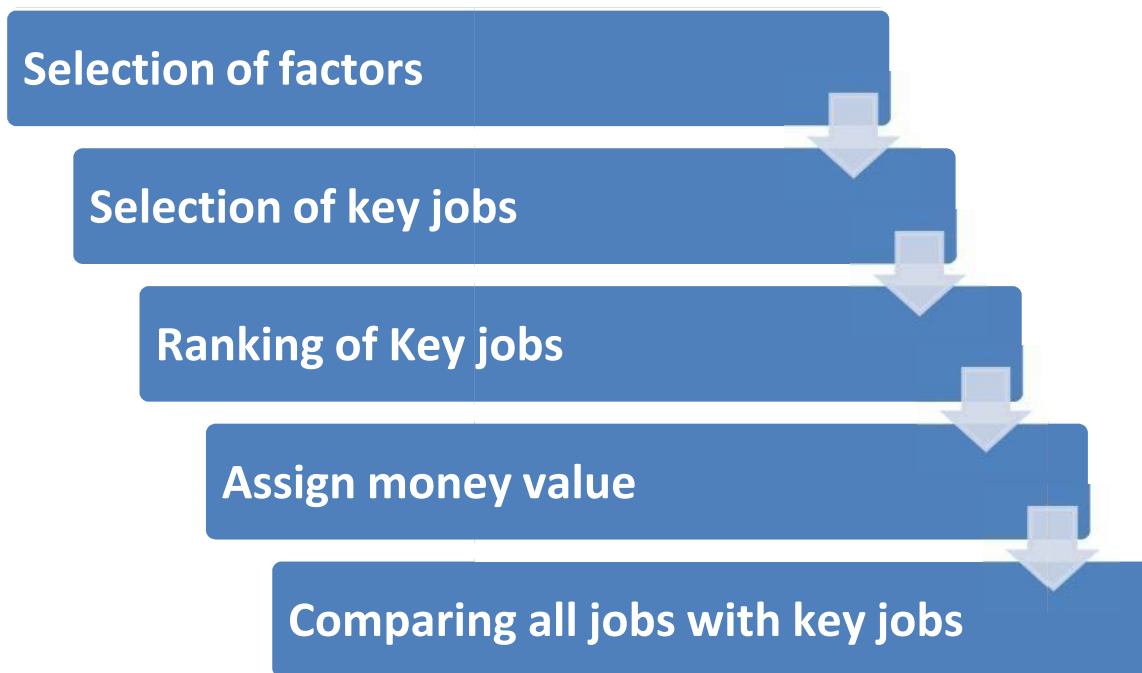


Figure 4 : Steps in The Factor Comparison Method

2. Point Rating Method

This method of job evaluation commences with the picking up of the job related factors, constructing degrees for each factor and then assigning points to each degree. The method chooses to select different factors for different jobs with corresponding differences in degrees and points. E.g

The different factors would be as following which would be then assigned degrees and points

- Skills (academic background , work experience , initiative and creative skills)
- Efforts (physical requirements and stamina, mental alertness and agility required on the job, visual capacity)
- Responsibility (for the equipment to be handled ,materials to be used, safety of self and others, work of others)
- Job related conditions (working conditions and hazards involved , workplace safety requirements). See figure 5

The disadvantages of the system arises due to two reasons, firstly there are chances that the employees disagree with factors selected, their degrees allotted and the points assigned to them. Secondly there are apprehensions in the minds of the employees with regard to the range of points allotted matching them with the job grades.

However the advantages of the method are that here the job is divided into a number of factors and the job 's worth is determined on the basis of the factors and not the job as a whole. the methodology is simple to be understood and implemented by the employees

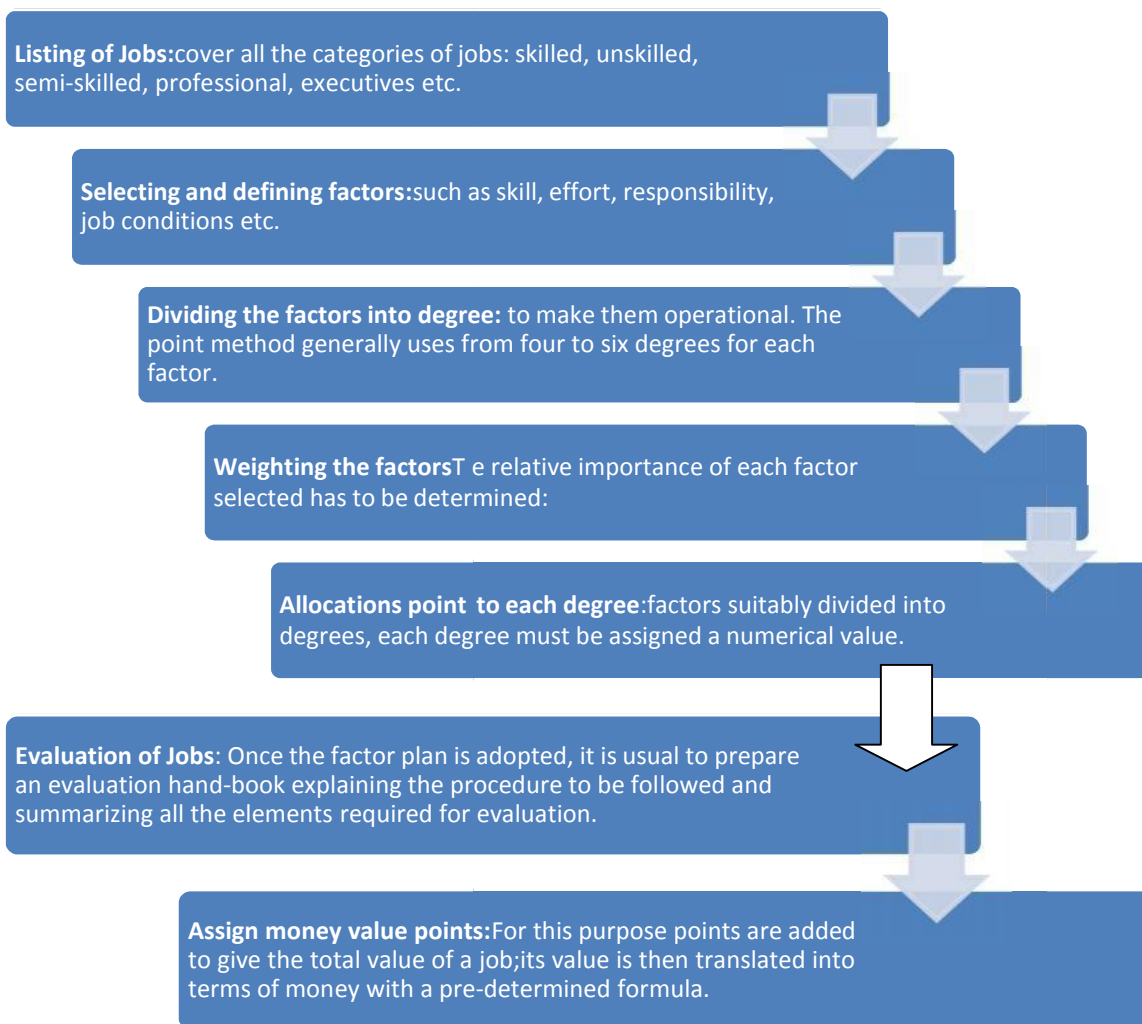


Figure 5 : Steps in point ranking method

3.7.3 Difference between job evaluation and performance evaluation

At this juncture it would be interesting to find out the differences between job evaluation and performance evaluation which are delineated below;

1. In job evaluation, the jobs are rated keeping in view such factors as responsibility, qualification, experience working conditions etc required for the successful performance of the job.
While in performance appraisal, the employee is rated on the basis of his performance on the job.
2. The job is evaluated before the appointment of the employee.
While the employee is rated only after he has been hired and has performed on the job.
3. The purpose of job evaluation is to establish pay structures and satisfactory wage and salary differentials.
While the purpose of performance appraisal is to effect promotions, offer rewards and take corrective action in the gaps of employees performance, impart them adequate training and so on.

4. Carrying out job evaluation is not compulsory, the organizations may choose to conduct it or refrain from it. Wherever it is followed, it is generally for the lower level jobs.

It is absolutely compulsory to have regular performance appraisals and that too a mix of traditional and modern methods, which is carried on for all the levels in the organization.

5. The organization usually sets up job evaluation committees comprising of internal and external consultants to conduct job analysis.

Performance appraisals are generally conducted by the superiors in traditional methods and by peers, subordinates, employees themselves and customers and other stakeholders in some of the modern methods.

3.8 Alternative to job evaluation

Why do you think employees are being paid for their jobs apart from putting in their physical efforts on it. It is obviously their decision making abilities which leads to the successful completion of jobs. This is exactly what Thomas Paterson and Ernst and young have proposed way back in 1970's. They propounded a method called decision bank method (DBM). It is based on the premise that the value of the job should be determined by the decision making requirements of the job. The degree and quality of decisions required on a particular job should be the basis for comparing all the jobs. Higher the degree of decision making, higher should be the value of the job and vice versa. After all the employees at the higher level are paid for using their grey cells only, that is their decision making abilities only.

Thus making this method as a logical choice for job evaluation as everybody irrespective of his level in the organizational hierarchy is supposed to make a decision to perform his task in the assigned manner.

This method is thus different in terms of criteria used for job evaluation by traditional methods as it aims at concentrating on using the decision making capabilities of the individuals while performing on the jobs to determine its worth.

However the success rate of this method has not been reported very enthusiastically so far.

CHECK YOUR PROGRESS 2

Fill in the blanks

1. This method of job evaluation is a combination of the ranking and point system.....

2. This is the most widely used method for job evaluation. It along with factor comparison method, involves a more detailed, quantitative and analytical approach to the measurement of job worth ,What is this method
3. Each job is reviewed, evaluated and placed into a class or grade. It is
4. This method of.....is generally used in smaller units where the job raters know all the jobs quite well. In this method no effort is made to break a job down into its elements or factors,
5. The objective of..... is to determine which jobs should get more pay than others.

3.8 SUMMARY

Job analysis is a procedure through which you determine the duties and responsibilities, nature of the jobs and finally to decide qualifications, skills and knowledge to be required for an employee to perform particular job. A job description is usually developed by conducting a job analysis, which includes examining the tasks and sequences of tasks necessary to perform the job. The analysis considers the areas of knowledge and skills needed for the job. A job usually includes several roles. A job specification defines the knowledge, skills and abilities that are required to perform a job in an organization. These can be determined by performing a detailed job analysis and its corresponding description. Job specification helps in the recruitment process and the performance management process in the organization. Job specifications are actually derived from job analysis. Job evaluation is an assessment of the relative worth of various jobs on the basis of a consistent set of job and personal factors, such as qualifications and skills required. There is another method of job analysis called competency method of job analysis which encourages the employees to develop role based competencies instead of being boxed in particular jobs only in different work settings and situations. The thinkers have also found an alternative to job evaluation in the form of a method called DBM , decision bank method which enables the organizations to determine the worth of the job on the basis of the quality of decisions required to be taken for the task performance at different levels.

3.9 GLOSSARY

Job analysis: Job analysis is a procedure through which you determine the duties and responsibilities encompassing the job (called job description) and the nature of the jobs and finally to decide qualifications, skills and knowledge to be required for an employee to perform particular job (called job specification)

Job description: A job description is usually developed by conducting a job analysis, which includes examining the tasks and sequences of tasks necessary to perform the job.

Job specification: A statement of employee characteristics and qualifications required for satisfactory performance of defined duties and tasks comprising a specific job or function. Job specification is derived from job analysis.

Job evaluation: Job evaluation is an assessment of the relative worth of various jobs on the basis of a consistent set of job and personal factors, such as qualifications and skills required.

3.10 ANSWERS TO CHECK YOUR PROGRESS

Answers to check your progress 1

1. Disagree (job specification)
2. Agree
3. Disagree (only specific type of job)
4. Agree

Answers to check your progress 2

1. Factor comparison method
2. Point rating method
3. Job grading method
4. Job ranking
5. Job evaluation

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3.12 SUGGESTED READINGS

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John M Ivancevich, Human Resource Management, TMH

Machael R Camell, Nobert F Elbert & Robert D Hattfield, Human Resource Management, Prentice hall, India

3.13 TERMINAL AND MODEL QUESTIONS

1. Introduce the concept of Job Analysis by defining it and outlining its significance in today's dynamic HR environment.
2. discuss the Objectives, benefits and process of Job Analysis
3. What do you think are the outcomes of job analysis? Explain.
4. Are job descriptions really necessary? What would happen if the company decides not to have job descriptions at all?
5. Explain the various Techniques and problems involved in Job Analysis.
6. What is Job Evaluation? Discuss its importance for both the employees as well as employers point of view.
7. Critically evaluate the various Methods of job evaluation.
8. Which methods of job evaluation are better and why? The quantitative or the qualitative. Discuss with reference to the advantages and disadvantages of both.

LESSON 4: RECRUITMENT AND SELECTION

STRUCTURE OUTLINE

4.1 Learning objectives

4.2 Introduction: Meaning and concept of recruitment

4.2.1 Challenges for HR personnel for recruiting the right fit

4.2.2 Why recruitment is important ?

4.2.3 Factors governing recruitment policy

4.2.4 Sources of recruitment

4.2.5 Pros and Cons Of Internal And External Sources Of Recruitment

4.3 The Process of Recruitment

4.4 Selection- meaning and definitions

4.4.1 Selection process

4.5 Summary

4.6 Glossary

4.7 Answers to check your progress

4.8 References

4.9 Suggested readings

4.10 Terminal and model Questions

4.1 LEARNING OBJECTIVES

After going through the lesson you should be able to;

- Understand the Meaning And Process Of Recruitment And Selection
- Gain Insight Into The Various Steps In The Recruitment And Selection Process

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4.2 INTRODUCTION: MEANING AND CONCEPT OF RECRUITMENT

The international competitive pressures, the increasing size and complexity of the organizations, the ever changing values, career concerns and demography of workforce combined together and a host of other factors have rendered the traditional approach to human resource management obsolete and redundant. In this changed scenario attracting retaining and motivating the right people and ensuring that the stars or the exceptional performers board the bus is posing an altogether a new challenge for the HR personnel.

The ongoing current global trends which will sway us into the opportunities and threats of the new millennium demands a more comprehensive, more strategic perspective to recruit utilize and conserve the most valuable assets i.e the human resources. Therefore the HRM strategy of the organization must fit into this dynamic and ever so competitive business environment where the companies are outdoing each other in hiring the best people where money is no bar for the best.

It has become all the more significant to ensure that the corporate strategy and the HRM strategy are enmeshed together to get the best results as far as recruitment and selection is concerned as it has long term implications and repercussions on the organization.

The function of scientific selection of personnel is one of the most important functions of HRM, comprising the following sub functions, like

Determining the nature of the job to be filled,

The type of personnel required,

The sources of recruitment

And finally selection of the right people

According to Flippo , Recruitment is a dynamic process which attracts the right candidates and stimulate them to apply for a right post in the organization .

On the other hand Dale Yoder , says that it is a process which encompasses discovering the sources of manpower to meet the staffing requirements and thereby employing effective measures for attracting that manpower in adequate number to facilitate effective selection of an efficient workforce for the organization who should aim at achieving the organizational objectives.

Any recruitment process of the organization aims at hiring the best fit for the job , people with the winners attitude and not just a traditional blend of expertise and experience any more. Companies are looking for people with multidimensional skill sets and a vast and varied experiences behind them to their organizations.

This has invariably led to a recruitment revolution that has engulfed the India Inc today.

All this has led the organizations to look beyond campuses to find the right person for the job and develop innovative techniques to beat the competition at recruitment hotspots like prestigious institutes. They are now forced to look beyond their conventional hunting grounds, for this is the place from where people with unorthodox winning ideas will come from. This is the need of the hour as people already in the sector will offer tired ideas.

The organizations are today searching for knowledge workers, for that they will have to raid research labs, non government organizations, college staff rooms and even sports fields. And the quest for manager's abilities to lead mega projects will have to be global and not just limited within the borders.

Another essential requisite is that the companies must tailor their manpower requirements to meet the overall organizational objectives, hunting for people not just with academically sound candidates but who fit into the organization culture.

4.2.1 Challenges for HR personnel for recruiting the right fit

Keeping in view the objective of recruitment ie to attract retain and motivate the right personnel , the following are more discreet challenges which should be taken care of ;

- Attracting candidates with multidimensional knowledge, skills and abilities, with all rounder personalities
- Encouraging promotions or hiring from outside to bring in fresh perspectives and thinking into the organization
- Injecting and infusing fresh and young blood at levels in the organizational hierarchy, no wonder the age of the top CEO's is decreasing every day with no grey set of hair sitting on the other side of the table staring through his glasses and giving a stern look ...
- Showcasing an attractive work culture to the world and becoming one of the best places to work by meeting the needs and aspirations of today 's millennial executives who are willing to work hard , but at the same time want work life balance.
- Locating people whose personalities fit into the organizations value system .
- Devising newer techniques for finding out the psychological traits in the candidate which will suit the organization
- Carrying out a global manhunt for talent and not restricting to local grounds alone.
- Incorporating and designing internationally competitive compensation packages to hire the best brains around the globe.

- Last but not the least forecasting future manpower requirements for the positions which may be there in the near future

4.2 .2 Why recruitment is important ?

By now we have clearly understood that the most important purpose of recruitment is to make available a pool of potentially qualified workforce to fill in the current and the future manpower requirements of the organization.

The purpose can be better understood by dwelling into the following points;

- A well laid down recruitment policy would help in determining the present and the future requirements in consonance with the personnel planning and job analysis activities.
- Increase the pool of job candidates at a minimum cost.
- Helps in churning out the under qualified or overqualified applicants
- Helps in evaluating the effectiveness of various recruiting techniques and sources for all types of job applicants

4.2 .3 Factors governing recruitment policy

There are certain internal and external factors that govern a recruitment policy as exhibited below in figure 1.

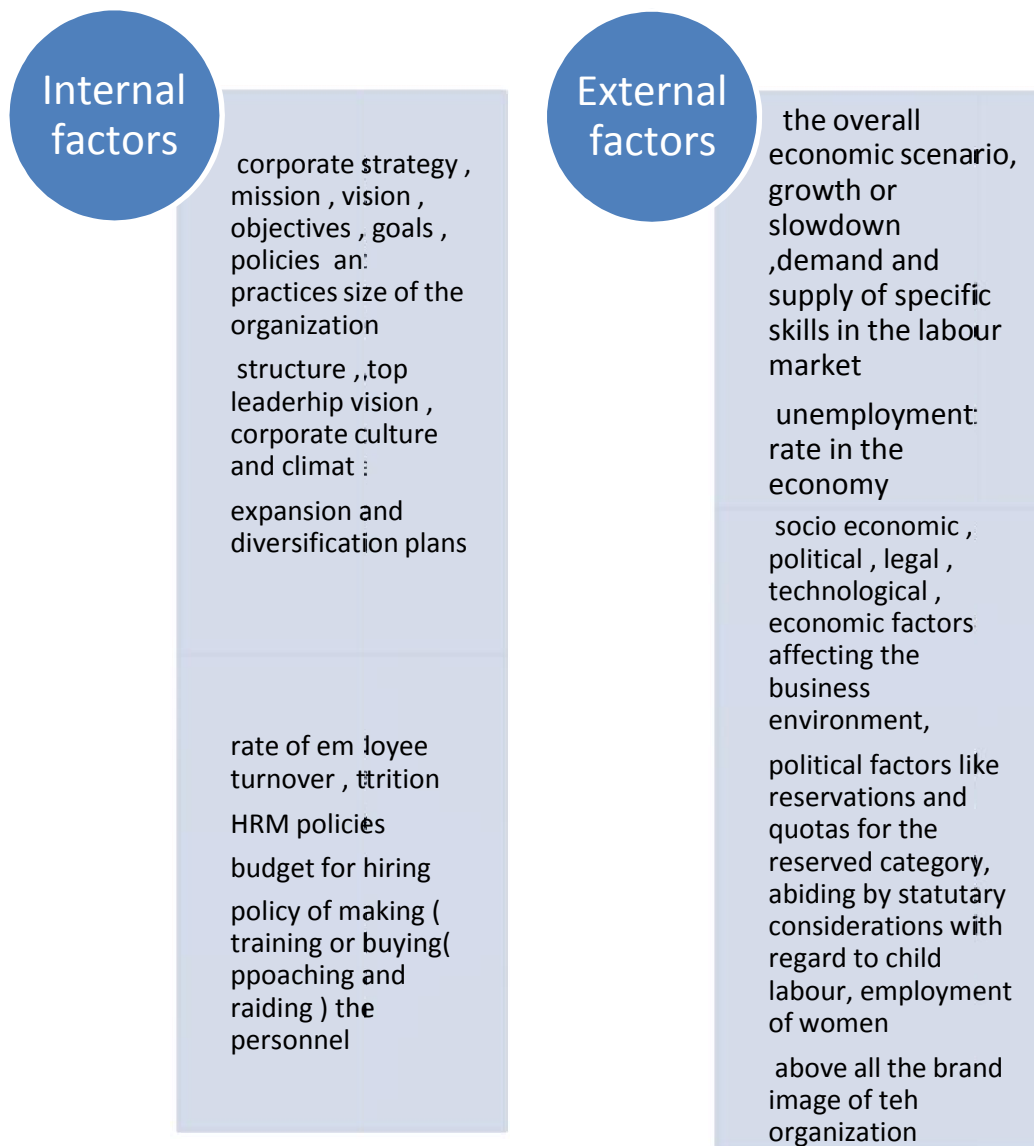


Figure 1 : Internal and external factors governing recruitment

4.2 .4 Sources of recruitment

Every organization today has a plethora of options at its disposal to ensure that it has the right quantity and quality of people on board. It would be interesting to acknowledge the fact that the recruitment policies varies with the nature of the organization , that is a public sector , a private sector , a multinational and a transnational company would follow different methodologies for recruitment. Unlike the government organizations the private sector is quite experimental with its recruitment and selection policies by resorting to unconventional and newer methodologies for recruiting the right person. They are leaving no stone unturned

today. There has been an increasing trend worldwide to hire people from India especially in the software domain, companies like Microsoft, Google, Apple are on a hiring spree southwards. Thanks to the vast reservoir of English speaking people in India who are also the most adaptable in the world, which makes them the favorite choice amongst both the good as well as the great organizations across the globe.

The various sources can be either from within the organization or from outside the organization. See Figure 2



Figure 2 : Sources Of Recruitment

4.2 .5 Advantages and disadvantages of Internal And External Sources Of Recruitment

Let's now find out the pros and cons of both internal and external sources of recruitment. Needless to mention that both sources are important though in varying degrees. It would of course depend upon the requirements of the organization as to whether they would like to utilize the internal sources and available pool of human resources or they want to hire people from outside. Again the decision would be contingent upon the corporate strategy and the top leader's philosophy and vision, which may keep on changing with the changing mosaic of the business environment.

Advantages of Internal Recruitment

- Apart from being less costly and time consuming it has various advantages in the form of increased commitment, morale and motivation of the employees.
- It will present an image of the organization which believes in developing its human resources and does not believe in hiring from outside until absolutely required.
- It will be less cumbersome as they would not have to undergo the whole process of recruitment all over again.
- As the organizations are better aware of their current manpower, it will be easier for both of them to settle down as they are aware of the company's culture.
- It will also enable the organization to chart out its career planning strategies for the employees well in advance as they are aware of their chances of growth and development within the organization.
- It will increase the people stability in the long run as there would a feel of job security amongst the employees and they would not be hunting outside

Disadvantages of Internal Recruitment

- However there would be certain disadvantages of recruiting from within , as it would endanger the organization of becoming obsolete and short of fresh ideas and creative pursuits.
- Since there would be no competition, the internal employees might become overconfident and lackadaisical in their approach towards their contribution to the organization.
- Another hazard could be breeding in of the internal politics in promoting the employees which can spread discontentment and frustration amongst the deserving candidates who might then be forced to look out for better opportunities outside .

Advantages of External Recruitment

The disadvantages of internal recruitment would turn out to be the advantages of External Recruitment

- In the form of out of the box hiring which will of course infuse fresh blood into the organization along with the introduction of creative ideas and

innovative thinking , Plus people with diverse experiences from other organizations will bring their previous experience which will benefit the new organization in number of ways.

- The organization will be able to fulfill its obligation towards government policy of employing people from reserved categories.
- People in the organization will not consider it to be their prerogative to be promoted all the time , they will be always on their toes to prove themselves and will discourage them from being lackadaisical towards their work.

Disadvantages of External Recruitment

- Besides being expensive , time consuming and a cumbersome process, Recruiting from outside will invariably lead to resentment, heartburn jealousies etc on the part of internal employees.
- The level of morale and motivation of the internal employees will also receive a set back
- Sometimes faulty hiring can prove to be quite expensive for the organization.

4.3 The Recruitment Process

The process of recruitment is quite expensive and time consuming besides requiring a lot of caution as one wrong recruitment can prove to be very expensive for the organization. An ideal process would have five steps or stages as exhibited below in figure 3

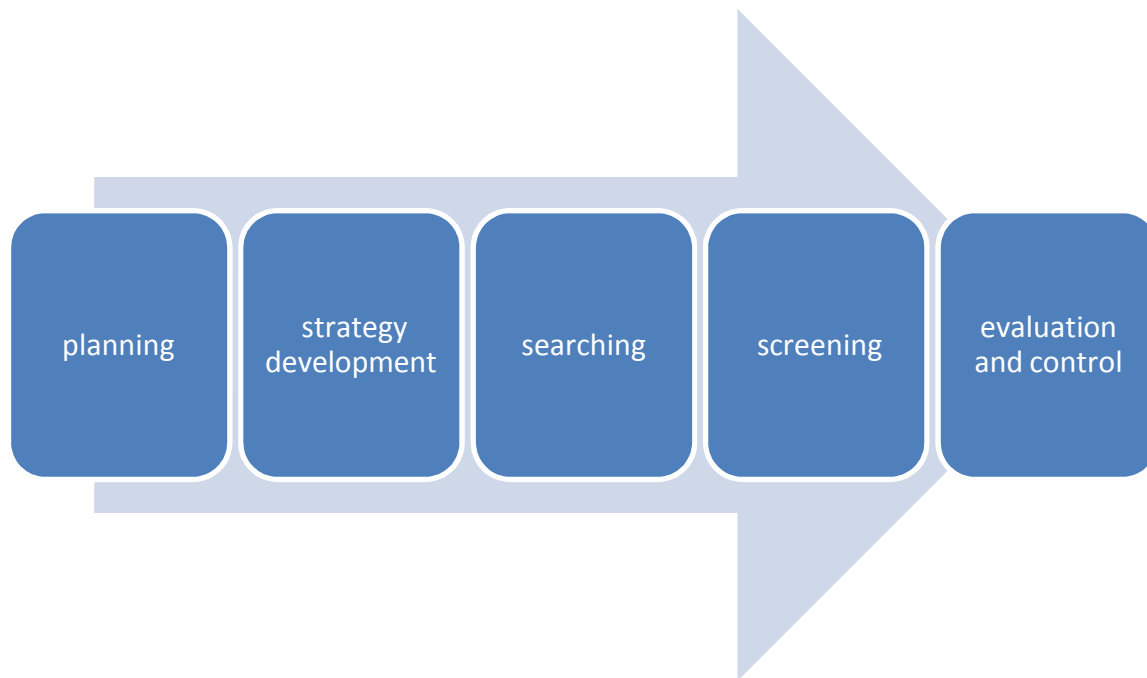


Figure 3 : Steps In The Recruitment Process

An ideal recruitment policy should start with attracting a relatively larger number of applicants. Following points be however taken into consideration:

1. How many and what type of employees are required (manpower planning)
 2. Where and how to look for candidates with the requisite qualifications and interest
 3. What inducements can be used for various applicant groups?
 4. How to churn out the desirable candidates
 5. And finally how to evaluate their work
-
1. **Planning** : this stage would involve translation of likely job vacancies and job information into a set of objectives specifying :
 - ✓ The number of employees required
 - ✓ The type of applicants to be contacted
 2. **Strategy development** : this stage would involve considering the following points:
 - ✓ **Where to look**; national international, regional or local job markets
 - ✓ **How to look**; surfing internal and external sources of recruitment
 - ✓ **When to look**; the right timing of recruitment for the company, which would again depend upon a number of internal strengths and weaknesses and external threats and opportunities.

3. **Searching** : after the planning and strategy development has taken place , the next step is searching , which would involve;
 - ✓ **Source activation:** a good recruitment plan or an advertisement would result in a flood of applicants, which must be screened to call the desirable candidates for interviews
 - ✓ **Selling** : would involve attention to both the advertisement placed (message) and the media for advertising chosen. However the organizations should be cautious of not overselling themselves in the job markets which might garner negative reviews at times.
4. **Screening:** this is the most important and significant stage of a recruitment process.
 - ✓ The purpose is to choose desirable candidates for the job at an early stage and calling them for job interviews.
 - ✓ Different techniques of screening can be used at this stage like interviews and application blanks are used for conducting walk in interviews, campus recruiters and agency representatives also use interviews and resumes.
 - ✓ Sometimes reference checks are also useful in screening out the unfit candidates.
5. **Evaluation and control** : this stage involves two main aspects
 - Monitoring** : it involves tracking down various indicators of performance on an ongoing basis like quantity of vacancies, quality of recruits , efficiency of recruits and the recruits themselves.
 - Feedback:** the evaluation data can be used to make improvements in the recruiting plans and strategies.

CHECK YOUR PROGRESS 1

State whether true or false

1. A well laid down recruitment policy would help in determining the present and the future requirements in consonance with the personnel planning and job analysis activities.
2. Decrease the pool of job candidates at a minimum cost.
3. Helps in churning out the under qualified or overqualified applicants
4. Helps in controlling the effectiveness of various recruiting techniques and sources for all types of job applicants

4.4 SELECTION- MEANING AND DEFINITIONS

After attracting the suitable candidates for the job positions, the next logical step is to weed out the ineligible candidates and select the best fit for the job. It is a process of establishing the suitability of the applicants for the job and handpicking the right people with the right qualification for the right job. Recruitment and selection being the most crucial steps in the HR process are often used interchangeably. It would be useful to differentiate the two at the outset to have a better understanding of their contribution to the HR process.

Difference between Recruitment and selection

- Recruitment is a process of identifying and encouraging prospective employees to apply for the jobs, while selection is concerned with picking up the right candidates from the pool of applicants.
- Recruitment is appositive process in its approach as it seeks to attract as many candidates as possible. While selection is relatively negative in nature as it eliminates the ineligible candidates.

It is pertinent to observe here that effective selection decisions are those where the selected candidates meet the expectations on the job. However, the organizations should safeguard themselves against two types of errors in selection decisions which if not taken care of will mar the effectiveness of the whole recruitment and selection process.

These errors could be;

Reject errors : this can happen when the organization rejects the suitable candidate

Select errors : this can happen when the organization selects the unsuitable candidate.

A good and an effective selection procedure should aim at minimizing both the errors which is possible only if the whole process from the beginning to the end is objective and free from biases of any type and above all are highly standardized in nature. This will be in line with the recommendations of Taylor who propagated scientific selection of the candidates.

An ideal selection process requires a methodical approach to the problem of hiring a best fit for the organization.

The selection process

Any selection process encompasses the following six stages cascading down as delineated below:

STAGE 1 Screening the Applications forms

(Through the graphology technique: handwriting assessment)

Assess quantifiable factors check for consistencies

STAGE 2 Conducting the Tests

Performance simulation tests psychological tests

- | | |
|-----------------------|-----------------------|
| 1. Work sampling | 1. Intelligence tests |
| 2. Assessment centers | 2. Aptitude tests |
| | 3. Interest Tests |
| | 4. Personality Tests |

STAGE 3 Conducting Selection Interviews

In depth interviews Thomas profiling technique

STAGE 4 Taking the Selection Decision

After conducting the reference check

STAGE 5 Conducting the Physical Examination

STAGE 6 Offering the Job

Placing The Candidate and conducting orientation

Stage 1 : Screening the Applications forms

The application forms are a wealth of information about the candidate which can help in reducing the number of applicants to be called for tests and subsequent interviews.

One of the most important method is the graphology technique , which calls the applications in candidate's handwriting which when assessed by graphology experts can bring out a lot of information about the candidates personality and his suitability to the current job and his future prospects as well.

Two another important things that should be kept in mind while screening the application forms are :

1. **Assessing the quantifiable factors** : insuring that the candidates meets the minimum requirements of the job like the qualification, experience, age etc.
2. **Checking the consistency** : insuring that there are no gaps in the educational qualification mentioned in the forms, cross checking the degrees for their truthfulness, checking out the previous employment history of the candidates **in** the interviews .

Stage 2 : Conducting the Tests

The screened candidates are then called for various types of tests to find out their suitability for the said position in the organization, it aims at finding out the intelligence level, his aptitude, ability and interest in the job applied for, their mechanical abilities which are checked through;

1. Performance simulation tests: which are aimed at finding out the suitability of the candidate for the job through ;

- i. **Work sampling technique:** in this method, a replica of the job in question is created and testing if the candidate has the requisite ability to perform well on the job or not.
- ii. **Assessment centers:** This method aims at assessing the candidates performance over a period of four to five days , simulating the real life problems .based on the requirement of the actual job, activities include interviews , in basket exercise , group discussions and business games.

2. Psychological tests : These tests prove to be quite useful in assessing the suitability of the candidates for the job . through;

- i. **Intelligence Tests :** the Binet and Simon tests is used to measure the comprehension and reasoning abilities of the candidate .
- ii. **Aptitude Tests:** this test measures whether an individual has the capacity or latent ability to learn a given job with adequate amount of training like the various management aptitude tests (MAT) , pilot ability test(PAT)and computer aptitude test (CAT)
- iii. **Interest Tests :** these tests aims at finding out the interest of the candidate in the job applied for through;
 - **Strong vocational interest blank :** which aims at finding out the likes and dislikes of the candidates , his indifferences towards particular aspects etc.
 - **Kuder preference record :** this aims at finding out whether he is interested in mechanical , scientific , clerical , social service, artistic or literary work.
- iv. **Personality test :** these are comprehensive tests aimed at measuring the candidates intelligence, aptitude and experience. In order to get a realistic picture of the candidate's personality, projective tests are designed to invoke a response from the candidate which truly reflect his personality e.g conducting a Thematic Appreciation Test (TAT) , where the candidate is shown pictures and is asked to write a short story on these pictures which would reflect his thinking , mental makeup and the personality as a whole and above all will help in determining the personality job fit of the candidate.

Stage 3 : Conducting Selection Interviews

Well everybody knows that an interview stage is the most crucial stage in employee selection and helps in probing into the areas which cannot be found out through tests. interviews try to assess the candidates honesty , his behavior through his body language , his values and attitudes, his level of motivation , his desires ambitions and aspirations, his expectations from the job in terms of his personal and professional growth, his communication skills, interpersonal skills, his level of adaptability and ability to beat stress and so on.

The **types of interviews could be ;**

- i. **In Depth interviews** : these are basically structured verbal interactions with the candidate to gauge his suitability for the job and the organization .
- ii. **The Thomas profiling hiring technique** ; the technique was conceptualized by Thomas international management systems 1945.it develops behavioral profiles of the candidates and the jobs through a customized TIPS software programme and they are compared to arrive at the best fit for the job.

Stage 4 : Taking the Selection Decision

This stage is again the most crucial as the personnel specialist together with the management will weigh the strengths and weaknesses of the candidate in the present context and the final decision will depend upon management 's judgment . After the decision, reference checks will be conducted to verify the applicants claims of his academic and professional background .

Standard References: It encompass the major elements regarding employment, including dates, occupation, hard and soft skills, interpersonal skills, behaviour, and reason for leaving.

Investigative References: An in-depth investigative reference includes all standard reference questions as well as additional specific details to the most appropriate skill sets based on the position applied for.

Stage 5 : Conducting the Physical Examination

After the selection decision and before the job is offered, the candidate is required to undergo a physical fitness test on the following grounds :

- i. That he does not carry any infectious diseases
- ii. That he is physically fit to perform the job
- iii. That he does not suffer from any health defect which might be detrimental to himself or the organization.
- iv. Finally such a test would save the organization from any type of compensation claims for the illness he might be having and does not come to the notice beforehand.

Stage 6 : Offering the Job

After the candidate has passed all the above mentioned stages successfully he is finally made the job offer which he may or may not accept. Thus the candidates who have crossed all the hurdles will be handed over the letter of offer . Now the candidate must be given reasonable time to think over the offer and time to report especially when he is already working somewhere else.

Once the job offer is accepted by the candidate on the terms and conditions discussed and agreed upon during the interview he is placed at the position he is selected for . After his placement it is the duty of the HR department to conduct an orientation or induction programme for the candidate which may be for a day or two, a week or a month, depending upon the organization's policy and requirements and the nature of the job.

NEW METHODS OF SELECTION

In today's dynamic business environment where the organizations are constantly vying with each other to hire the best talent around , it becomes all the more challenging to select the right fit for the organization. Some of the new alternatives are being developed by human resource specialists which are making the traditional hiring and selecting techniques redundant .

Two new methods which have caught the fancy of the HR specialists are

- 1. Participative selection**
- 2. Employee leasing**

- 1. Participative selection :** This method involves the participation of the subordinates in the selection of their co workers and supervisors. The underlying idea behind this is that it will improve the quality of selection on the one hand and will increase the acceptance of the employee in the organization. Though this method is not free from certain shortcomings as well ,like the subordinates might not be competent to make the right judgment sometimes or they may have biased selections.
- 2. Employee leasing:** In this method, the client company leases the employees from a third party, not on a temporary basis but on a lease of

full time , long term help. This practice saves the organization from going through the whole cumbersome process of recruitment and selection, compensation and record keeping etc. here the employees already working somewhere are leased i. e. they are not directly employed by the company where they are working. This has become quite a fad with the client companies nowadays as they are relieved of the administrative hassles.

CHECK YOUR PROGRESS 2

Fill in the blanks

1. A carefully structured plan that maps out the strategy for attracting and hiring the best qualified candidates for the organization. It is
a.....
- 2 This method involves the participation of the
subordinates in the selection of their co workers and supervisors
- 3 In this method, the client company leases the
employees from a third party, not on a temporary basis but on a lease of full
time , long term help
- 4 Finally such a test would save the organization from
any type of compensation claims for the illness he might be having and does
not come to the notice beforehand.
5.it develops behavioral profiles of the candidates
and the jobs through a customized TIPS software programme and they are
compared to arrive at the best fit for the job.
6.these are basically structured verbal interactions with the
candidate to gauge his suitability for the job and the organization .

4.5 SUMMARY

Recruitment is a positive process of inviting prospective applicants for the vacancies in the organization and to build a pool of job seekers from which selection of suitable candidates can be made. This is the organization's first contact with the potential employees. Thus a well laid out policy will bring long

term benefits for the organization by helping in selecting the right candidates. The organization can follow either internal or external sources of recruitment depending upon its size , structure , strategy , mission , vision, top leadership philosophy etc. it is a five step process starting with planning , strategy development, searching screening and evaluation and control. The whole process of recruitment aims at hiring the best fit for the organization.

Selection is a screening process. It is the process of picking individuals who have relevant qualification to fill jobs in an organization. The basic purpose is to choose the individuals who can most successfully perform the job from the pool of qualified candidates. Selection starts after the recruitment process is over and job applications have been received. Various steps are involved in selecting right candidate ranging from simple process of interview to multiple processes of advertising and form filing, holding basic interview, holding tests, final interview, checking references and medical examinations. After that the employee is placed and inducted on a job for which he is best suited.

4.6 GLOSSARY

Recruitment : Recruitment is a process of identifying and stimulating potential candidates to apply for the job .

Recruitment Plan: A carefully structured recruitment plan maps out the strategy for attracting and hiring the best qualified candidate and helps to ensure an applicant pool which includes women and underrepresented groups including veterans and individuals with disabilities.

Social recruiting : It is the use of social media for recruiting including sites like Facebook, Twitter, and LinkedIn.

Standard References: It encompass the major elements regarding employment, including dates, occupation, hard and soft skills, interpersonal skills, behaviour, and reason for leaving.

Investigative References: An in-depth investigative reference includes all standard reference questions as well as additional specific details to the most appropriate skill sets based on the position applied for.

Application Blank: It is a prescribed form of the company which helps to obtain information about candidate in respect of social, biographic, academic, work experience, references, etc.

Selection: it is a process of choosing right person for the right job using job analysis, job description and job specification .

4.7 ANSWERS TO CHECK YOUR PROGRESS

ANSWERS TO CHECK YOUR PROGRESS 1

1. true
2. false, Increase
3. true
4. false , evaluating

ANSWERS TO CHECK YOUR PROGRESS 2

1. Recruitment Plan
2. Participative selection
3. Employee leasing
4. Physical Examination
5. The Thomas profiling hiring technique
6. In Depth interviews

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4.10 TERMINAL AND MODEL QUESTIONS

1. Discuss the concept of recruitment and factors affecting recruitment of personnel in an organization?
2. Outline the process of recruitment in detail.
3. What are the constraints and challenges in recruitment today? Discuss.
4. What are the various sources of recruitment? Discuss each one of them?
5. What are the latest trends in recruitment? What is the impact of IT on recruitment policies?
6. What is meant by selection? Why is selection known as a negative process?
7. Discuss various steps involved in selecting right candidate for the right job?

LESSON 5: PLACEMENT AND INDUCTION

CHAPTER OUTLINE

5.1 Learning objectives

5.2 Introduction and Meaning of placement

5.3 Significance and benefits of placement

5.4 Principles and problems in placement

5.4.1 Process of Placement

5.5 Introduction and Meaning of induction

5.5.1 Implications of poorly designed induction plans.

5.6 Objectives, contents, elements of induction

5.7 Nature And Design Of An Orientation Programme

5.8 Procedure of induction

5.9 The significance of induction and socialization in understanding organizational culture

5.10 Summary

5.11 Glossary

5.12 Answers to check your progress

5.13 References

5.14 Suggested readings

5.15 Terminal and model Questions

5.1 LEARNING OBJECTIVES

After going through the lesson, you should be able to

- Understand the concept of placement and its significance in the organizations
- Draw the principles and problems involved with placement.
- View the role of induction, its benefits, objectives, procedures and elements involved.
- Appreciate the significance of induction and socialization in understanding and adapting to the organizational culture

5.2 INTRODUCTION AND MEANING OF PLACEMENT

Once the process of recruitment and selection has been completed, the candidate is offered the job and is placed in his selected position. This is technically called placement. More specifically it would encompass allocation of employees to their respective jobs. It would also at times include the initial assignment of the new entrants to the organization and initiating promotions, transfers or demotions or job rotations of the current employees to the new assignments in the same organization.

5.3 THE SIGNIFICANCE AND BENEFITS OF PLACEMENT

A good and effective placement of the employees in the organization would invariably result in the following benefits:

1. It improves morale of the employees: Placement helps in keeping the employees in high spirits and report for the duty regularly. If the employees are happy and satisfied with their jobs, they will be automatically self motivated.
2. It helps in reducing employee turnover: A well adjusted and happy employee will be loyal to the organization and will not leave it.
3. It helps in reducing absenteeism: A right placement will reduce the rate of employee absenteeism and will help in increasing efficiency and productivity.
4. It helps in reducing accident rates: This also enables the new recruits in avoiding mistakes and errors.

5. Placement would invariably put the new employee at ease in performing his job well.

6. the employee is made aware of the objectives the job intends to achieve and thus is able to show reasonably acceptable results.

7. It helps in reducing Conflict rates: It would help the new employees in getting along with their peers and superiors easily and eventually help them in proving themselves.

5.4 PRINCIPLES OF PLACEMENT

A few basic principles should be followed at the time of placement of an employee which should be followed as delineated below;

1. It is the job which should be the starting point and not the job holder: implying thereby that right person should be placed at the right job ensuring theta the selected person is the right fit for the job and fulfils the criteria or suits the job profile completely without any compromise.

2. Ensuring person job fit ; implying thereby that the job specifications are strictly adhered to while selecting the candidate . the key knowledge skills and abilities are according to the requirements of the job.

3. Briefing the employee well in advance with regard to the organizations statutory and non statutory requirements for fulfilling the responsibilities carefully. Apart from this he should be made aware of any kind of penalties as well for not following the rules and regulations of the organization. Any type of disciplinary action that can be taken against him under various circumstances should be in his knowledge.

4. it is the responsibility of the HR manager to ensure that while placing the employee on the job he should be high on motivation and morale , by clearly explaining him his contributions and the organizations expectations from him on the job. This will not only keep him in high spirits but would also enhance his commitment and sense of belongingness.

5. An ideal placement programme should aim at garnering maximum organizational citizenship behaviour from the employees.

6. it is always advisable for the HR department to be well prepared for pacing the employee at the right place even before his joining, all the arrangements for his smooth beginning should be made well in advance.

7. There are always chances that the initial placement is temporary and the organization is just checking him out before giving him the final placement in the organization according to his calibre and the requirements of the organization.

It would be pertinent to mention here that an appropriate and well planned placement can reap long term benefits for the organization in terms of a committed and motivated workforce. If the employee is placed rightly in the initial stages , it will make him comfortable with the organization and its culture and climate, it will encourage him to stay put with the organization and might reduce his chances of leaving. As is rightly said first impression is the last impression, the employees do make up their mind whether they want stay with this organization or not during their placement and induction period .

5.4.1 PROCESS OF PLACEMENT

Once the jobs have been identified and the employees placed thereof, it is useful to follow the process to make it smooth sailing for both the employees and the organization.

This can be done with the help of Assessment Classification Model, which follows the steps as given below

Step 1: collecting all the relevant information about the employee which may be helpful in way or the other to the organization

Step 2 : constructing the job profile to be offered to him carefully , taking into consideration his strengths and weaknesses , academic and extracurricular achievements and credentials for optimum utilization of his abilities .

Step 3 : finding out the profile which best suits him in the subgroup profile

Step 4 : making a comparative analysis of subgroup profile to job family profile .

Step 5: ensuring the best fit for the employee, by seeing which job family profile does the subgroup profile best fit ?

Step 6 : assigning job family to the individual.

Step 7 : finally assigning the individual to specific job after discussing with the employee and assessing the feasibility of his final placement on the job.

CHECK YOUR PROGRESS 1

STATE WHETHER TRUE OR FALSE

1. The principle of the placement should be Job first and man next.
2. The job may or may not be assigned to an individual person according to his competence, qualification and experience.
3. An employee should be aware of working conditions and all organisational policies related to the job.
4. Placement is concerned with allocation of jobs to the people.
5. Placement enables the new recruits in avoiding mistakes and errors.

5.5 INTRODUCTION AND MEANING OF INDUCTION / ORIENTATION

Employee induction and orientation programmes are quite challenging and cumbersome for the organizations as it can make all the difference in employees decision to stay with the organization or they might not feel like continuing further, the whole process of induction can make or mar the company's image in the eyes of the new employee. Though an employee does gather some information with regard to the organization before joining, but the actual picture is visible to him only after he joins. There is a set of particular expectations and an image which he comes with to the organization, which must be well taken care of by the people entrusted with the task of familiarizing the new employees to the organizations culture and working environment.

This becomes all the more important when an employee joins an international assignment in a different culture and environment. It becomes an added responsibility of the HR to ensure that he is not facing any problems in settling down. The employee experiences culture shock in both his personal as well as professional life, which is to be tackled nicely. An orientation may last for a day or two, few weeks to a month depending upon the job profile and the hugeness and the importance of his assignment in the organization.

Apart from the above benefits, a well planned induction plan also has the following advantages;

- The most important advantage of an induction plan is that it familiarizes the employees with the organization and its work ethics and culture which goes a long way in his contribution.
- It helps in strengthening the level of communication between the new employees and the management
- It foster better understanding and improves the relationship of the team members with the new employee.
- It nevertheless helps the new employee in developing a sense of commitment and belongingness to the organization.
- A well planned and designed placement programme boosts the employees morale and motivation and makes him feel important .
- It helps in alleviating any type of anxieties and helps new employees in overcoming the jitters of the new job and its expectations.
- It helps in increasing employee stability and reduces attrition rate to some extent .

5.5.1 Implications of poorly designed induction plans.

As has been discussed earlier poorly designed induction plans can be quite hazardous to the organization in terms of employees lower morale and motivation in the first place, loss of commitment and feeling of belongingness, they might be uncomfortable with the working environment. If they are not fully familiarized with all the employees in all the departments they might find it difficult to communicate with them and face problems in completing their assigned tasks. All this might hamper employee's efficiency and effectiveness on the job and might defeat the purpose of hiring him. It is also very important to tell him about the dos and don'ts of the organization well before hand so that he does not commit any mistakes in his code of conduct.

5.6 OBJECTIVES, CONTENTS AND ELEMENTS OF INDUCTION

Induction is designed to achieve the following objectives;

- ✓ The most important step is to apprise him of the top leadership philosophy and thinking,
- ✓ Its mission statement; the reason and purpose of its existence in terms of its contribution to the society
- ✓ the company vision in terms of its place in the market measured by its market share in the future
- ✓ The objectives and goals of the organization which he is going to achieve
- ✓ The corporate strategy , the business unit strategies and the generic competitive strategies which the company follows
- ✓ His position and level in the organizational hierarchy
- ✓ His expected contribution by the organization
- ✓ His responsibilities towards his fellow beings, organization, his customers, stakeholders and the society .
- ✓ To remove his apprehensions, queries and anxieties on the job.
- ✓ to make him well versed with the organizational culture and climate
- ✓ To boost his level of knowledge about the company's affairs and day today working style
- ✓ To build up his maturity and confidence level in dealing with others.
- ✓ To tell him about his reporting relationships
- ✓ To apprise them of the chain of communication and hierarchy to be followed during communication, modes of upward and downwards communication
- ✓ To apprise him of his job duties and responsibilities and his rights
- ✓ To tell him about the expectations of the organizations
- ✓ To give him information of the important persons to be contacted in times of crisis and other requirements.
- ✓ To tell him about the locations of important services like canteen, food courts, health centre, day care centre. Washrooms , exit areas, staff clubs , yoga and meditation centres , gym and cafeteria ,restrooms , indoor and outdoor sports facilities , recreation facilities etc.
- ✓ To tell him the safety measures to be taken in times of accidents
- ✓ The grievance redressal system etc.
- ✓ The above elements of an induction plan may not be comprehensive

Contents of Induction

A well designed induction programme includes the following information:

- Training of Health and Safety rules. For example in some organisations providing Health and Safety training to employees is mandatory.

- Information regarding paper work and various forms to be filled. For example in banks various forms are required to be completed by the customer.
- Information related to various benefits to which an employee is entitled. For example holiday entitlement, how to claim expenses, etc.
- Brief Introduction about the company and various departments of the company.
- Architectural map of the building
- Introduction to the details of compensation and other benefits.
- Information about the founders of the organization and the top management people.
- Training about the job profile at the department level.

The general orientation which is related to the organisation should be provided by the Human Resources staff and the specific orientation which is related to the job and team members should be provided by the immediate supervisor. Both the HR department and the departmental supervisor should follow-up the orientation to obtain feedback regarding the orientation programme. A good induction will help the employee to perform well and get adjusted in the organisation with considerable ease.

Induction of new employees has four distinct levels which can be termed as 4 C's of induction:

- **Compliance:** It is the lowest level and it involves teaching basic rules and regulations to the employees.
- **Clarification:** This level aims at ensuring that all clarifications and expectations related to the new job of the employee have been conveyed to the employee.
- **Culture:** It involves educating the employees regarding the norms, customs, rituals and believes of the organization.
- **Connection:** It refers to the establishment of interpersonal relationships between employees and supervisors, employees and employees and employees and management during the induction programme.

The purpose of orientation is to expedite the socialization process through which the employees absorb the values, beliefs and traditions of the organization. Once the selection process is completed, the new employees must be oriented in order to become productive contributors to the organization.

5.7 NATURE AND DESIGN OF AN ORIENTATION PROGRAMME

It would be useful for the organization to take into consideration the following four strategic choices viz;

- **Formal Or Informal**
- **Individual Or Collective**
- **Serial Or Disjunctive**
- **Investiture Or Divestiture**

to be made while designing an orientation plan. See figure 1.

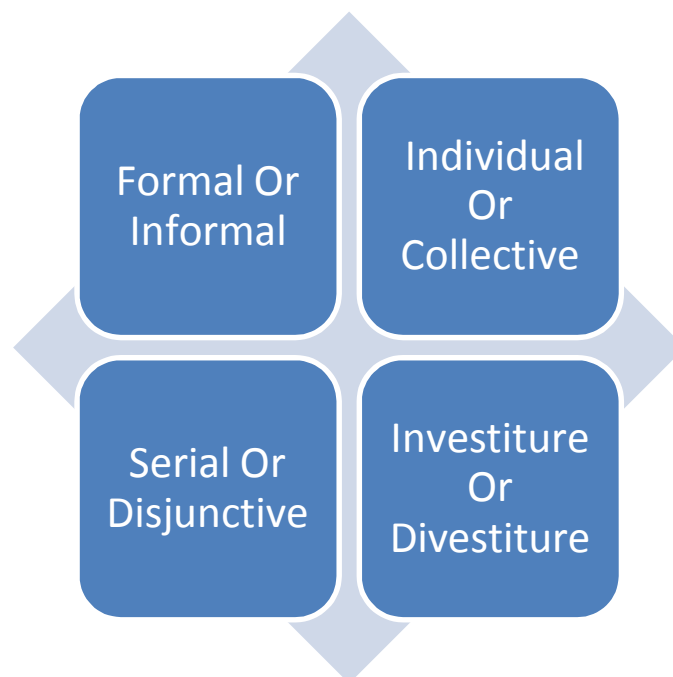


Figure 1 : Strategic choices for designing orientation plan

1. **Formal Or Informal orientation**

In a formal **orientation** plan , the employees are inducted formally through a structure and well designed plan to improve his effectiveness and efficiency in the organization. On the other hand , an informal orientation would be where the employee is left by himself to acclimatize with the organization and its working style by interacting himself with his co workers. The choice between the two plans would depend upon the organizations goals and objectives and of course the importance of the new employee and his job.

2. Individual Or Collective orientation

Another choice could be to adopt an individual based or collective orientation, as the name suggests, in individual orientation, an employee is attended personally and individually and apprised of his duties, responsibilities, expectations etc by one on one interaction with the superiors or the HR head, depending upon the requirement. This is useful when the employee has been hired for some special assignment or project. On the hand collective orientation takes place when the organization recruits large number of people on the same level who would be requiring the similar briefings with regard to the job and the organizations. E.g recruitment of a large number of management trainees at the junior level in the organization would call for a collective orientation.

3. Serial Or Disjunctive orientation

Serial orientation takes place when the new employees are oriented by the veterans or the experienced employees or seniors of the organization who share their experiences with the new recruits and make them aware of the company's culture , customs and traditions, they share the stories and the rituals of the organization showcasing its success and failures in its journey. Tells them about the expectations and their contributions in their new journey. The seniors act as the new employees mentor coach and guide motivates them about their bright future in the organization.

On the other hand, disjunctive orientation is when the employees do not have the opportunity to interact with the seniors or the experienced employees to guide them through their new journey. At the same time it has the advantage of not burdening the employees with the old and the traditional practices of the organization and gives them opportunity to be experimental, innovative and creative in their pursuits.

4. Investiture or Divestiture orientation

An investiture orientation takes place when the new employee is appointed to a higher level in the organization for his potential contribution to the organization. Here the new employee is allowed to make decisions with regard to his location of the room, his furnishings , his support staff, his facilities etc, which might have an impact on his performance.

While in divestiture orientation, the new employee might not be given the freedom as given in the other case, and have to undergo the change in the mindset and working style to fit into the new organization. This orientation is more or less followed in military and army, police or such organizations where the new recruits are supposed to lead a highly disciplined life.

5.8 PROCEDURE OF INDUCTION

The new staff member is required to participate in a Corporate Induction which will be mentioned in the letter of offer and will follow the stages systematically to be formally inducted in the organization. See figure 2

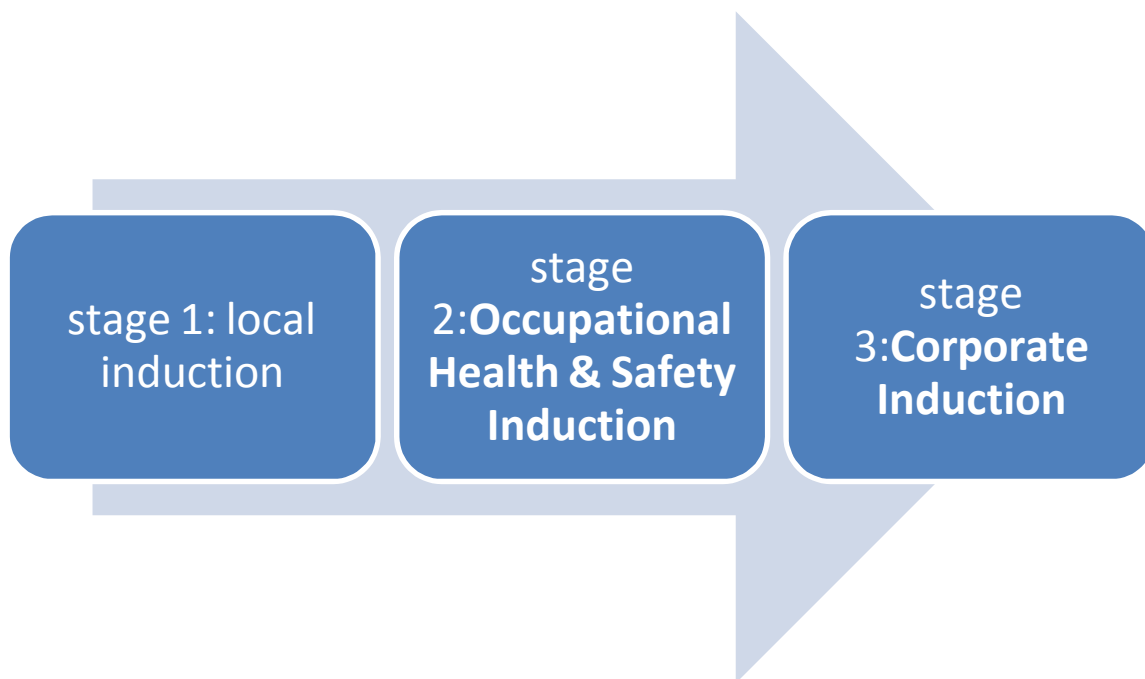


Figure 2 : Stages in induction

Stage 1 – This is called the Local Induction which will include introductions with the existing staff members, the place of work, access to the IT system along with the passwords, the personal and professional facilities, the requirements of

the probation period of his appointment and all the necessary information for his successful contribution to the organization.

Stage 2 - Occupational Health & Safety Induction

- This stage covers introducing the new employees to the occupational Health and Safety measures adopted by the organizations. Here the employee is made aware of all the statutory and non statutory measures which are their rights on becoming a part of the organization. This would include ; the knowledge of the exit points in case of emergency and accidents, usage of fire extinguishers, reporting the hazardous activities , showing him his workstation along with its safety measures.

Stage 3 - Corporate Induction

The third stage is the corporate induction the schedule of which is well informed to the new employee. This would include briefings with regard to the organizations values and commitments, its social, economic and legal responsibilities and social contributions. The company's mission, vision, goals , objectives, policies plans and practices . its overall strategies to deal with the uncertain business environment , as to how it responds to the governments policies. etc

Finalization of the Induction programme

After all the three stages of induction have taken place, the HR head will prepare a checklist of all the points covered and informed to the new recruits and file it in the HR department. The PDF file of the whole induction programme will be sent to all the employees who attended the induction for their reference and future consultation.

Non-Attendance of the new employees

Non-Attendance of the new employees in the induction can have serious repercussions on the employees. Since it is compulsory for all the new staff members to attend an induction programme, they must inform the HR department if they are unable to do so with valid reasons so that they can be called for another session.in case they choose to abstain from the induction on their own , their immediate supervisor must be informed and it is his duty to ensure that he attends the same.

Induction for the Casual and Sessional Staff

The organization has two types of staff deputed in the organization. They are either in the nature of casual staff or sessional staff. It is compulsory for both of them to attend the stage 1 and stage 2 of the induction programme. It is the responsibility of their respective supervisors to ensure their presence in the induction which should be duly signed and check listed. Training with regard to workplace behavior is an important component of their induction which should be taken and followed very seriously. It is again required that the duly signed checklists should be filed and secured in the office premise for any future references.

CHECK YOUR PROGRESS 2

Fill in the blanks by recalling the Contents of Induction comprising of the four C's

1. is the lowest level and involves providing the information related to basic rules and regulations.
2. refers to ensuring that employees understand their new jobs and all related expectations.
3. involves educating the employees regarding norms, rituals and believes of organization.
4. refers to establishment of interpersonal relationships between employees and management.

5.9 SUMMARY

Recruitment and induction go hand-in-hand within most businesses and organizations. Recruitment is the first step many businesses use to find qualified employees. Your human resources department may recruit job candidates on their own, or hire a recruiting firm to investigate candidates for them. After selections are made from the recruiting pool and job offers are extended after which the induction process begins.

The induction process is the introductory or initiation process a new employee undergoes when he begins work. This process can include a new job hire receiving a welcome packet outlining company rules and procedures, attending introductory training seminars and sexual harassment courses, getting acquainted with the layout of the office and learning about office processes such as when employees

take lunches and other breaks. Most organizations also need to familiarize their new hires with how email and communication systems work during the induction process.

Thus, the placement & induction process is an important tool for a company to be effective. Proper functioning of both can result in "establishing clear foundations and expectations" between a business and its new hire, according to learning resource Business Balls. These expectations include corporate values, ethics, expected office etiquette and decorum and an understanding of what is expected in terms of work output. By instilling these expectations in the beginning, your new hires will have clear-cut rules and training prior to starting their jobs.

5.10 GLOSSARY

Placement: Placement refers to assigning rank and responsibility to an individual, identifying him with a particular job

Induction: Once an employee is selected and placed on an appropriate job, the process of familiarizing him with the job and the organization is known as induction.

5.11 ANSWERS TO CHECK YOUR PROGRESS

Answers to check your progress 1

1. True
2. False(should be)
3. True
4. False (people to the job)
5. True

Answers to check your progress 2

1. Compliance
2. Clarification
3. Culture
4. Connection

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Gary Dessler, Human Resource Management, Prentice hall, India

5.14 TERMINAL AND MODEL QUESTIONS

1. What do you mean by placement? And how is it different from induction?
2. Critically analyze the importance of placement & induction?
3. What are the steps of induction? Describe its advantages & disadvantages?
4. 'Induction is meant for achieving objectives'. Discuss?

LESSON -6 : TRAINING AND DEVELOPMENT

STRUCTURE OUTLINE

- 6.1** Learning Objectives
- 6.2** Meaning of training and development
- 6.3** Importance and objectives of training and development
- 6.4** Distinction between training and development
- 6.5** Methods of training and development
- 6.6** Aligning training to business needs
- 6.7** Summary
- 6.8** Glossary
- 6.9** Answers to check your progress
- 6.10** References
- 6.11** Suggested readings
- 6.12** Terminal and model Questions

6.1 LEARNING OBJECTIVES

- To understand the need of training and development
- To define training and development and understand its objectives and importance
- To be able to distinguish between training and development and education
- To acquire an insight into training need analysis
- To understand different types of trainings
- To understand competency based approaches to training and development

6.2 INTRODUCTION TO TRAINING

In order to perform the activities in the most systematic way, the organization needs the services of trained persons. In this fast changing era, the knowledge of the employees is becoming obsolete. So in order to remain competitive, the organizations require its employees to cope up with the job by providing them training. Now days, it has become the most important task of the organization to provide training to their employees.

The employees who require training may be classified into two categories ...

- (i) those who have some precious knowledge of the job and
- (ii) those who don't or are new to it.

Both categories of workers are required to be trained to acquaint themselves with the job, though it is more essential for the employees who are new to the job or who do not possess any precious knowledge. So in order to cope up with the latest technological advancements, every organization has to provide training to its employees.

Training is a systematic and planned process which has its organizational purposes to impart and provide training experiences that will bring about improvement in an employee and thus enabling him to make contribution in greater measure in meeting the goals and objectives of an organization. In fact, it is a process that attempts to improve to employee performance on a currently held job by providing the employee with the necessary skills and knowledge needed for their present job. In fact , an ideal training would be one that meets the goals of the organization and also that of employees.

From the above definition it may be concluded that :-

- Training should be well planned and should have predetermined objectives to be achieved through training.
- Training emphasizes learning. Training process must specify what is to be learnt?

- Training should focus on evaluation . It means training process must be evaluated to see how for the training has been effective and successful in the improvement of the performance of the employee, thus enabling him to make his enhanced contribution to the achievement of goals of the organization.

Definitions of Training

- **According to Tucius**, “Training is a process of acquiring specific skills to perform a job better”.
- **According to Van Deisal**, “Training is the process of teaching, informing or educating people so that they may become well qualified as possible to do their job, and they become qualified to perform in positions of greater difficulty and responsibility”.
- **According to Edward B Flipppo**, “Training is an act of increasing the knowledge and skill of an employee for doing a particular job in an organization”.

Development refers to learning opportunities directed towards helping the employees grow. Development is not a skill oriented and not restricted to improving employee’s performance on current job. In fact it provides the opportunity to all the employees to upgrade knowledge, change attitudes ,and increase skill to show improved performance on present and future job positions. Development prepares an employee to adjust himself in new roles , responsibilities and functions . Such employee improve the strategic competence of the organization to face dynamic and competitive world . It also affords an opportunity for career growth of the employee. Because of its nature , the word development is usually associated with managerial position and hence it is also called as management development .

6.3 AIMS/ OBJECTIVES AND IMPORTANCE OF TRAINING AND DEVELOPMENT

Training benefits both the employee and the organization resulting in win-win situation. Training include every efforts made within the organization to teach , coach ,develop employees (old and new both) in technical skill, knowledge , principles and techniques and to provide insight into and attitudes towards the organization .

Its aim and objective includes

1. To develop the capacities and the capabilities of the employees through enhancement in their skills and knowledge so that they make meaningful contribution towards achievement of organization goals.
2. To help existing employees improve their performance on existing jobs. For example a technically qualified employee may be lacking in interpersonal skills. Imparting training in interpersonal skills would make him more effective on his existing job.
3. To help newly recruited or promoted employees to perform specific tasks as per organization standards sooner than they would otherwise.
4. Technological advancements are making fast changes in the nature of jobs and as such demand for new skills to perform the job successfully is always felt. Training helps to upgrade employee skills to meet challenges of technological advancements and prevents managerial /employee obsolescence on the job.
5. To act as a means of solving problems relating to scheduling inventory shortages, absenteeism, union management disputes etc.
6. To facilitate employee movement from his present job to job with higher responsibilities and functions. Organizations' design their training and development programs in a way to prepare and enable its existing employees to acquire necessary skill needed for a promotion.
7. To help employees in their quest for personal growth this will directly benefit the employee and indirectly increase employee's effectiveness on the job.

Benefits /Importance of training and development:- Training and development offer competitive advantages to a company . It helps to remove employees performance deficiency , reduce voluntary level turnover , making

employee stay longer in the organization , reduce employee obsolescence , ensures efficient and economical use of both equipment and machinery and material , reduce chances of wastage , improve job satisfaction and help employee develop capabilities to meet challenges of the dynamic environment . The training and development program of an organization pays dividend to both the employees and organization in the long run.

6.4 TRAINING AND DEVELOPMENT DISTINGUISHED

Training is designed to help an employee learn the most appropriate solution to a given situation. It refers to activities designed to improve the job performance of non supervisory employees of an organization. Training is enhancing technical skill of an employee. Training aims at improving employee performance on the present job. Training is not future oriented . Training is sometimes organization specific and if the employee leaves that organization, the training becomes obsolete.

Development on the other hand is future oriented and aims at achieving long run goals of the employee and his organization. Development is generally associated with managerial personnel and the focus of development is to improve knowledge, change attitudes and enhance other broad skills which will help the employee to assume greater responsibility in future.

CHECK YOUR PROGRESS 1

STATE WHETHER YOU AGREE OR DISAGREE WITH THE FOLLOWING STATEMENTS

1. Training should be well planned but it may or may not have predetermined objectives to be achieved through training.
2. Training emphasizes unlearning the old things
3. Training should focus on evaluation of training in the end
4. Training is designed to help an employee learn the most appropriate solution to a given situation
5. Development on the other hand is past and present oriented and aims at achieving long run goals of the employee and his organization

6.5 METHODS AND TECHNIQUES OF TRAINING & DEVELOPMENT

Training can be take place in various situations on the job or off the job , in the company or outside the company. Details of various method and techniques of training are below:-

(1) On- the- Job training :-

The most common form of employee training is the on the job training (OJT) also known as Shop Floor Training . This is a traditional method of imparting skill training to an employee . Here the employee is placed in real life situation and he learns through actual practice . He is however , under the supervision and guidance of a trained instructor who provides/ demonstrates the job and teaches the trainee the tricks of trade . Employee learns while doing . This is designed to help an employee learn the best method to perform his job . It is the most useful method of learning for unskilled , semi-skilled and technical jobs. However , the number of employee that can be trained under this method is very limited.

Advantages of the OJT:-

- (i) The training is based on “ Learning By Doing “ which is the best method to impart skill training .
- (ii) Since OJT do not require any employee to move out of the organisation , it saves times of the employees , manager and the supervisor .
- (iii) OJT strongly motivates the trainee because the trainee learns on actual equipment in the real environment which gives him a feeling of achievement .
- (iv) OJT are specific and focus trainings which aim at producing tangible results.
- (v) OJT are economical as the employee carries out production along with learning.

- (vi) OJT is also instills the quality consciousness and minimum wastage concept in the trainees .
- (vii) OJTs take care of the specific needs of the trainee in terms of his background , attitudes , needs , goals and future assignments.

Disadvantages :-

- (i) In OJTs, the trainee is working on actual machines , there is possibility of disregard to finer details of theory in favour of immediate production.
- (ii) During the training, the trainee may produce goods of inferior quality , causes excessive wastage and are prone to accidents.
- (iii) Trainees causes excessive depreciation to machines due to wrong handling of the equipments.

Long period of time working on the job and under the direct supervision of experts. Apprenticeship training covers extensively varied trades, crafts and other technical fields like draftsman, a machinist, a construction worker, a painter, a tool maker, a pattern designer, a carpenter, a weaver, an engineer and an electrician.

This system of training is old form of training and was developed in the middle age by trade guilds. Apprenticeship training is a combination of theory learning and actual learning experiences as related to a job . This training is used to prepare a worker who require a wide range of job skills, knowledge, long periods of practice and seasoned experience. The ITI in India are engaged in apprenticeship training. The period of apprenticeship training varies from 3 to 6 years including curriculum of class room and shop experience .

Advantages :-

1. It ensure a supply of skilled workforce .
2. It is a productive form of training .
3. It improves workmanship greatly.
4. It reduces the employment cost as a result of reduced turnover and lower production cost , and

5. It create a sense of belongingness and loyalty in the minds of employees and opens up opportunities for their growth and development.

(2) **Job Rotations** :- Job rotations is known as position rotation involves horizontal movements of employees from job to job and from plant to plant on some planned basis for the purposes of wider exposure and increasing the span of experience . This method provides an opportunity to young employees or management trainees to familiarise themselves with company in general and thus gain experience. Job rotation is designed to give trainee, knowledge and experience of operation in various parts of the organiastion . The trainee while moving through various training positions receives instructions ,gain knowledge and experience in different situations and is provided with feedback from his superior in each department. This helps the trainee to gain on –the-job experience , while shouldering greater responsibilities in varied business situations, develop his talent and help him discover his own special interest and performance . For example, Godrej consumer products limited uses job rotations for helping the employees build multiple skill like, project management , IT , Skills and HR skills .

Job rotation has both advantages and disadvantages . Some trainee considered it a challenging and exciting offer while other find it a source of tension.

Advantages :-

- I. It helps in developing generalists rather than a specialists . It is broaden to horizon of specialist , so that they become adapt in finding solution to various management problems in social or others situations .In the absence of such rotation they remain confined within the technical aspect of a particular functional field .
- II. Job rotation brings a change in the monotonous and stereo type working of a department . Such a change results in improved efficiency in the working of the department.
- III. Job rotation promotes the inter department cooperation and improved communication between the various departments within the organisation .

IV. It fosters organizational flexibility through generating flexible human resource , which help the organization build up management strength.If there is sudden expansion in a particular line, management can obviously depend upon its employees with varied experience to take up newly created positions.

(V)Job rotation tests the individual executive's ability and an all round capability and competency as demonstrated in progressive assignments that indicates individual's suitability for promotions to higher level positions and thus using them at their maximum effectiveness.

(Vi) It helps accomplishing the comparative performance appraisal of individuals more objectively which will thus afford every one an equal chance of promotions to higher level jobs.

Disadvantages

1) The job rotation discourages executive to go deep in their assignment . These executives concentrate on short range projects only as they are not likely to stay for long at one job.

2) It becomes difficult for the trainees to adjust themselves to their new bosses on account of job rotation.

3) Job rotation proves to be expensive for training and development purposes.

4)Job rotation upsets the family life of the trainee. With every rotation he has to move and adjust to new surroundings . His children have to readapt themselves to new school and new friends.

3.Internship training

Internship training is a joint programme of training between a technical or professional school / College and the business house to enable the students gain a good balance between theory and practice. The theory learnt in the class rooms can be better understood against the practical ground in a factory. Under this method the students are offered an opportunity to get real world experience by an organization and students are paid a stipend during the internship period .For example Infosys periods internship training to B-Tech students ,such a training helps the origination

get project done at low cost and also get new ideas from student interns. Interns are also benefitted as they get course credits.

(4) On - The-job Coaching-

On the job coaching method of providing training is also known as understudy or Assistant to position training method. For coaching to be effective, there should be a healthy relationship between the superior / instructor and the trainee based upon mutual trust and confidence. Under this method, the superior or trainer or instructor acts as guide and explains various tasks that the trainee must perform to execute a job. He also provides necessary assistance to facilitate them in the job learning process and provides necessary feedback in terms of the progress the trainees have made.

The objective of coaching is not only to teach and guide a subordinate in the performance of his immediate job but also provides him an opportunity to prepare him for senior job positions with greater responsibilities. This method has been used with good results in managerial training and development. The essence of on the job coaching is learning by doing. When this method is applied to managerial development, it must cover:

1 Delegation – In this process of coaching, the superior should delegate some added responsibility to the trainee so that he performs several duties under the coach. Such delegation will provide the trainee an opportunity to participate in the decision-making process and will learn the tricks of new assignment.

2 Counseling- counseling includes a healthy discussion between the superior and the trainee on matters relating to trainee's fears, emotions and aspirations. Here, the superior performs a passive & non directive role. The aim here is to help the subordinate learn the techniques of administration. This may cover job related knowledge, skill, competencies and personality modification.

3 Mentoring / Role Modeling- subordinates learn best through examples. So under coaching, the superior must present his best face forward so that the subordinate is encouraged to grow and develop as seniors.

Some companies like Procter & Gamble use coaching method for their management development programmes.

5.Committee Assignments: -

This method is an indirect way of managerial development . Companies formulates regular or temporary committees to solve a complex problem. The trainees are assigned to these committees. The trainees come face to face with their seniors during regular staff meetings / committee meetings. The committee diagnoses the problem, generates alternative solutions, evaluates these alternatives and finally recommends the best solution. The trainee learns the decision making by being a part of decision making process and watching others or job. The trainees are allowed to participate and contribute their ideas in the decision making. This provides them an opportunity to learn, develop and grow. Such participation enables the trainees to gain a firsthand knowledge of the issues, processes and considerations involved in decision making.

6.Critical Incident Method: -

This method resolves around a particular “Incident” which normally relates to some real life like work or business situations (s) and is critical to the success of the organization. In some cases, the instructor may develop his own incidents to provide managerial training in a specific field. The main aim of this method is to stimulate self development. It help trainees learn to extract relevant factual data and other information relating to a specific critical incident and to use that data in identifying and determining the key issues and ultimately finding its solutions.

Under this method, the instructor presents a brief incident before the group to provoke discussion in the group .The trainees while trying to analyze the situation , puts questions to the instructor for obtaining more factual information about the case. These questions generally relate to “ what”,” when”, “where” and “How” of the situation. Based upon this data and information , the trainee identifies and determines key issues relevant for solving the problem. At this stage, the instructor tells trainees about the pertinent questions that they would have elicited from him and would have helped them in solving the problem . Then the solution proposed by the trainees and as adduced by the instructor is compared, evaluated and thereby appropriate learning principles are made known. The main drawback of this method is that the trainees instead at focusing their attention on

the principles of learning ,pay greater attention to finding out the correct solution of the problem.

7. Conference Leadership-This method finds its useful in supervisory and executive development programmes . It aims at developing analytical thinking to foster decision –making capabilities in the supervisors and executives of the organization. This method promotes inter-department communication, cooperation and learning by exchange of ideas between participant, from different departments. Conference leadership method works best when the leader ensures that every participant is provided adequate opportunities to put forth his ideas, view point and experiences. Such training can be held in a conference room where participants sit face to face and participants discuss topics such as labor management relations, productivity and other subjects.

Advantages

- 1.It is ideally suited for analyzing problems from deferent view points .
2. It is a good method for development of conceptual knowledge and skills.
- 3.This method teaches the trainees the spirit of cooperation .
4. The trainees learn the power of expression and healthy discussion.

The trainee comes to know of his strengths and weaknesses in various areas.

Disadvantages

- 1 This method is suitable for learning in small groups only.
- 2 Since every participant is given an opportunity to speak and express his view point ,the discussion sometimes may deviate from the main issue to include some irrelevant matters and learning is slow under-this method.
- 3 Sometimes when the discussion is not focused, the participants may loose interest and this method is not likely to meet much success.

(II) Off –the- job Training Techniques

Off-the-job training means, that training which is not a part of everyday job activity. It takes place at some external selected site which has no connection with

the company. Such off the job training may be conducted by professional training institutes or by management colleges. off-the-job training is also known as classroom training and aims at imparting the knowledge or special type of information to the participant. This type of training provides for the development of large number of people in a short time by the best instructor using the best planned material . This method is particularly useful for presentation of information through lectures, demonstrations, films, audiotapes, videotapes or computers.

1 THE lecture Method- The lecture method is a conventional training technique that involves one-way presentation of knowledge. It is a formal organized talk which aims at imparting substantial knowledge/concepts to a large group in a relatively short time. This method is best used in many types of training including orientation programs, problem solving activities, and dissemination of information which is theoretical in nature (philosophy ,safety, supervisory etc...)

In order to make lecture method of training more effective following guidelines may serve useful pur pose –

- 1 The instructor/speaker should be a competent man with excellent study material, good communication skills, pleasing personality and should use audio-video aids, practical examples and seeks to involve the participants in his presentation.
2. The lecture should be well planned revolving around the central idea of training. It must contain information suitable both for the advanced learners as well as slow learners.
3. The participants must be provided with notes to serve effective learning.
4. In order to keep the participants involved in the lecture, the instructor should include some relevant case studies and practical incidents in his lecture.

The main disadvantage of lecture method includes -

- (I) This is a one way communication where learners are passive participates.
- (II) This method is not applicable is skill training where hands- on expensive is essential.

- (III) Lecture method is not suitable for in experienced and untrained instructor/
- (IV) The presentation and contents of lecture are generally not upto the required level of knowledge of the participant as a result the participate loose interest and motivation in the learning.
- (V) The lecture method is into flexible to meet individuals differences of the participates.
- (VI) This method lays shores on the memorization of facts and figures involved in a lecture which is of less relevance to the participants

(2) Conference Method- A conference is a small group meeting conducted according to an organized plan in which the leader whether single or multiple seeks to develop knowledge and understanding by obtaining considerable amount of oral participation from trained employees.

With the development of new methods and techniques like case study, role playing and sensitivity training, the conference method is becoming very popular in imparting training relevant to marginal and administrative experience.

The conference method is also used within the organization to familiarize the managerial trainees with the company's policies, staff service and knowledge useful for a successful manager. Certain trade and professional associations also conduct seminar and conferences to widen their contacts, increase networking and to gain administrative experience. The academic staff college Hyderabad, IIM's, National Productivity Council, XLRI etc are a few institutes to organize conferences either at their own premises or Selected venues in different parts of the country.

(3) The Group discussion Method- Group discussion means a purposeful conversation about a topic of mutual interest among a group of say 10-20 participants under the expert guidance of a trained leader. The leader introduces the topic to the group, he guides the discussions and deliberations, binds the participants through their active participation in the group discussion. It is a group – centered approach which offers maximum opportunity to individual participants to informally associate and share their ideas, experiences and improve their knowledge, skills and abilities through interactions and pooled experiences.

(4) Vestibule training- This method of training takes place away from the job. The trainees work on plant, machinery and equipments which closely resemble the actual ones used on the job. Under this method, because the training takes place away from the work environment, the normal production does not suffer. The number of trainees can be larger under vestibule training.

Managerial training and development-

An executive has to play multifaceted roles in an organization due to globalization. An executive to be effective must be a good decision-maker, must possess interpersonal skills and international attitude and necessary etiquettes. These competencies can be acquired through different training and development methods. These methods can be classified under three categories-

- (1) Techniques for Improving Decision-making skills of the executives. These techniques include:
 - (a) Case study Method
 - (b) Management Games
 - (c) Lesson in ethical values
 - (d) IN-basket Method
 - (e) Incident method.

(a) Case Study Method- It is a class-room learning method wherein the trainees are given a written account of an organizational problem. This method was first developed at Harvard Law School, USA. This approach is most useful for imparting analytical, problem solving and critical – thinking skills. Case study method provides a medium through which trainees can study the application of managerial or behavioral concepts. The thrust is on application and analysis instead of memorization of concepts. This method helps to sharpen the thinking of the group members and improve their power of situation / problem analysis and thus enhance the ability to reach better decisions.

The methodology generally adopted by the trainees for solving case study problems involves.

- (i) Identification of the problem based on facts and figures given in the case description.

- (ii) Developing alternative feasible solutions to the problem.
- (iii) Evaluation each solution in terms of the resources / situation of an organization and finding out best possible solution. This solution is presented before the group where it is discussed and defended.

Advantages.

- (i) It help trainees improve their decision – making skills.
- (ii) It encourages open – mindedness and serves as a good source of pooling the knowledge from people of different backgrounds and disciplines.
- (iii) Case study method motivates trainees to participate in the discussion relating to real life problem .
- (iv) This method enhances analytical skill of the trainees.
- (v) The trainees understand the knack of solving the problem and become prepared for complexities of business.
- (vi) The method can best be used in teaching law, Personnel Management , Human Relations, Marketing, Production Management and Business policy.

Disadvantages:-

1. One of the major drawback of this method is using inappropriate case study material to train the executives.
2. The cases become permanent precedent which gets printed in the minds of the trainee and they use that solution indiscriminately.
3. An overly artificial case study diminishes learning experience instead of improving decision making skills.
4. An inexperienced and untrained trainer may allow the discussion to deviate from main context and trainees accordingly develop wrong solutions to a given problem.

(b) Management Games- Also known as business games, it is dynamic training exercise requiring the trainees to take a series of discussion in hypothetical organization. In these games participants are divided into various teams which compete with each other in resolving the problems associated with that business situation .Several environmental and business factors are built into the game so that the trainees get real life problem solving experience.

A Management games ensure high degree of trainee participation in problem solving. There are variety of business games available, commercially some of which are manual while others are computer aided .Most of these business games are expressed in the form of a mathematical model controlled and manipulated by an electronic device i.e computer, but some can be played manually. There is no difference in these two types of games so far as learning objective is concerned. However, the feedback mechanism is faster in computer controlled games as compared to games played manually. The aims and objectives of computer games/ manual games is same as in of case study method .In addition , business games aim at illustrating the existence of various group processes including communication , the resolution of conflicts, the emergence of relationships and fostering cooperation and development of ties friendship.

Advantages:

- (i) Business games are motivating in nature and create substantial and active involvement of participants and maintain their interest in the training.
- (ii) This method helps in developing the awareness of the numerous matters that are affected by broad policy decisions.
- (iii) The trainees learn how to interact effectively and participate in the decision making process.
- (iv) This serves as a good tool of assessment.
- (v) Under this method , decision are quick , feedback is prompt and objective.
- (vi) Business games foster team cooperation. The players learn to organize themselves into smooth functioning teams.

Disadvantages:

- (i) Business games are simpler when compared with real life, these games may not contain all the elements that are present in real life and hence do not offer effective learning.
- (ii) It is a time consuming and expensive method.
- (iii) Competition among different participating groups may lead to decreased/ reduced training experience.

- (iv) Business games alone are not sufficient for executive training. It must be supplemented by other techniques like lectures, seminars or conferences to provide comprehensive training to the executives.
- (v) Some management experts believe that business game discourage initiative , creativity and originality of the team members as they have to adapt themselves to rigid situations as described in the business games.

(C) Training in Ethical Values- Ethics in business as a concept is gaining popularity due to incased corporate sandals. The executives are now being trained to remain true to their conviction whether in organized set up or personal front . They are being trained on how to take decisions amid the conflicting demands and temptations they encountering in everyday life. Training in ethical values may be imparted through lecture method or using autobiographies of successful executives / entrepreneurs.

(d) In- basket –method:- The in-basket -method of training aims at providing training to the trainees in issues like

- (i) Fixing priorities of work/jobs
- (ii) Decision making and implementation of such decisions in limited time period
- (iii) Inter personal relationships and
- (iv) Time management.

This method of training and appraisal is gaining popularity all over the world. In fact the international labour Organization has developed a manual of these exercises. These exercises relate to a variety of situations which the trainee might face when promoted to the higher post.

Under, this technique the trainee is given materials in the simulated organizations including mail , email, customer feedback, demand for a report from the senior, filling of a sudden supervisory vacancy, difficult industrial relations etc. All this material is placed in a basket or a tray, hence the name in-Basket method. The trainee is required to schedule his time, determine priorities, take decisions and implement them within the given time frame.

This method helps to bring to the surface the trainee's latent abilities in different dimensions. It also helps to test the trainee's decisions-making capacity rather than knowledge alone.

Crompton Greaves Ltd uses this tool for employee appraisal as well as for executive development.

(e) Critical /Incident Method-(It has already been discussed in the earlier part of the chapter).

II Methods which help in improving the task and inter-personal processes-

There are five methods which aim at improving the task and inter-personal processes namely

- (a) Sensitivity Analysis
- (b) Role playing
- (c) Transactional Analysis
- (d) Johari windows
- (e) Emotional Intelligence

(a) **Sensitivity Analysis-** This training methods is known as T group training and aims at making people understand themselves and others realistically. This is achieved through social sensitivity and behavior flexibility. Sensitivity training uses small number of trainees to develop inters personal relationship among them. This small group interacts with a trainer who acts remotely and comments occasionally. Such interactive meetings have no fixed agenda and are usually held at a place away from the work lace.

Discussions are held on issues like

- Why participants behave as they do
- How they perceive one another
- How to resolve conflicts
- How to be flexible in dealing with others
- How to deal with feelings and emotions generated in the interaction process.

The objectives of sensitivity analysis are:

- (i) To provide the participants with increase awareness of their own behavior and how others perceive them,
- (ii) To provide insight into increased understanding of group processes
- (iii) To improve listening skills, increased tolerance of individual differences

(iv) To improve conflict resolution skills

Sensitivity training to be more effective may be supplemented with short lectures group exercises, case studies and audio-visual aided courses.

Trainee, themselves are the objects of study in sensitivity training. So each trainee becomes the main sources of understanding himself, the co-trainees and inter-personal group and organizational processes.

The main drawback of this method is that whatever changes occur in the trainees as a result of this exercise have a tendency to vanish when they come back to their same routine work. Moreover this type of training is suitable for a small group of workers at one time.

b) Role Playing Method- Role playing is a simulation technique which has both the features- corrective as well as instructive. Role playing is defined as an educational or therapeutic technique in which some problem –solving human interaction real or imaginary is presented and then spontaneously acted out .The enactment is usually followed by a discussion and/or analysis to determine what happened and why and if necessary, how the problem could be better handled in the future .” This method of training is based on the following principles

1 learning by doing

2 learning through imitation

3 learning through observation and feedback and

4 learning through analysis and conceptualization.

Under this method, the trainer assigns parts taken from case studies to group members. The trainees try to act their part as they would behave in real life situation. Role playing helps promote interpersonal relations, change in attitudes and behaviour .Role playing is a commonly used method in MDPs.

The main drawback of this method is that it is time consuming , expensive ,applicable to small groups and the cases as formulated by the trainer may not depict real life situation to provide effective learning experience to the trainees.

c) Transactional analysis – It is a useful and practical method for analyzing and understanding human behavior based on three states of ego in a human being.

d) Emotional Intelligence- Emotion is defined as a state of human beings which evokes physical change like increased breathing or pulse or mental state of excitement or depression marked by strong feeling leading towards a definite behavior or action. People experience both positive and negative emotions at work place. These emotions are satisfaction, pride, anger, frustration ,fear etc. These emotions result in an action .Here, comes the role of emotional intelligence. Emotional intelligence is defined as an individual's acknowledgement of his instinctive emotional response but he doesn't act on it rather he steps back from the situation and let his rational thoughts influence his actions at all times.

Emotional intelligence develops over time and as managers/executives mature, they become more effective in handling emotional issues. But an organization cannot wait for managers to grow old to take decisions, hence the role of training in emotional intelligence is accepted. Training in emotional intelligence cover self-awareness, self management ,self motivation, empathy and social skills .These areas train the managers to keep themselves under control even in adversity in order to have good relationship with their colleagues.

e) Johari window- The Johari window is a graphical model for improving personal effectiveness . It was developed by Joseph Luft and Harry Ingham. The johari window divides an individual's personality into four parts namely-

	Known to self	Not know to self
Known to others	Arena	Blind
Not know to others	Closed	Dard

1. That part of the personality which is known to self and other is called as arena like name , age, family, job profile and physical appearance etc.
2. That part of the personality which is known to others but not known to self is called as blind like certain mannerism about which the individual himself doesn't know but others are aware like empathy.
3. A part of our personality which is known to self but is not known to other is closed part of our personality like our emotions of anger at work place but not reflected by our expression/words.
4. The dark part of the personality is unknown to self and others both.

In order to improve interpersonal skills, an individual should try to expand arena and decrease blind, and closed part through feedback from subordinates and self discourse. However nothing much can be done about the dark part of the personality except psycho-analysis techniques.

III) Methods that aim at improving a manager's knowledge and Etiquette

These methods aim at conscious and systematic improvement of Managerial effectiveness within an organization to face international competition, sustain global presence and at the same time achieve organizational goals and strategies.

With the rapid expansion and advancement of technology coupled with socio-economic changes, increased size and complexity of business, specialization is coming in the forefront which demands high qualification among managers, good caliber and international etiquettes to handle business. Various methods aimed at improving a manager's knowledge and etiquettes are:

- a) Conferences /seminars
- b) Assistant to position / Committee assignments
- c) Training in computers
- d) Short term courses in advanced management techniques, and
- e) Training in international attitude and Etiquettes.

6.6 ALIGNING TRAINING TO BUSINESS NEEDS

The training and development plans of an organization should be oriented and aligned with organizational goals , objectives and strategies . It is therefore

important to first identify and define the organizational goals categorically. A misdirected training program will result in drainage of organization resources and will not bring much needed benefits to the organizations. A training and development program should essentially have 7 steps namely :

- (1) Determining training and development needs.
- (2) Establishing training and development policies .
- (3) Setting goals and objectives to be achieved through this program .
- (4) Preparing and finalizing training and development budget.
- (5) Deciding about the place where training and development plan will be executed .
- (6) Deciding about method and techniques of training ,and
- (7) Evaluating training and development effectiveness.

Following paragraphs provide a detailed account of these steps :-

(1) Determining training and development needs:- It includes

- (a) **Organizational analysis** : It means identifying specific areas within the organization where training and development emphasis should be placed .
- (b) **Operation analysis** : It includes deciding the type of training that should be given to the employees to enable them perform their job effectively , and
- (c) **Man/Individual analysis** : It aims at identifying who needs trainings and also the kind of skill training required.

The above three analysis involves in depth examination and review of the present and expected future manpower situation both in terms of number and skills required to meet future market expectations and identify the gap if any between the two . In order to assess the existing manpower inventory the management relies upon :-

- (a) Existing employee personnel records which contains detailed personnel educational and technical skills information.

- (b) Data generated through employee performance appraisal process which provides a detailed account of individual performance and progress on a job , his suitability for others jobs and potential for growth .
- (c) Data collected by observing employees working on a job directly.
- (d) Record showing information on interpersonal conflicts , wastage , spoilages , accidents , grievance records etc.
- (e) Use of assessment center method to identify training and development need through game playing.

An analysis above would provide adequate information to the management to take a stock of its existing manpower situation both quantitatively and qualitatively. In order to access its future manpower requirements an organization will depend upon:

- (a) Its future policies relating to diversification and expansion.
- (b) Up gradation of jobs in future and the vacancies likely to fall vacant on account of retirements. However, nothing can be predicted about uncertain incidental vacancies due to death , sickness ,resignation or permanent disablement due to accident etc.
- (c) Changes in the technology affecting mechanization of the existing process and
- (d) Changing profile of competitive environment.

Such as comparative analysis would help on organization identify new areas of skills, knowledge and abilities , attitudes and behavior required to remain viable in the light of changing condition in its environment may be in the structure or in the relationship of the people or its processes, introduction of new operative equipment or procedures. It may be added here that assessing the training & development requirement is not an easy task. It requires a high degree of personal judgment and capabilities to foresee future besides having an awareness of organization goals, objective and strategies. Training and development efforts of an organization must be directed towards satisfaction of the defined needs of the company as whole, for specific development and for individuals.

Consequences of inadequate need assessment:- Any failure to conduct training & development need assessment would result in :-

- (i) Loss of business.
- (ii) High labour turnover.
- (iii) High wages, more overtime, premiums and poor quality of applicants .
- (iv) High recruitment cost (advertising , time cost and incentives)
- (v) Still higher training cost.
- (vi) Mounting pressure and stress on management and staff to complete the task in time.
- (vii) Need for job redesign and revision of job specifications.

(2) Establishing training & development policies:- Every company should have a well defined and established policy relating to training & development of its employee. Though there is no set of general policies when companies can follow, different companies follows different policies to suit its requirement. A well established training & development policy would represent the top managements responsibility for training and development of its employees. It will also include rules and procedures governing the standard and scope of training & development in the organization.

Some employers believe in providing training to all its employees to improve their performance on the present job while others want training & development to be given to all employee so that they develop themselves and get prepared to greater responsibility and roles in future. There are some employers who are selective in their approach and would prefer providing training to such employees who have the potential for next level higher jobs. Still other prefers to use training & development as a continuous learning process and would therefore frame a policy which aim at all round development of the organization and the employees.

(3) Establishing goals and objectives of training & development plan:- Organizations usually conduct training programmes without deciding in advance what training objective are and what the organizations wants to achieve through their training programmes . Without a well defined objective of training program ,

the T&D program turn out to be ineffective. When the goals and objective of the training are established, it helps in :-

- a) Evaluating the effectiveness of the training program based on those objectives.
- b) Deciding the contents of the training program.
- c) Ensuring that training is provide in the right area to the right people for the right issues.
- d) Gaining support for training activities in the organisation. The employee also feel motivated and encouraged to gain training once they are aware of the goals and objectives of the training program.

It is important that the goal and objectives of T&D program are measurable so that the accomplishments of the training programme can be well evaluated. Broadly, the short run objectives of training and development is to help the employee to improve their performance in the present job. However, long run goals are to develop and guide qualified and capable employees in their preparation for position and greater responsibilities. A well planned T&D program should include following objectives.

- (i) Operational objectives which focus on improving the efficiency in organization like , reducing wastage , reducing cost , reducing idle time , improved productivity , explaining new market etc.
- (ii) Performance objective relate to individual and group performance of the job in such a way that organizational objectives are met. It aims at achieving quality output with limited resources at the disposal of the organization.
- (iii) Instructional objective are important instruction and directions that are issued during the training process.
- (iv) Personal growth objective aim at enhancing self-confidence, self competence, self image, and motivation towards effective performance.

CHECK YOUR PROGRESS 2

MATCH THE FOLLOWING WITH THE CORRECT OPTION

1. It means identifying specific areas within the organization where training and development emphasis should be placed .

2. It includes deciding the type of training that should be given to the employees to enable them perform their job effectively , and
3. It aims at identifying who needs trainings and also the kind of skill training required.

a) Operation analysis

b) Individual analysis

c) Organizational analysis

6.7 SUMMARY

Training is a process that attempts to improve to employee performance on a currently held job by providing the employee with the necessary skills and knowledge needed for their present job, where as Development prepares an employee to adjust himself in new roles , responsibilities and functions .There are different methods and techniques to impart effective training to the employees based on organizational goals and individual goals .Different organizations use different methods depending upon its requirements, past customs and budget allocations.

6.8 GLOSSARY

Training : It is an act of increasing the knowledge and skill of an employee for doing a particular job in an organization.

Development refers to learning opportunities directed towards helping the employees grow. Development is not a skill oriented and not restricted to improving employee's performance on current job.

Organizational analysis : It means identifying specific areas within the organisation where training and development emphasis should be placed .

Operation analysis : It includes deciding the type of training that should be given to the employees to enable them perform their job effectively , and

Man/Individual analysis : It aims at identifying who needs trainings and also the kind of skill training required.

Role Playing Method- Role playing is a simulation technique which has both the features- corrective as well as instructive. Role playing is defined as an educational or therapeutic technique in which some problem –solving human interaction real or imaginary is presented and then spontaneously acted out

Sensitivity Analysis- This training methods is known as T group training and aims at making people understand themselves and others realistically. This is achieved through social sensitivity and behavior flexibility.

Transactional analysis – It is a useful and practical method for analyzing and understanding human behavior based on three states of ego in a human being

6.9 ANSWERS TO CHECK YOUR PROGRESS

Answers to check your progress 1

- 7 false (should have)
- 8 false (learning)
- 9 True
- 10 True
- 11 False (future oriented)

Answers to check your progress 2

- 1. (c) Organizational analysis
- 2. (a) Operation analysis
- 3. (b) Individual analysis

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6.11 SUGGESTED READINGS

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6.12 TERMINAL AND MODEL QUESTIONS

1. Define training and Development? What is the difference between training, development and education?
2. Why is training a critical /strategic issue for the organizations? What purposes are served by training & development programmers?
3. Discuss various method of on-the-job training? For what type of trainings, is on-the-job training most appropriate?
4. Explain training need analysis methods ?
5. Describe systematic approach to training and development planning and implementation process ?
6. How can the training process be evaluated in an organization?

LESSON 7: CAREER PLANNING , COACHING AND MENTORING

CHAPTER OUTLINE

7.1 Learning objectives

7.2 Introduction: career planning

7.2 .1 Career stages

7.2.2 Career anchors

7.2.3 Career development cycle

7.2.4 Benefits of career planning to individuals and to the organization

7.3 Understanding the difference between Coaching and mentoring

7.4 Summary

7.5 Glossary

7.6 Answers to check your progress

7.7 References

7.8 Suggested readings

7.9 Terminal and model Questions

7.1 LEARNING OBJECTIVES

- To discuss the significance of career planning & development
- To know the definition and difference between career planning, career development and career management
- To identify various career stages through which an individual progresses during his work life
- To describe the career planning practices followed by an organization and it's employees
- To explain the benefits of career planning
- To identify career anchors and their role in career planning and development.

7.2 INTRODUCTION

CAREER PLANNING

Career planning is the process through which an individual identifies the goals for his/her career and also the path to achieve them. Career planning is mainly concerned with guiding and helping the employees to match their personal goals and potential opportunities available in the organization in which they are working. Sometimes, the higher level positions to which employees can be promoted are not available within the organizations. Therefore, career programmes should also include career-planning efforts to highlight the career options which may provide psychological satisfaction instead of vertical growth.



Career planning is a continuous process of developing human resources and guiding them about how to achieve their career goals. It should be taken into consideration that while planning career of the employees, individual and organizational careers should not be viewed as separate because the employee who will not be able to achieve his career goals within the organization will more likely quit his/her job. Therefore, in order to satisfy each other's needs, organizations should help employees in career planning.

To conclude, career planning is the process which:

- helps to attract competent persons.
- provides suitable promotional opportunities.
- increases the utilization of managerial resources.
- helps in correct placement of the employees.

Every employee has a strong desire to rise, grow and achieve new heights in his career at his workplace consistently and continuously. An individual can pursue his/her career goals and exploit his/her potential completely, if there are enough opportunities available in the organization. If an organization facilitates the employees in pursuing their career goals and fulfilling their career ambitions, they feel highly motivated.

But unfortunately, not all organizations pay attention to the career planning of employees for varied reasons. Employees are not made aware of their growth opportunities in the organization. Sometimes, they even do not know where they will reach after five years down the line, if they perform well. Absence of a good career plan will harm both the employees as well as the organizations. Employees will not get desired positions at the right time due to which their morale will be lower down and they will always search for new opportunities outside the organisation. On the other hand, organizations will also suffer a lot due to high employee turnover. Therefore, organisations should effort hard to execute their career plans and educate the employees about the career opportunities available in the organization for good performers and talented people. Without such a progressive outlook, organizations cannot prosper.

Career planning seeks to meet the following objectives:

- i. To attract and retain talented employees by offering careers not just jobs.
- ii. To optimally utilise human resources.
- iii. To decrease employee turnover.
- iv. To increase level of morale and motivation among employees.
- v. To meet manpower needs of the organization as and when required.

It is a method that aids for the development of the career of an employee. In this method, the aspirations of an employee are matched with the opportunities

available and next steps are identified and planned that would help in further career growth.

Career Development Workshops

These workshops facilitate the career development of an employee.

Entry-workshops provide the opportunity for groups of new employees and their supervisors to share their separate expectations and focus on the areas of mismatches. Mid-workshops include self-diagnostic activities for employees, diagnosis of the organization and alignment of these diagnosis to identify potential mismatches (frustration of employee's, etc.). Later- workshops are useful for the employees who are preparing for retirement.

The business environment today is different from what it used to be about 30-40 years ago. Earlier people used to work for only one organization during their entire working life (some changed 2-3 organizations during their working life to gain position and money). For these individuals, career was viewed as an upward movement in the hierarchy or increase in salary levels. But individuals belonging to today's world are different. These individuals are different because the current business environment is highly volatile.

Globalization, mergers, acquisitions, lay-offs, out-sourcing, downsizing, technological advancements and other such current trends have changed the ground rules for most of the individuals. These individuals work for several organizations. Whenever they feel that there is a conflict between expectations and reality in a job position, they switch jobs. Today employees don't let their career just "happen", instead they want to play an active role in their career planning, development and management. Not only this, today employees want their organizations to provide them with career development opportunities.

Earlier Career was defined as an occupational position a person has had over many years. In today's management world, a career refers to the series of work related positions occupied by an individual throughout his life and the associated activities, behaviors, attitudes, values and aspirations. In other words, the series of jobs that an individual performs during his working life constitutes his career.

The word career success also has a different meaning today. Traditionally, upward or vertical movement in hierarchy or increase in salary was considered career success. Today career success is perceived differently. Individuals today consider success as the achievement of one's full potential, facing challenging tasks, increased autonomy and responsibility. An employee today wants to be gainfully and meaningfully employed i.e. a job having something that motivates him to work further and provides internal satisfaction. Though career success can be measured objectively in terms of promotions and increase in salary, yet inner satisfaction is what an employee is looking for.

7.2.1 Career stages- There are different stages in an employee's career. These stages are characterized by distinctive needs, concerns, activities and tasks. Researchers like Dutton, Thompson and Price suggested four stages of career namely- apprentice, colleague, mentor and sponsor. Hose and Cummings have also identified four stages in an employee's career. They have separated each stage from the other on the basis of age. However, the age ranges are indicative and approximations.

(I) Establishment stage (20-26 year) – In the establishment stage, an individual joins a company and this marks the beginning of his work career.

This stage has following distinctive features:

- a. The individual has just finished his formal education and has joined the labour or job market.
- b. As the individual is not sure about his capabilities, knowledge, skills and competencies, he is unsure of the direction in which he should fix his personal goals.
- c. He depends upon his seniors and peers for guidance, support and feedback as he is new to the organization.
- d. All his efforts are directed towards learning the job and adjusting to the new job environment.
- e. During this stage, the individual is concerned about:

- Assessing his potentials
- Identifying alternative career options available
- Knowing his performance on the job.

f. In order to assist the employee in his career planning, the superior/manager should communicate, guide and provide necessary support in order to familiarize him to the new environment. The manager should also provide continuous feedback to the employee about his job performance so that he can improve it. The organization can hold workshops, establish assessment centers and provide necessary reading material to the employee to help him progress on his career path.

g. During this stage the employee must be subjected to job pathing (job pathing refers to the movement of an individual through a carefully planned sequence of job assignments to develop his skills, knowledge and competencies). To extend his learning experience, challenging job assignments are given to the employee in job pathing. Job pathing will make the employee effective on a job and also develop him for higher and more responsible positions in future. On the job training and coaching are two commonly used method of career development by the organization.

h. In the establishment stage, the individual gradually moves from the stage of economic dependence to economic independence.

II Advancement stage (27-40 years) – During the second stage, the employee is more concerned about advancement in his career. He is no longer dependent upon his peers and superiors for guidance and is able to contribute independently towards organization goals. The main features of this stage are:

- (a) The employee has settled well in the organization as he has started adjusting to his surroundings, work environment, job requirements and with fellow employees.
- (b) The employees who fail to adjust during establishment stage normally quit the job or take transfer during advancement stage.
- (c) During this stage, the employee is mainly concerned with improving his skills and competencies to achieve his career goals.
- (d) The movements that occur frequently during this stage are vertical and horizontal in nature.

- (e) The employee learns to strike a balance between professional and personal life.
- (f) The employee explores long term career options available within and outside the organization and becomes engaged in developing relevant skills, competencies and knowledge to match career options.
- (g) The organization helps the individual in his career planning and development through workshops, use of assessment centres and providing timely feedback on his performance and progress.
- (h) During this stage, in order to make him ready for senior positions, the individual is assigned challenging tasks. His mentor helps him in getting noticed and rewarded. He is also given opportunity to demonstrate his potential.
- (i) As the employee gets settled in life, he makes several adjustments like dual career partnership and making a balance between time requirements at work place and at home.
- (j) The employee develops good relations with his peers and seeks advancement in his life.

III Maintenance stage (40-60 years): This stage is characterized by reaching a career plateau by the employee. If he has achieved a good career position, he is more interested in maintaining that position. However, some employees may become frustrated during this stage. The main features of this stage are:

- (a) As the employee reaches the age of mid 40's, he becomes senior enough with a position of high responsibility.
- (b) The employee tends to help new comers in the organization.
- (c) At this time of his age, he has usually achieved his career ambitions and created a place for himself at his workplace. And all his efforts are towards maintaining what he has achieved.
- (d) However, there may be some employees who may become frustrated and dissatisfied with their jobs because their career goals and achievements do not match.
- (e) The above said employees are still in the process of reassessing themselves and finding alternatives to their existing jobs. This is called facing mid career crisis.

- (f) The employees who have reached their career plateau, think in the direction of redefining their role in the organization with greater autonomy and responsibility.
- (g) As these employees are at quite senior position in the organization by this time, they are assigned roles related to mentoring and emotional counseling for those experiencing crisis.
- (h) During this stage, the employee has reached an age where his children are graduating from high school and going to college or university and his children also need counseling and guidance. Therefore, the employee makes a balance between personal and professional life through effective time management.
- (i) During this stage, he is more interested in acquiring development skills and counseling skills so that he may execute his mentoring role efficiently.

IV Withdrawal Stage (60 yrs and above): This stage is characterized by following features:

- (a) The employee is moving from active working life to partial working or non-working life.
- (b) It is the retirement stage of the employee.
- (c) The employee has complete freedom to pursue his hobbies and leisure activities like gardening, playing golf etc.
- (d) This stage is a basket of mixed feelings. Some employees welcome their retirement phase and accept it as any other phase, while others who did not have a satisfying career consider this phase as beginning of meaningless existence.
- (e) The employees who retire happily contribute toward the development of the society by their experience and words of wisdom.
- (f) At domestic and personal front, he face challenges of declining physical strength, capacity, uncertainty of income (in certain cases) and fear of losing one's near and dear ones.

The duration of each stage and the timing of transition between above mentioned career stages vary greatly from one individual to another. Secondly, the issues related to career planning, development and adjustment in each stage are different

for different employees. However an understanding of the personal and career issues faced by an individual at different stages of their career can contribute towards effective career planning. Some organizations like BHEL and HSBC Bank offer pre-retirement counseling to its employees and guides them in financial planning and helps in bringing an attitudinal change towards life.

7.2.2 Career Anchors

Methods to discover anchors: Several methods have been developed to help employees discover which career anchors may provide the best match for their skills, expectations and goals. Let us discuss them:-

a)Myers Briggs Typologies:- This model uses four dimensions of personality namely extroverts, introverts, sensing and initiative to identify 16 personality types. The jobs can be appropriately matched to these types. For example, a job requiring devotion of time, analytical & logical thinking, autonomy and compliance to set rules will be best suited to a personality who is introvert, sensing, thinking and judging (ISTJ). Any other personality type would become a mismatch and unsuitable for the job. This employee will sooner or later quit the job in favour of his career anchor job profile. Therefore, an organization can use this model for creating a best match between job and employee personality.

b)Holland vocational Preferences Model:- As against four personality dimensions identified above, Holland model identifies six vocational attributes which are discussed below. These attributes are found in each individual in varying degrees and combinations, resulting in different personalities of an individual.

(i) Realistic: Such individuals are robust, rugged, practical and prefer to deal with things rather than individuals. Such people have mechanical interest and are best suited for jobs like agriculture, nature, adventure military etc.

(ii) Investigative: These people have a scientific temperament and prefer to deal with abstract matter rather than people. They are high on task orientation and enjoy ambiguity. Such people excel in the area of science, medicine and mathematics.

(iii) Artistic: These people are independent, creative, emotional, sensitive and dislike working in a structured environment. They prefer to settle in areas like music, art, writing and dramatics .

(iv) Social: People who are extroverts, love to talk to others, enjoy developing, teaching and guiding others, are cheerful and popular among peers are socially active. They are best suitable for teaching, social service and religious activities.

(v) Enterprising: People who are good with words, who prefer selling or lending, are energetic, adventurous, extroverts and enjoys persuasion will do well in public speaking, law, politics, sales and business management.

(vi) Conventional: The job of office practices is most suitable for people who love to work in large organizations, who are good with numbers, are dependable, sincere and stable in their behavior.

An individual's occupational personality is expressed in a combination of high and low scores on these six attributes. High score on a attribute indicates that the individual enjoys those kind of activities. Although it is possible to score high or low on all attributes, most people are identified by the dominant attributes. This method of analysis can be used by an organisation in matching job profile with personality type to maximize efficiency and growth.

(c) Edgar Schein:- Edgar Schein has identified eight personal value clusters. When a particular combination of these personal value clusters is held by the worker and compatible job is offered by the organization, that person is fixed in that job/organization/industry. If an organization is able to satisfy even 2 out of 3 personal value clusters in an employee by offering him suitable job, it will be a win- win situation both for the employee and the organization.

The four career anchors identified by Schein are:

(a) Technical/ functional competence:- The individuals who are more interested in technical side of the job prefer to specialize in a particular functional area and develop themselves in that area. They are not interested in general management.

- (b) **Managerial competence:** The individuals who score high on supervisory and guidance skills prefer to specialize in general management area. Such individuals enjoy greater responsibility positions in general management.
- (c) **Autonomy and independence:** People who like to be their own masters and have autonomy and independence generally assume the positions of a writer, professor or consultant. Such individuals lay high premium on autonomy and independence and don't like to work in a large organization.
- (d) **Creativity:** Individuals looking for government jobs place a high premium on long term job security and stability and do not risk their career in other areas.

An individual identifies his career anchor over time. Knowledge about an individual's career anchors can help him find a job that fits wells with him. Organizations too can take the benefit of career anchors by placing right man on the right job. An employee can leave the organization and search for better career options elsewhere if his career anchors do not fit or match the job.

7.2.3 Career development Cycle

Career planning is a continuous process and is highly personalized. It is related to choosing the right occupation, right organization and right job by the individuals. It may involve working on a number of related jobs before finally setting for an assignment which will fulfill his goals and aspirations. For example, a young management graduate before starting his pharmaceutical unit may prefer to work in a pharmaceutical company at different positions and gain meaningful experience first. Therefore, it can be said that career planning focuses on the achievement of personal goals.

Career planning is the deliberate process by which an employee becomes aware of his/her personal skill, interests, knowledge, motivation and other characteristics on one hand and his career goals, aspirations and performance on the other. He then matches the two through job positions available to him.

Career planning involves

1. Identification of self characteristics and interest.
2. Acquisition of information related to availability of opportunities and choices
3. Assessment of career goals and aspirations
4. Establishment of an action plan to attain specific goals.

Career development on the other hand refers to a series of activities and processes undertaken by the organization with the objective of helping an employee to explore, establish and fulfill his career objectives. Career development is a long term concept which will help an employee to achieve his career plans effectively and efficiently. The career of an employee can be developed with the help of various training methods like seminars, job rotation and case studies. Career development techniques also include career counseling, mentoring, sabbaticals, career workbook, personnel development plans etc. which can be practiced alone or along with the organization.

Career management is an ongoing process of preparing, implementing and monitoring career plans undertaken by the individual. There is an active exchange between individuals and the organization. As such the employer, the employee and the manager (employees immediately superior) all play important roles in planning, guiding and developing an employee's career.

Role of an Employee- Management of career is the responsibility of an employee. He should therefore:

- Assess and analyze his strengths and weaknesses
- Make a clear choice about the area in which he intends to develop his career
- Establish his goals and career plans
- Identification and utilization of opportunities for development within and outside the organization
- Making himself visible to ensure that his good performance is noticed by the superiors.
- Talking and taking guidance from his manager related to his career goals.
- Learn the rules of organizational politics
- Develop a network
- Seek out career information and resources
- Follow up or periodically review the progress.

Role of the Manager-The manager should act as a mentor to the employees. He is the one who provides career related guidance and assistance to the employees. His role includes:

- Providing performance feedback which is accurate and on time
- Providing support during development phase and helps in assignments

- Providing support to employee career development plans
- Participating in various discussions related to career development with subordinates.

Role of the Employer- The employer can undertake various activities for employee career management. These are:

- Providing information regarding internal job openings
- Doing performance appraisal for career planning
- Having a formal education or tuition reimbursement policy
- Provision of career counseling by immediate superior or by HR department.
- Having career planning workshops
- Helping in succession planning
- Establishment of assessment center or appraisal committees
- Organizing training programmes for the managers
- Organizing retirement planning programmers
- Distribution of books and/or pamphlets on career issues.
- Developing 360 appraisal system.
- Job rotation to ensure cross-functional experience for the employees.

7.2.4 Benefits of Career Management

Effective career planning and development takes into consideration the perspective of both individual and organization. When an organization provides various opportunities to employees for integrating personal career goals with organizational objectives, it must also recognize individual differences and positional differences among employees. Such realization will benefit the individual as well as the organization.

(a) Benefits for the individual

- 1 It enhances career development and job satisfaction of an employee.
- 2 It aims at developing competencies and personal skills which are required for immediate and long term job performance effectiveness.
- 3 It provides a number of opportunities for growth within the organization.
- 4 It results in better and improved employee performance on the job.
- 5 It helps in enhancing employee's status in the organization.
- 6 It results in increase in the salary/monetary benefits of the employee.

7 Career management aims at maintaining an individual's marketability in a changing employment market.

8. It helps to fulfill an employee's career aspirations.

(b) Benefits for the organization

1 Career management programmes help in improving productivity and reducing employee turnover.

2 It results in increased retention of employees.

3 An organization gets a ready pool of talented employees who can be promoted to higher responsibility positions.

4 It aims at better and effective utilization of employees' skills for achieving organization goals.

5 It also results in creation of organizational goodwill.

CHECK YOUR PROGRESS 1

State whether following statements are true or false for **Career planning**:

- i. Career planning motivates talented employees by offering them desired careers.
- ii. Career planning utilizes human resources effectively.
- iii. Career planning increases employee turnover rate.
- iv. It Improves employee morale.
- v. It helps in meeting present and future needs of human resources in the organization.

7.3 COACHING AND MENTORING

It is one of the techniques used for enhancing and improving the abilities of an employee through a one to one interactive process. When an experienced and competent employee takes an active role in guiding a junior employee, the whole activity is termed as coaching.

An effective coach, whether on the track or in the corporate hierarchy, gives guidance through direction, advice, criticism and suggestions in an attempt to aid the growth of an employee.

The advantage of this technique is that an employee learn things while actually doing them. Rapid feedback on performance and the opportunities for high interaction further help in making coaching effective.

The Difference between Coaching & Mentoring

It's understandable that you might think mentoring and coaching are similar or even the same thing. But they're not though both warrant consideration in the workplace. Here are five differentiators that we think are important.

1. Coaching is task oriented. The main focus in coaching is on concrete issues, like managing more effectively, speaking more articulately, and learning how to think strategically. All these tasks require a content expert (coach) who is capable of teaching the coachee how to develop these skills.

Mentoring is relationship oriented. It seeks to provide a safe environment where the mentoree can share whatever issues affect his or her professional and personal success. Although specific learning goals or competencies may be used as a basis for creating the relationship, it's focus goes beyond these areas to include various other things like work-life balance, self-confidence, self-perception, and how the personal issues influence the professional life.

2. Coaching may be short term. A coach can successfully be involved with a coachee for a short period of time, maybe even just a few sessions. The coaching lasts for as long as he is needed, depending on the purpose of the coaching relationship.

Mentoring is always long term. Mentoring, to be successful, requires time in which both partners can learn about one another and build a climate of trust that creates an environment in which the mentoree can feel secure in sharing the real issues that impact his or her success. Successful mentoring relationships last nine months to a year.

3. Coaching is performance driven. The purpose of coaching is to improve the performance of an individual on the job. This involves either enhancing current

skills or acquiring new skills. Once the coachee successfully acquires the skills, the coach is no longer needed.

Mentoring is development driven. Its purpose is to develop the individual not only for the current job, but also for the future. This is the main difference between an immediate manager and that of a mentor. It also reduces the possibility of creating conflict between the employee's manager and the mentor.

4. Coaching does not require design. Coaching can be conducted almost immediately on any given topic. If a company wants to provide coaching to a large group of individuals, then certainly an amount of time is involved in designing the competency area, expertise required, and assessment tools used, but this does not necessarily need a long lead-time to actually implement the coaching program.

Mentoring requires a design phase which is used to determine the strategic purpose for mentoring, the focus areas of the relationship, the specific mentoring models, and the specific components that will guide the relationship, especially the matching process.

5. The coachee's immediate manager is a critical partner in coaching. The immediate manager often provides the coach with feedback on areas in which his or her employee is in need of coaching. The coach then uses this information to guide the coachee in the coaching process.

In mentoring, the immediate manager is indirectly involved. Although the immediate manager may offer suggestions to the employee on how to use the mentoring experience in the best way and may provide a recommendation to the matching committee on what would constitute a good match, **the manager has no link to the mentor** and they do not communicate at all during the mentoring relationship. This helps in maintaining the mentoring relationship's integrity.

When to consider coaching an employee:

- When a company wants to develop its employees in specific competencies by using tools related to performance management and involves the immediate manager
- When a company has a number of talented employees who are not meeting expectations
- When a company is introducing a new system or program
- When a company has a small group of individuals (5-8) who require increased competency in specific areas

- When a leader or executive needs assistance in acquiring a new skill as an additional responsibility.

When to consider mentoring an employee:

- When a company wants to develop its leaders or talent pool as part of succession planning
- When a company wants to develop its diverse employees and remove barriers that hinder their success
- When a company needs to develop its employees more completely in ways that are additional to the acquisition of specific skills/competencies
- When a company seeks to retain its internal expertise and experience which is residing in its employees and would be required for future generations
- When a company wants to create a workforce that balances the professional life with the personal life.

CHECK YOUR PROGRESS 2.

FILL IN THE BLANKS

1. Coaching is And Mentoring is.....
2. Coaching is..... And Mentoring is always long term.
3. Coaching is performance driven and Mentoring is.....
4. Coaching does not require design and Mentoring requires

7.4 SUMMARY

Career Management can be termed as the combination of structured planning and the active management choice of one's own professional career. Career includes all types of employment whether it is semi-skilled and skilled or semi professional and professional. The term career has often been restricted to suggest an employment commitment to a single trade skill, profession or business firm for the entire working life of a person. But in recent years, however, career refers to changes or modifications in employment during the foreseeable future. An

individual moves through various stages in his career which ranges from establishment to maturity. An organization can help in the smooth progression of an employee from one stage to another using different techniques including mentoring and coaching.

7.5 GLOSSARY

Career planning: It is the process by which one selects career goals and the path to these goals. The major focus of career planning is on assisting the employees to achieve a better match between the personal goals and the opportunities that are realistically available in the organization.

Career development: On the other hand, it refers to a series of activities and processes undertaken by the organization to help an employee explore, establish and fulfill his career objectives.

Career management: It is an ongoing process of preparing, implementing and monitoring career plans undertaken by the individual.

Coaching: It is one of the techniques used for enhancing the abilities of an employee through a one to one interactive process. When an experienced and competent employee takes active role in guiding a junior employee, we refer this activity as coaching.

Mentoring: It's purpose is to develop the individual not only for the current job, but also for the future. It helps in all round development of an employee.

7.6 ANSWERS TO CHECK YOUR PROGRESS

Answers to check your progress 1

1. No, Attract and retain
2. Yes
3. No, Reduce employee turnover.
4. Yes

5. No, future human resource needs

Answers to check your progress 2

1. **Task oriented, Relationship oriented**
2. **Short term**
3. **Development driven**
4. **A design phase**

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7.8 SUGGESTED READINGS

John M Ivancevich, Human Resource Management, TMH

Machael R Camell, Nobert F Elbert & Robert D Hattfield, Human Resource Management, Prentice hall, India

Gary Dessler, Human Resource Management, Prentice hall, India

7.9 TERMINAL AND MODEL QUESTIONS

1. What is career planning? What are its characteristics and benefits?
2. What are different stages in career planning and development?
3. Distinguish between career planning, career development and career management?
4. Explain various methods of career planning?

5. Discuss the advantages of career planning related to the employees and to the organization?
6. What do you understand by career anchors? Explain it with the reference to various thinkers and their contributions.
7. How would you differentiate between coaching and mentoring? Explain.

CHAPTER 8: PERFORMANCE AND POTENTIAL APPRAISAL

STRUCTURE OUTLINE

8.1 Learning Objectives

8.2 Introduction

8.2.1 Objectives of performance appraisal

8.3 Appraisal process

8.4 Methods of performance appraisal

8.4.1 Traditional Appraisal methods

8.4.2 Modern Appraisal methods

8.5 Problems of performance appraisals

8.6 Potential Appraisal

8.7 Summary

8.8 Glossary

8.9 Answers to check your progress

8.10 References

8.11 Suggested readings

8.12 Terminal and model Questions

8.1 LEARNING OBJECTIVES

- To define performance appraisal
- To describe the objectives and process of appraisal
- To gain an overview of various traditional and modern methods of performance appraisal
- To gain an insight into the concept of potential appraisal.

8.2 INTRODUCTION

Performance appraisals is a systematic process of accessing individual employee's job performance. It determine who needs what type of training, and who will be promoted, demoted, retained, or fired in the next session. It is a process by which a manager or consultant.

- It aim at examining and evaluating the employee's performance at the work and his consequent behavior by comparing it with preset standards,
- Document the results of the comparisons, and
- Using the results to provide feedback to the employees to for improvements needed.

Purpose of performance appraisal;

- ✓ **To promote employees** to the jobs which are higher in the organizational hierarchy and involve higher responsibility. Appraisal is also done to ensure that the employee can effectively execute the duties of such higher jobs without any delay.
- ✓ **To allocate the jobs** among employees according to their capabilities so that employees can perform their duties and responsibilities effectively, giving away merit pay and bonuses to the employees, identifying their training needs and most importantly assessing the worth of the selection tests being employed by the organization.

The most prominent purpose of performance appraisal programme is to decide upon the COMPENSATION and PAYROLL of the employees, analyzing the need of training and development, identifying the gap in the performance of employees so that their efficiency may be increased, to decide upon promotions - demotions and transfers of employees and misc. purposes.

8.2.1 Objectives of performance appraisal

The objectives of performance appraisal include

1. To **identify the strengths and weaknesses of an employee** for formulating appropriate training and development programme.
2. To assess an employees' performance and competency for **promotion**.
3. To **provide productive feedback** to the employees so that they understand their position in the organization thus provide inputs for their better performance.
4. To **provide necessary inputs** for
 - The promotion of an employee
 - Offering incentives schemes to the employee
 - Providing added responsibilities and rewards to the employees.
5. To **improve communication** gap between the superior and subordinate for better working atmosphere and also improves level of understanding personal goals and concerns. This in turn increases mutual trust and faith.
6. To help an organization in its **human resource planning** based on the SWOT analysis of its existing employees.
7. To serve as a **means of evaluating the effectiveness** of devices used for the selection and classification of workers.
8. To **make supervision effective**, as the superiors and executives rate their subordinates on regular basics on subjective parameters; they tend to be more vigilant and hence makes supervision more effective.

The above listed objectives of performance appraisal can be classified into two categories namely:

1 Administrative objective

2 Development objectives

Administrative objectives: - The fundamental of administrative objective is to identifying high and low performers and compensating them accordingly. The very aspect of measuring performance of an employee is to take certain administrative decisions like

- ✓ Promotions,
- ✓ salary increase and incentive decisions ,
- ✓ bonus and other perquisites,
- ✓ Retention or termination from the job,

- ✓ lay-off and identification of poor/good performers for rewards /punishment etc.

Ex. IBM& LG Electronics use performance appraisal to compensate their employees.

Developmental Objectives: - Development aspect of performance appraisal focus on employee growth and potential development. It helps to facilitate the development of employee skills and motivation for future performance. **Cadbury India, Pfizer, Philips, P&G and GSK are some of the companies who have redesigned their performance appraisal system to include developmental objective within its umbrella.**

8.3 THE APPRAISAL PROCESS

The process of performance appraisal involves different steps which differ from organization to organization. However certain steps are common to all organizations. The common steps are discussed below.

- 1 Identify the organizational goals.
- 2 Identify the criteria for appraising performances
- 3 Decide about the frequency of the appraisals
- 4 Decision about who will be the performance appraiser
- 5 Selecting the most appropriate method of Performance appraisal.
- 6 Communicating the appraisals to the employees
- 7 Post appraisal interview with the employees, and
- 8 Evaluation of whole appraisal process.

I. Identifying the organization Goals – The performance appraisal system helps the organization achieve its objectives. Therefore, it is essential to identify the long term and short term goals of the organization. These goals will decide the kind of jobs, skills and employee performance required achieving these goals thus, act as a base for other steps of the appraisal process. For example a company Mind tree consultancy has aligned its objectives with performances appraisal system.

It is organization's ultimate decision whether the appraisal process will focus on administrative objective or on development objective. Where the organization intends to achieve traditional (administrative) objectives through appraisal, the scope of such process will be narrow and would be developed based on past performance of the employees. In case the organization opt appraisal method for the development purposes, its base should be future oriented. It should be able to

assess potential of growth in an employee. Development objectives aim at improving the employee for the benefit of the organization as well as for the employee himself.

II. Identify the criteria for performance appraisal – The first step helps to identify the jobs and skills required to achieve organizational objectives. In second step performance appraisal is developed based on job analysis. Job analysis is detailed criteria about specifying what qualities are needed in an employee to execute that job .Job analysis consists of

- Job description which provides detailed of various duties requires for the job.
- Job specification which means various qualifications and qualities required perform the job.

The job components identified under job analysis are transformed into a number of performances appraisal criteria on which employee's performance is measured. Job analysis helps to make distinction among employees.

(III) Frequency of Appraisals - Frequency of appraisal is about deciding the timings of the employee's appraisal. Normally formal appraisal occurs at specified time like once or twice a year and informal appraisal can be done anytime during the tenure of the job.

Formal appraisals are in the nature of summative assessments where in a employee's performance is evaluated at the end of a particular period of time by clubbing his total achievements during that period later.

Informal performance appraisal can occur at anytime as per the desire and need of the superior. Informal feedback provides a stimulus for behavior alteration as the employee is made aware of his short coming at the right time.

(IV) Selecting/Deciding the appraiser- It is possible that appraisal be done by one or a blend of the raters/ appraisers like immediate superior, peers, clients, HR manager or subordinate. An employee interacts with different persons in different department during the course of his job and his relation and interaction is different everywhere. As such, any one person whether his superior or Subordinate or peer would not be able to observe and evaluate all aspects of an employee each evaluator will provide a unique information about the performance of the employee. Self appraisal also constitutes a good option.

(V) Choosing the right method of Performance Appraisal –Different methods have evolved over time to measure the performance of an employee objectively. These methods can be classified under two heads:

Traditional Techniques –It includes Ranking method, Rating scale method, check list method, Forced –choice method, Confidential Reports, Essay appraisal and field review.

Modern Technique- Management by objectives, Assessment Centers, 360 degree appraisal, BARS, Team oriented appraisal and Development oriented appraisal are some of the modern methods.

(VI) Communication of Appraisals – Once the evaluation of the performance is done; managers must communicate the same to employees so that concerned employees feel involved and motivated. This can be done by one way communication approach or two way communication approach.

(VII) Holding appraisal Interviews- Holding appraisal interviews with the subordinates serve three purposes:

- To alter the conduct of the employee whose performance doesn't match organization goal requirements.
- To maintain the existing behavior of those employee having desired level of performance, and
- To recognize and reward efficient performers so that their morale is kept high.

(VII) Evaluating the appraisal process.

Performance Appraisal at Pepsi-Cola International

Pepsi-Cola International (PCI), with operations in over 150 countries, has devised a common performance appraisal system that focuses on motivating managers to achieve and maintain high standards of performance. Administrative stability is achieved through the use of a performance appraisal system of five feedback mechanisms - instant feedback, coaching, accountability based performance appraisals, development feedback, and a human resource plan. The common system provides guiding principle for performance appraisal, yet allows revision to suit cultural differences. For example, the first step of instant feedback is based on the principle that any idea about any aspect of the business or about an individual's performance is raised appropriately and discussed in a sensitive manner. The instant

feedback message can be delivered in any culture; the important thing is not how it is done but that it is done. The purpose of instant feedback is always to improve business performance, not to criticize cultural styles. Using this system, PCI tries to balance the cultural and administrative imperatives of successful managing the performance of a diverse workforce.

CHECK YOUR PROGRESS 1

1. Performance appraisal where past performance of an employee is measured for termination, lay-off and identification of poor/good performers for reward /punishment etc is called
2. The fundamental of administrative objective lies in identifying..... and compensating them accordingly.
3. The aspect of performance appraisal which focus on employee growth and potential development are called
4. Holdinghelps to change the behavior of the employee where performance doesn't match organization goal requirements.
5.are in the nature of summative assessments where in a employee's performance is evaluated at the end of a particular period of time by clubbing his total achievements during that period. later.
6. appraisal can occur at anytime as per the desire and need of the superior

8.4 METHODS OF PERFORMANCE APPRAISAL

There are number of methods of appraising the performance, some of them are based on individual evaluation, some are based on multiple evaluations and there are some other methods as well. These methods can also be categorized into modern as well as traditional methods of appraising employee's performance which are discussed below.

8.4.1 TRADITIONAL METHODS OF PERFORMANCE APPRAISAL

1. RATING SCALES METHOD

This method of performance appraisal is one of the most trusted and acceptable methods where in the employee is rated on the various requirements of the job in terms of his performance, punctuality, obedience, discipline , loyalty ,honesty , sincerity, compassion , responsibility, forgiveness, dexterity, creativity and innovation , leadership , managerial skills, communication, trustworthiness etc to name a few. These factors are rated on the scale of 1to 10

As exhibited below. With one indicating the lowest value and ten indicating the highest value. A lot of companies are applying this methodology quite successfully in India and abroad.

It however suffers from the raters' bias and subjectivity while rating the individuals as the scale is too long.

1) Employees' attitude towards his task assigned

1	2	3	4	5	6	7	8	9	10
Extremely excellent									Poor

2) Punctuality

1	2	3	4	5	6	7	8	9	10
Outstanding									Poor

2. ESSAY APPRAISAL METHOD

Under this method, the rater is supposed to rate the individual by writing an essay on his past performance on various parameters. He also outlines the strengths and the weaknesses of the individuals based on his observation and experience of working with him.

While writing an essay about employee's performance, rater considers the following factors:

- Knowledge about Job.
- Employee's awareness about policies and procedures of the company.
- Potential of employee
- Relationship of employees with colleagues, seniors and juniors;
- General attitudes and perceptions of the employee.

This technique is a qualitative technique. Advantage of this technique is that this method explores good deal of information about the employee.

However, this method suffers from the following limitations:

- It is subjective and the supervisor may get biased.
- This methods offers scope for favoritism as raters may write good about favorite employees.
- Today, it is very difficult to find good writers. Some raters may not be good in writing essays on employees' performance, whereas others may be capable of using flowery language in writing which may not reflect the actual performance of the employee.
- This method is very time consuming. The appraiser requires time to write a detailed essay. Generally, busy appraisers write the essay in hurry without properly assessing the actual performance of the worker.

3. RANKING METHOD

This method aims at giving comparative ranking to all the employees in question, just like students are ranked for their performance in the class. It is used to give rewards and punishments to the top rankers and the poor rankers respectively. For example when decisions regarding who will be the employee of the month, who will get pay raise, who will be promoted and who will be laid off are to be taken, ranking method is commonly used. This method is also used for the purpose of employee development as this method let the employees know their position in comparison to their peers.

4. PAIRED COMPARISON

In the paired comparison method each employees performance on various parameters is evaluated against all the others on the same parameter . e.g. if you want to find out the most creative employee, his creativity would be compared to all the individuals in the group to make a paired comparison. After the detailed

comparisons have been done, there is a possibility that different individuals possess different qualities . e.g. A may turn out to be the most creative person, B may be most punctual , C may be most trustworthy and so on.

5. CRITICAL INCIDENT METHOD

This method aims at recording and maintaining a log of the critical incidents and behaviors of the individuals over a period of appraisal . some of the best and the worst behaviors are recorded and are referred to when the time to make promotions demotions or transfers is there. e.g. if an employee is able to reduce the machinery breakdown losses either through preventive maintenance or through replacement of defective part, he is rated as an effective performer. This method promotes critical thinking among the employees. Unlike other traditional methods which rate's an employee based on his traits , this method appraises an employee based on his actual behavior on the job.

An example of good critical incident is when a sales clerk answered to a customer's complaint patiently, politely, promptly and enthusiastically. In opposite to this, an example of a bad critical incident is when a sales assistant takes a break of 45 minutes during the peak hours of the day, negligent to answer the store manager's calls and least interested in work.

The method involves detailed discussion of an employee's performance. This method avoids bias (most recent incidents get too much emphasizes).

However, this method suffers from the following limitations:

- Positive incidents are usually more noticeable than negative incidents.
- Requires very minute observation which employees do not like.
- Manager who is supposed to record critical incidents may be too busy to do it or forget it.

6. ANNUAL CONFIDENTIAL REPORT

This method of employee appraisal is generally applicable in case of Government departments. Some industry also use this method for rating employees . The formal pattern of ACR varies with each organization . It seeks

employees information in two parts ; **Self Appraisal and Comments of the superior / manager.**

The first part is filled by the employee who is to be rated. He fills his personal detail and self appraisal expression is added.

The second part of the report contains information related to attendance , leadership qualities , ability to work with others , job knowledge , initiative , sincerity , responsibility and dependability . The superior / manager rates an employee on above criteria's on a 5 point scale - Outstanding , Very good , Good, Average , Poor. The rating is supported by justification .

7. CHECKLIST METHOD

This is the simplest method for individual evaluation. The rater is given a checklist which has statements describing the behavior of the employees on which the rater check the appropriate option which suit best to portray job performance of the employees.

A checklist contains some descriptive and simple statements about performance or behaviour of the employee. If the rater feels that the employee expresses the listed behaviour, he checks the item; otherwise, he leaves the item blank. Look at the following example of a checklist for evaluating employee performance.

- | | |
|--|--------|
| ● Does the employee obey the instructions properly? | Yes/No |
| ● Does employee respects his colleagues (co-workers) | Yes/No |
| ● Does he respect his superiors? | Yes/No |
| ● Does he finish the task on time? | Yes/No |

8. FORCED DISTRIBUTION

This method of employee evaluation assumes that employee performance level conforms to normal statistical distribution and it is practically possible to distribute employee in various categories depending upon their performance levels. For example , 10% employee may be in the outstanding category while 40% maybe in the average category and another 10% in the unsatisfactory category. This means that in a group of 40 worker's only 4 will be put in the category of a outstanding while 16 will be in the category of average worker. Companies in LG ,GE distribute bonus using forced distribution method. This method will pose difficulty in such organization where all employees are good performance and the use of forced distribution for performance rating would harm their self esteem and lower

their morale. In forced ranking is a method of performance appraisal of employees to rank them in order of forced distribution. For example, the distribution requested with 10 or 20 percent in the top category, 70 or 80 percent in the middle, and 10 percent in the bottom. The top-ranked employees are categorized into “high-potential” employees and are often targeted for leadership development and career oriented programmes. In contrast, those ranked at the bottom are deprived of bonuses and pay increases. They may be given a probationary period to improve their performance. See figure 4

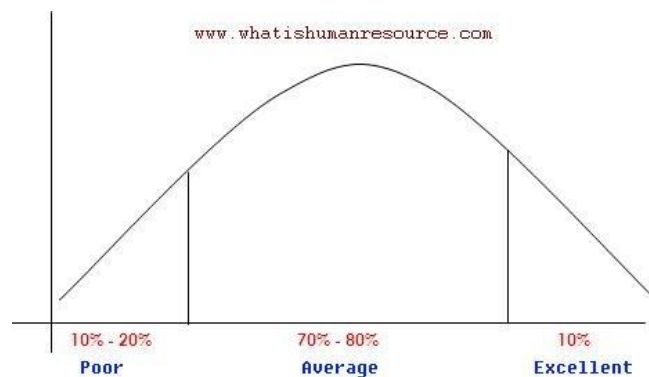


Figure 4: showing the forced distribution method of performance appraisal.

Application of Forced Ranking: - General Electric Company, Ford Motor, Conoco, Sun Microsystems, Cisco Systems, EDS, Enron and a host of other U.S. corporations have adopted similar policies of this method.

8.4.2 MODERN METHODS OF PERFORMANCE APPRAISAL

1. M.B.O(management by objectives)
2. BARS (behaviourally anchored rating scales)
3. Psychological appraisals
4. Assessment centers
5. 360 degree appraisal

1.M.B.O(management by objectives): this concept was fathered by Peter Drucker way back in 1954, which was published in his book ‘ the practice of management’ is becoming widely acceptable as a performance appraisal tool.

It is a process where the management and the employees jointly decide upon organizational goals, define goals for each and every employee, results expected from an employee etc. These goals are used as guide for operating the organization as well as departments and assessing contribution of each employee in the achievement of the organizational goals.

John Humble defines it as “A dynamic system integrates the company’s needs to achieve its goals of profit and growth with the managers needs to contribute and develop him”.

2. BARS (Behaviorally Anchored Rating Scale): These are rating scales which contain descriptive statements of effective and ineffective behaviors. These are called behaviorally anchored scales as these scales represent a wide range of descriptive statements regarding desirable behavior to be expressed by the incumbent varying from the least to the most effective behaviour. While rating the employee, the rater should indicate which behavior in the scale best describes the employee.

3. Psychological appraisals: The psychological appraisals are conducted by industrial psychologists in some big organizations. They concentrate on assessing the individual’s potential instead of dwelling on his past performance. This may be for a specific job opening or a global assessment of his future potential and includes in depth interviews, psychological tests, discussions with supervisors etc. following which the psychologist writes an evaluation report on the individual’s intellectual, emotional, motivational and other work related characteristics to help the management predict his future performance. This also helps in career planning of the individuals as training and development decisions are based on these evaluations.

But again the quality of such appraisals is largely dependent upon the psychologists skills and is likely to be distorted if there are cross cultural differences which puts a question mark on the viability of such appraisals.

4.Assessment centers: Nowadays the organizations are resorting to assessment centers for evaluating the executive performance and potential. These are basically central location points where the managers come together to have their participation in job related exercises evaluated by trained observers. The basic idea is to evaluate the managers over a period of time in in- basket exercises, work groups, computer simulations, role playing etc. and to assess their characteristics like assertiveness, persuasiveness, communication, planning and organizational ability, self confidence, resistance to bear stress, their energy levels, decision making abilities, alertness etc to name a few.

Then the raters and the ratees come together and discuss the observations and provide tremendous scope to the executives for self appraisal and improvement.

But the problem with the assessment centers is that they are subject to the subjectivity of the experts besides being a costly affair.

5.360 degree appraisal :- The 360 degree appraisal is a multi rater assessment and feedback system (MAFS) wherein , an employee is assessed periodically say annually , half yearly by a number of assessors like his superior , subordinates , peer and internal and external customers . The assessment is based on a specially designed questionnaire to measure behavioral parameters considered important and essential for performance. The assessment is done anonymously.

8.5 PROBLEMS OF PERFORMANCE APPRAISALS

- The problems generally arising out of the appraisal methods are;
- Unclear performance standards leads to poor appraisals at the first place
- There are chances of halo effect or bias in ratings of the individuals.
- There are chances of rating the employees on the basis of central tendency, i.e rating employees on an average score.
- It may be sometimes affected by the raters leniency or strictness in giving ratings to others.

Overcoming the problems

The organizations are however well aware of these problems in appraisal systems and have therefore incorporated two pronged strategies to remove the above stated obstacles .

They try to design the kind of system that counteract tendencies to human errors and biases and train the managers in the correct applications of the appraisal systems. They usually train the managers responsible for conducting appraisals

- To identify the nature of halo effect and central tendency errors and guard against them .
- Look into the desirability of placing emphasis on observable behaviors, where possible , as opposed to emphasis on personal traits of the ratees

8 .6 POTENTIAL APPRAISAL

The term potential refers to the abilities possessed by an employee but not put to use currently or the abilities to assume challenging responsibilities in future. Potential appraisal is overall exploring the employees' skillfulness and hidden talents of a person that he might not be aware of. Potential appraisal is a future – oriented appraisal having main objective to identify and evaluate the potential of the employees to assume higher positions and responsibilities in the organizational hierarchy. Many organizations consider and use potential appraisal as a part of the performance appraisal processes. This method involves close scrutiny of employees' skill & knowledge required to do the job and behavior in the organization.

Potential appraisal can serve the following purposes:

- To give advice to employees about their overall career advancement and future prospects
- Help the organization to chalk out succession plans
- Motivating the employees to further develop their skills and competencies and exploring their potential.
- To identify the training needs of each employee for improved performance on the job.

Techniques of potential appraisal:

- Self appraisals,
- Peer appraisals

POTENTIAL-FOCUSSED APPRAISAL CRITERIA



Figure 5: Qualities Required In A Potential Appraisal System

The following are some of the requirements and steps to be followed when introducing a potential appraisal system:

Role Description: A good potential appraisal system would be based on clarity of roles and functions associated with the different roles in an organization. This requires extensive job descriptions to be made available for each job. These job descriptions should spell out the various functions involved in performing the job.

Qualities Required: Besides job descriptions, it is necessary to have a detailed list of qualities required to perform each of these functions.

These qualities may be broadly divided into four categories -

- (1) Technical Knowledge and Skills.
- (2) Managerial Capabilities and Qualities.
- (3) Behavioral Capabilities.
- (4) Conceptual Capabilities.

Indicators of Qualities: A good potential appraisal system has various mechanisms for judging these qualities in a given individual besides listing down the functions and qualities. Some of the mechanisms for judging these qualities are as follows: –

- (a) Rating by others.
- (b) Psychological tests.
- (c) Simulation games and exercises.
- (d) Performance appraisal records.

Organizing System: Once the functions and qualities required to performance the functions and indicators of these qualities and mechanisms for generating these indicators are clear, the organization is in a sound position to establish and operate the potential appraisal system. Such establishment requires clarity in organizational policies and systematization of its efforts.

A good potential appraisal system provides opportunities continuously for the employee to know his strengths and weaknesses. These are done through periodic counseling and guidance sessions by either the personnel department or the

managers concerned. This should enable the employee to develop realistic self-perceptions and plan his own career and development.

Potential Appraisal vs. Performance Appraisal

Potential Appraisal is looking ahead process whereas performance appraisal process is looking toward the back. Any excellent or poor assessment results of performance appraisal may not be a good feature for appraising potential. But current performance of an employee could give you an idea about the facts whether he/she is flexible according to new working conditions.

CHECK YOUR PROGRESS 2

STATE WHETHER TRUE OR FALSE

1. BARS is a traditional method of Appraisal
2. Ranking is a modern method of Appraisal
3. Potential Appraisal is forward looking process whereas performance appraisal is backward looking process
4. A potential appraisal system does not provide opportunities for the employee to know their strengths and weakness

8.7SUMMARY

Every organization has one set system of evaluating employee performances. Appraisal is useful for fulfilling development and administrative objectives of the organization. But in the today`s competitive world, past achievement do not always secure future success. If an employee is promote to a new job with different duties, and upgraded responsibilities and functions based on his past merit there is no guarantee of his future success. However, if the role and the responsibilities in the are much similar to what an employee is doing in his present job, promotion based on past performance will prove to be useful. But jobs having different and higher level responsibilities then potential appraisal of an employee is essential. Different methods of performance appraisal depending upon the needs of the organizations are adopted which can be either traditional or modern methods. Nowadays organizations are substituting to potential appraisal to potential appraisal for identifying right people for the future jobs and responsibilities. Potential Appraisal is forward looking process whereas performance appraisal is backward looking process.

8.8 GLOSSARY

Performance Appraisal: Performance appraisal is a method of evaluating the employees overall working in an organization. It is used as a method to determine whether an employee is performing well on a given job or not.

Potential Appraisal: The potential appraisal is an estimation of the extent to which a given individual has talent to perform the new task or new job.

360 degree appraisal :- The 360 degree appraisal is a MAFS (multi rater assessment and feedback system) wherein , an employee is assessed from time to time say annually , half yearly by a number of assessors like his superior , subordinates , peer and internal and external customers .

Assessment centers: An assessment center is an approach with objective of being short listing the ones who can handle senior positions to which they are to be promoted. Here a variety of managers are assessed by different individuals and by a group of trained evaluations. **Management by objective: -** The management by objective concept was first projected by Peter. F. Drucker in 1954 in which the performance of an employee is measured against set goals and objectives.

8.9 ANSWERS TO CHECK YOUR PROGRESS

Answers to check your progress 1

1. Administrative objectives
2. High and low performers
3. Development objectives
4. Appraisal interviews
5. Formal appraisals
6. Informal performance

Answers to check your progress 2

1. False , modern method
2. False , traditional method

3. True
4. False, it does provide opportunities

8.10 REFERENCES

David A Decenzo & Stephen P Robbins, Personnel / Human Resource Management, Prentice hall, India

K.Ashwathapa, Human Resource and personnel Management- Text and Cases, TMH

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Gary Dessler, Human Resource Management, Prentice hall, India

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8.11 SUGGESTED READINGS

Jyothi, P & Venkatesh, D.N, Human Resource Mgt, Oxford University Press

B ohlander & Snell, Managing human resources, Thomson

John M Ivancevich, Human Resource Management, TMH

Machael R Camell, Nobert F Elbert & Robert D Hattfield, Human Resource Management, Prentice hall, India

8.12 TERMINAL AND MODEL QUESTIONS

1. What is meant by performance appraisal and what purposes does it serve ?
2. Who should appraise an employee?
3. Explain various traditional methods of performance appraisal?
4. What is MBO? State its advantages and disadvantages?
5. What is potential appraisal and why is it needed?
6. Explain the concept of assessment centers?
7. Why is 360 degree appraisal superior to traditional methods ?

LESSON 9: COMPENSATION MANAGEMENT

STRUCTURE OUTLINE

9.1 Learning objectives

9.2 Introduction

9.2.1 Wage and salary administration: meaning and concept

9.2.2 Objectives of wage and salary administration

9.2.3 Meta goals or principles of compensation

9.2 .3 Elements and methods

9.2 .4 Factors influencing executive compensation

9.3 Fringe benefits

9.3.1 Nature and characteristics of fringe benefits

9.3.2 The objectives of fringe benefits

9.3.3 Importance of fringe benefits

9.3.4 Types of fringe benefits

9.4 Incentive plans

9.4.1 Objectives of incentive plans

9.4 .2 Importance of incentive plans

9.4 .3 Factors affecting incentive payments in the organizations

9.4.4 Classification of incentive plans

9.4 .5 Types of incentive plans

9.4.6 Disadvantages of incentive plans

9.4 .7 Strategies for effective incentive plans

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9.6 Glossary

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9.9 Suggested readings

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9.1 LEARNING OBJECTIVES

- To understand the concept of compensation (Wage and salary administration) its Objectives , Elements and methods and Factors influencing executive
- To find out the meaning , Nature and characteristics of fringe benefits, The objectives and Importance of fringe benefits, the Types of fringe benefits
- To appreciate the role and significance of Incentive plans , its Objectives and Importance , Factors affecting incentive payments in the organizations, the Classification of incentive plans, Types of incentive plans, Disadvantages of incentive plans
- To outline the Strategies for effective incentive plans

9.2 INTRODUCTION

In order to define the term ‘**Compensation**’, till recently many companies in India used salary as the only form of compensation. They later on included in it the benefits and incentives to motivate employees covered under the labour legislation. Further, many progressive and pro-active organizations took note of researches in the field of ‘motivational role of compensation’, while designing compensation package for their ‘generation-X’ executives who want to strike a balance between work and play i.e. more leisure time at their disposal than before.

Cascio defines “compensation as the one which includes direct cash payments, indirect payments in the form of employee benefits and incentives to motivate employees to strive for higher levels of productivity and is a critical component of any employment relationship. Thus, now compensation is a broader term, which encompasses a plethora of benefits ranging from bonuses to increase in job responsibilities. Compensation is nevertheless affected by forces as diverse as labour market forces, collective bargaining, government legislation and top management’s philosophy regarding pay and benefits.”

9.2.1 Wage and salary administration: meaning and concept

Broadly speaking a rational compensation system of any organization would umbrella plethora of rewards, both monetary or non monetary, and current or deferred. This would basically include pay for work and performance i.e. basic pay, cost of living adjustment (DA), overtime payments, shift differentials, travel expenses etc; pay for time not worked i.e. holidays, vacations, sick leaves, earned leaves, maternity leaves, lunch and rest periods etc; deferred income as pensions, social securities like PF; profit sharing (bonus), stock purchase plans, stock option plan; etc, family income continuation like pension plans, life insurance, group life

Insurance, social security, etc; other benefits, as medical expense reimbursement, chauffeur driven car, subsidized food, housing, entertainment allowance, etc. There is no standardization of a compensation package, it may differ from industry to industry and also within an industry. The final payment would be determined by factors like the policy of the organization, its paying capacity, prevailing market rate of similar jobs in the industry and the region, govt. regulations and also executive's bargaining power to some extent. A sound compensation policy carrying three important objectives of attracting, retaining and motivating executives should be finally enmeshed and integrated with the broad objectives of the organization and the economy on the whole. Thus a rational policy should try to strike a balance between an apparent conflict between the need to generate surpluses for economic growth and the creation of job opportunities with the social concern for marked improvement for the compensation policies and the working ambience. Such a policy would be welcome step by all the executives whether in the public sector or private sector and would enhance their level of efficiency.

9.2.2. Objectives Of Wage And Salary Administration

On close scrutiny you will find that the objectives of any payment system are always sandwiched between Simplicity and Rigidity Vs Complexity and Flexibility.

The broad objectives as enunciated by him would thus encompass the following:

1. **Attracting** executives with requisite temperament and skills for a particular organization.
2. **Motivating** executives to seek greater and higher responsibilities in the present and the future assignments of the organization.
3. **Retaining** the best and the mission critical talent within the organization at all levels in the echelons of organizational hierarchy.
4. Controlling compensation costs while designing the package and thereby accomplishing the related objectives.
5. Ensuring that the executives believe that they are being adequately rewarded for their efforts.
6. Complying with government regulations encompassing wage/salary related matters.
7. Portraying the organization as a good place to work.

8. The nature of the compensation program me should be reasonable and should strike an appropriate balance with other priorities and time demands on the organizations financial resources and available management time.
9. It should gain employees acceptance.
10. It must play a positive role in motivating employees to perform their duties to their best.
11. It must gain acceptance by organizations 'public which includes owners and government and to some extent customers, investors and general public.
12. The salary program me should also provide opportunity for employees at all levels to achieve their levels of aspirations in a framework of equity, impartiality and reasonableness.
13. Recruitment of people in the company.
14. Controlling payroll costs
15. Satisfaction of individuals and reduction of their voluntary separations, grievances and conflicts over pay.
16. Motivation of human resources to higher productivity.

Hence it can be drawn from the above discussion that executive compensation is quite a challenging job for a human resource manager who is entrusted with the most indomitable task of meeting the above mentioned objectives while drawing out the executive pay plan. He should also keep track of the promotions, suitable rewards for outstanding performances and other comparable conditions in vogue outside their corporate boundaries to maintain and retain the employees in this competitive environment where they are always running the risk of being lured away by fancy fabulous and better pay packages.

9.2.3 Meta goals or principles of compensation

While discussing a very sensitive issue of compensation we unearth at least eight Meta goals or principles that are crucial to the success of any compensation plan.

It should be understood that these meta-goals are defined in terms of American culture but perhaps would apply in other advanced societies also.

These are:

1. Adequacy,
2. Equity,
3. Balance,
4. Cost control,

5. Security (and estate building)
6. Incentive (to perform according to and to meet management's standards)
7. Pay and Effort bargain (both individual and collective)
8. Acceptability (a kind of ultimate meta- goals). Another possible meta-goal could be employee morale.

9.2. 4 The Elements Of Compensation

To be precise, **there are five elements in an executive** compensation package: Base Salary, Benefits, Short-Term Incentives, Long-Term Incentives, and Perquisites.

1. Base Salary/Basic Pay

Umesh Sharma says that **PAY** stands for: Personal values, Accessibility and Youthfulness. The basic pay element is *salary*. It is the first component of executive compensation. The base salary is the contractual amount paid to an executive on a monthly basis. It is the amount the individual executive can expect to receive on a regular basis irrespective of his performance. It is the cornerstone of executive compensation. It is upon this element that the remaining four elements, (employee benefits, short-term incentives, long-term incentives and perquisites) are layered/structured. Further, it is the element of the total package which is much easier to compare with the market. It is the only one that many companies actually do compare in practice. Moreover, severance payments are often calculated as a multiple of base salary. As with other jobs, the salary component is usually determined on the basis of job analysis, job evaluation, salary surveys, and pay guidelines for performance and promotions within the organization's formal structure.

2. Employee Benefits or fringe benefits

The second element is employee benefits. Benefits are non-cash additions to basic pay. In addition to the provision of pay in the form of a salary in return for the services rendered, executives are increasingly granted a range of other remunerative benefits such as company cars, holidays, relocation packages, dependent medical benefits etc. In terms of cost to the company, benefits still account for the highest proportion of the total package after base salary. Initially, these were known as "fringe benefits"- but because their costs today constitute 30 to 40 percent of the wage and salary bill, these benefits are no longer fringes in nature. Typically, this component subsumes time off with pay, employee services, non-performance awards, medical facilities, retirement benefits and survivor benefits. The extent of benefits is a function of

- (a) Years of service in the organization and
- (b) Level of pay.

Since employee benefits are rarely linked to work performance, these hardly provide any incentive to induce or encourage desirable behavior. Nonetheless, it is a significant component of compensation because it satisfies financial needs that would otherwise have to be provided for in the form of increased salary.

Many employers grant their managers and executives' incentives to motivate them because of their role in influencing long-term corporate growth, performance and prosperity.

3. Short term Incentives

Unlike salary and employee benefits, which usually apply to all employees in the organization *short-term incentives* are given to sales representatives and sales executives. Of course, it could be said that as far as possible all employees should be covered in one-way or the other. The performance criteria can be a combination of company, division, department, and individual performance, the quantum of disbursement varies in relation to performance. The payment is usually made in cash, either shortly after it is earned or deferred till a later date.

Short-term incentive plans can range from being highly individualistic rewards for individual achievement to sophisticated profit-sharing plans that have little variation for individual recognition because of their emphasis being either on company/or division's performance. The major drawback of profit-sharing plans is that these results into overpay to marginal performers in good years and underpay the star performers when the going is not good.

4. Long-term Incentives

The *long-term incentives* refer to that component of compensation where rewards are essentially oriented to group rather than the individual and where measurement period is longer than one year. The extent of participation and the quantum of rewards are thus a function of organization level and group performance. There are some scholars who opine that further distinction should be made between mid-term plans such as restricted stock plans and those stock options where measurement period is longer than five years. Others would contend that anything, which is multi-layered in nature, should be treated as long-term incentives.

5. Perquisites or Executive Perks

Again Umesh Sharma has defined perks in a very interesting way, where he says that **PERKS** stand for peace, educational and development opportunity, responsibility for self direction, knowledge of where I am in my life and significant others.

The last in the list of components of pay are, *perquisites* sometimes described as “those employee benefits which are usually given to executives only.

Perquisites are the intrinsic form of pay. Perquisites are a form of compensation that provides the opportunity to individualize extended coverage of the benefit program me.

Unlike salary, employee benefits, short-term incentives and long-term plan payments, which are extrinsic in nature, the value of perquisites comes more from their exclusivity rather than their after-tax effectiveness.

In some cases they merely supplement employee benefit program and in others they provide coverage that does not exist in the employee benefit program like; Time off with pay, executive services such as the use of company- car for personal use at a nominal charge, physical fitness programmes, legal services, non-performance awards-jobs title (cost free), liberalized expense account, home entertainment expenses, spouses being allowed when on tour, medical care, survivor protection and retirement benefits are some of the examples of perks.

Perks are granted to individuals on the basis of their organizational status and to some extent on the basis of their past performance. In some instances they are also viewed as symbols of authority. In other cases these are rationalized, as these would make the recipient a more productive performer. Further these are also used as tax-saving devices by the organizations. Like employee benefits, they have a low risk factor because the degree of participation does not vary with performance.

9.2.5 Factors Influencing Executive Compensation

When it comes to looking into the factors influencing executive compensation, one observes that in the private sector it is the board of directors who are at the helm of affairs and are solely responsible for formulating the compensation policies within the governmental framework, depending upon certain internal and external factors **as given by Fetter and Johnson .**

1. The Internal factors would include:

- Belief about the worth of the job;
- Individuals ability,
- experience,
- seniority,
- qualification along with the academic institute attended;
- Performance on the job;
- Responsibility involved;
- Internal equity;

- History of compensation for a position or the traditions of the company;
- The managements compensation philosophy i.e. whether it wants to be a leader or a follower; Linking organization's strategy to pay policy;
- The organizations financial ability to pay;
- The corporate power structure
- last but not the least the executives' bargaining power.

2. The external factors would include:

- Market rates for similar work and the strength of their influence i.e. what a man must be paid so that he doesn't move out;
- Cost of living / Inflationary trends in the economy;
- Society, shareholders and unions response;
- Income tax considerations to some extent;
- Laws regulating compensation;
- Nature of industry i.e. whether manufacturing, processing etc;
- Company's Image or Brand Equity of the company.

Of these factors, the most important are the individual's ability and what others pay for similar jobs in the industry and also the individual executive's bargaining power.

9.3 INTRODUCING THE CONCEPT OF FRINGE BENEFITS

The term fringe benefits include not only economic protection but many other forms of compensation besides straight time earnings. The definition is shaded by the situation where the term is used. When used in connection with union negotiations fringe benefits are only those benefits that are subject to bargaining: yet for the purpose of employee education the term includes all items which are apparent to the worker. Some labor leaders however, object to the title of "fringe" applied to vacations holidays, rest periods and recreation programs that they claim directly contribute to efficiency by increasing morale and productivity.

9.3.1 Nature And Characteristics Of Fringe Benefits

The fringe benefits are not a part of the normal pay, and some of them are so essential that the use of the word 'fringe' seems to be quite inappropriate. These include pensions, holidays and sick pay, others such as cars and housing benefits

can often be classified as optional extras. People generally regard them as a good thing but find it hard to prove how good they are.

Characteristic Features:

- These all cost money to the employer. These costs however, are not invariably to be understood in the sense of economic burden on the organization for despite certain social aspects, economic returns to the employer create a position on where fringe benefits are not “extras” in the literal sense of the term.
- They are in lieu of wages. It is in this sense that these do not encroach upon the revenue of the employer. Necessarily the amount expended on them is an expenditure.
- Though they are available to all or most of the employees these do not benefit all equally for it is the use of benefits and not the conversion of benefit into cash, e.g. sickness, unemployment benefits etc falling ill or going unemployed. These are contingent benefits.
- There is however another category of fringe benefits comprising goods, and services which are given directly to the employees, e.g. housing, food etc. are instances to the point. The amount of benefit enjoyed will depend upon the salary drawn & the position in the organization and different benefits are made available to different employees. The extent of such benefits not only vary for different categories of persons but also for the same person, for there are different rates on every post i.e. hurrying rate, the probationary rate the standard rate. Today even the contract workers avail of such types of benefits.

Thus these benefits have become a part & parcel of the working conditions.

- These benefits either result into additions to the employee pay (e.g. money received on amount of suggestion awards, overtime, and shift differential premium) or benefits or service is rendered to the employee.
- Though there is a positive correlation between the size of the work force & the expenditure incurred on employer welfare (certain expenditure have to be incurred because of legal provisions) the increasing expenditure on welfare is evidence to the point that they will go on increasing in the near future.
- It is the type of fringe benefits evolved to suit the needs of the individuals in the organization that will determine its usefulness. Fringe benefits are not to be judged by themselves but by their use.

The blind imitation of the employers in the neighborhood will result only in the increase of the cost of doing a business and will not benefit either the management or the union.

9.3.2 The Objectives Of Fringe Benefits

Both the employer and the unions acknowledge that the average employee usually does not fully appreciate the value of the benefits received over and above what he sees in his pay envelope. Both are on the alert for ways in which to bring home to the employees the value of their benefits, which usually are so substantial today as to make the term “fringe” benefits a misnomer.

Any benefit program me initiated by the company would envisage achieving the following objectives:

1. Attracting good employees;
2. Increasing the employee morale;
3. Reducing the turnover;
4. Increasing job satisfaction;
5. Motivating employees;
6. Enhancing organizations image amongst its employees;
7. Better use of compensation costs.
8. Being non-taxable in nature they are advantageous to both employer and the employee, particularly the high earner.
9. The guiding motivating force behind showering the executives with these fringe benefits is;
 - To motivate them,
 - To enhance their efficiency,
 - keeping them satisfied and of course,
 - Providing them with a measure of economic and social security.

There is no doubt that fringe benefits are here to stay as they have a significant impact on the productivity, as buttressed by the experience of western countries like U.S. and U.K. and also in Indian firms.

9.3.3 Importance Of Fringe Benefits

Pressure for fringe benefits is not from the workers, who initially do not particularly want them, but from the international union officers who paternalistically believe they know what is best for the workers in socio-economic matters. To protect the workers from their own judgments, these officers guard against giving the rank and file a choice between a direct pay increase and its equivalent in a fringe package.

Management on the other hand, does not necessary act with humanitarian motives when, in collective bargaining, it agrees to a fringe benefit instead of a pay increase. There are some economic advantages:

- 1) It saves on social security taxes which would be applied to straight time increases and eliminates pyramiding of the increase in case of time and a half and double time premiums.
- 2) The ultimate cost of benefit (particularly with group insurance) often is reduced through year end dividends.
- 3) Management may include clerical and administrative cost in the estimated cost of the fringes. These costs are difficult to challenge and therefore are subject to over estimation.
- 4) Fringe benefits are now attracting much more attention simply because recent events and their recent growth have led to the realization that, in terms of cost to the employer and advantages for the employees, these benefits could be important.
- 5) As wage and salary administration is settled in a particular frame through collective bargaining, similarly fringe benefits has also been given importance as they have enhanced the monetary benefits through wages.
- 6) Fringe benefits can be applied to all levels of employee's right from workers to executives.
- 7) Fringe benefits are used as incentives to attract competitive employees.
- 8) There has been noticeably a rising tide of public interest in fringe benefits as addition to income, and more official notice is now being taken of their possible importance as labour cost.
- 9) The various other factors as outlined by the executives in a survey as to why Companies are Paying more Emphasis on Fringe Benefits vis-à-vis Hard Cash, these Days are;
 - Implies enhanced status
 - Humanistic considerations
 - Legal requirements

- Tax considerations
- Competitive considerations
- To attract, retain and motivate talented personnel
- To provide security to employees.
- To meet personal needs of employees
- To gain increased commitment from employees

9.3.4 Types Of Fringe Benefits

The companies today are extending basket full of benefits to their executives and these are increasing at a much faster pace as compared to their salaries and has assumed newer dimensions and proportions over the last few decades. Thanks to the intense competition posed by the MNC's.

The benefits would encompass.

- I legally required payments (employee's share only).
- II Pension, insurance and other agreed upon payments (employers share only).
- III Paid rest periods, lunch periods, wash-up time, travel time, clothes change time, get ready time etc.
- IV Payments for time not worked.
- V Other items.

CHECK YOUR PROGRESS 1

State the broad objectives of compensation .

- 1 executives with requisite temperament and skills for a particular organization.
- 2 executives to seek greater and higher responsibilities in the present and the future assignments of the organization.
3. the best and the mission critical talent within the organization at all levels in the echelons of organizational hierarchy.

9.4 INTRODUCING THE CONCEPT OF INCENTIVES

There are only two ways of retaining executives in this highly competitive environment;

1. One by giving them ample financial incentives,
2. And the other by giving them an occasional pat on their back in the form of non-financial incentives.

There has always been a controversy as to whether financial incentives work wonders or is it the non-financial incentives which keeps the executives going. Well, there is no doubt that financial incentives are always rated high on the motivational scale, and the executive willingness to work can always be given a boost-up by offering him suitable financial incentives. With few exceptions monetary reward is one of the strongest motivations for work. Men work because the vein which runs to the hip pocket is the most sensitive one.

While the amount of effort that employees are willing to expend depends upon many factors, the most fundamental being certain inherent forces within the individual, commonly known as incentives. These forces are like man's desire to secure his own livelihood and that of his family, satisfy the creative urge, distinction among fellows..... Motives vary with the individuals and his circumstances, and their strength can be reinforced by schemes and devices to which the term incentive is being applied. An incentive has the power of awakening, maintaining and strengthening the motive."

The role of money incentives inducing employees to work harder and sincerely is well accepted now.

However, the response is not always neat and consistent and it depends upon:

- i) The degree of fear of speed up, rate cutting, and working themselves out of job
- ii) fun of achieving a challenging goal, freedom from close supervision, and diminished fatigue, which are corollary incentives,
- iii) the group pressure and informal production standards and the employee's individual conformance to group,
- iv) The satisfaction of participating in setting production standards; and
- v) The interest in the specific work activity.

9.4.1 Objectives Of Incentive Plans:

The organizations today try to dovetail the organizational interests and the employee's interests while introducing any incentive scheme.

The incentive schemes may try to achieve the following **organizational objectives namely;**

1. Increased output and thereby – increasing the profits;
2. Sound basis of control;
3. Best and optimum use of men money machines and material;
4. Improved quality;
5. Good housekeeping;
6. Reduced absenteeism;
7. Cordial industrial relations.

On the other hand, the employee's objectives may be;

1. Extra pay for extra effort;
2. Job security;
3. Economic security;
4. Fair deal and fair reward;
5. Limitless scope for earnings.

The most important objective of any incentive scheme is to obtain the maximum possible reduction in cost per unit by motivating employees to work effectively and efficiently, and at the maximum of their capacity. "... The primary and universal reason for the installation of any incentive scheme is to secure the lowering of unit costs on the one hand, and to improve the earnings of the employees on the other.

9.4.2 Importance Of Incentive Plans

Historically, paying the worker on the basis of his productivity and performance is as old as free craftsmanship and it was prevalent in the factories. But it was Taylor who gave it the real impetus by glorifying the financial aspects of incentives which are still in vogue.

After the formulation of the various group or individual incentives, before their implementation, the employees must be made to believe that:

- That higher level of performance will lead to higher pay.
- That pay is important
- That greater effort will lead to higher performance

- That higher performance will not hurt them.
- That other reward like promotion, better opportunities for advancement and so on, will automatically follow from higher levels of performance.

It must be noted that in the absence of any of these beliefs, the incentive system will fail to achieve its objectives of motivating employees. On the other hand it is quite amazing to learn follow that incentives are not very popular* especially in the under-developed countries.

The role of non-financial incentives cannot be however undermined as they are considered to be quite motivating as they satisfy their ‘recognition needs’ of **Maslow’s** Need Hierarchy. They would necessarily include a sense of increased responsibility, authority, loyalty to the organization, a challenging job, pride in accomplishment, opportunity to participate in policy formulation, easy and simple access to management and a good ambience to work etc.

But obviously, there is a degree of variance as to what motivates them most. While some are easily carried away by increased authority, prestige motivates others and still others are driven by personal neurotic tendencies such as fear of failure as opined by **Robert N. McMurry**.

Sibson however observes that non-financial incentives are neither as strong nor as reliable as financial incentives, but they are significantly important to boost employee morale.

9.4.3 Factors Affecting Incentive Payments In The Organizations

The factors affecting incentive payments would look into the following aspects;

a) Customers satisfaction Index
b) Ability to Innovate
c) Cash Flow
d) Leadership Qualities
e) Return on Equity
f) Growth in Market Share

*

9.4.4 Classification of Incentive Plans

The incentive plans can be classified as;

1. Monetary and Non Monetary incentives:

2. Individual group and organization wide incentives:

1. Monetary and Non Monetary incentives:

- Monetary incentives are motivators in nature as they tend to reward good performance of the executives and are over and above the basic salary.
- Some of the monetary incentives are overtime salary, higher basic salary, incentive bonus, merit increments, suggestion rewards, various allowances, promotions and newer fringe benefits.

The non monetary incentives on the other hand are, sense of belongingness, good human relations, self esteem, recognition, status, appreciation, higher responsibility, greater authority, job satisfaction, improved and better working conditions, work life balance etc. these incentives nevertheless improve executive's performance at the workplace.

2. Individual group and organization wide incentives:

- **The individual incentive plans** as the very name suggests are solely based on the individual's performance which are given to him as an extra compensation over a specified amount for his production effort. This type of incentive can be given in cases where individual efforts can be measured and quantified in monetary terms. The payments can be in monthly quarterly or any other convenient time frames. The standards of performance are set by industrial engineers using technical work measurement procedures.
- **The group incentive schemes** provide for the payment of a bonus either equally or proportionately to individuals within a group or area. The bonus is related to the output achieved over an agreed standard or to the time saved on the job- the difference between allowed time and the actual time.
- Such schemes do well under the following circumstances;
 - a. Where teamwork has to be encouraged,
 - b. Where high levels of production depends on the cooperation and team efforts.

- c. Group bonuses are calculated on the basis of the output of the team and are divided amongst the members either equally or in specified proportion

The organization wide incentive systems involve cooperation and collective efforts of the employees and the management, in order to achieve the organizational objectives;

- a. Of reducing labor, material and supply costs
- b. Decreasing turnover and absenteeism,
- c. Strengthening employee loyalty to the company,
- d. Promoting harmonious labor management relations.

9.4. 5 Types Of Incentive Plans

The following incentive plans are given to the executives either on the basis of individual , group or organization wide performance .

Stock options
Profit sharing
Bonus/ commission
Formal performance appraisal system
Merit pay
Individual bonus
Collective bonus

9.4.6 Disadvantages Of Incentive Plans

Sometimes even incentive plans cannot work! There are several questions which come up;

1. Do the incentives always act as motivators?
2. Do they always succeed in eliciting the best performance?
3. Do they always increase the productivity?
4. Do they always improve executive morale?
5. Do they view it as recognition of their good work etc?

Well, this seemed to be true at the face of it before **Alfie Kohn** tabled his findings stating that incentive plans seldom act as motivators and serve none of the above purposes. They have failed to achieve the desired objectives as they only elicit “Temporary compliances, they do not create an enduring commitment to any value or action; they merely and temporarily, change what we do”.

Kohn has tried to explain his point of view by a six – point framework as to why Incentive plans sometimes fail: doesn’t mean that more money will bring about increased satisfaction and better results. **Pay is not always a motivator:** Paying people more will not encourage them to do better as argued by **Herzberg** who says that just because too little money can irritate and de-motivate.

1. Rewards punish: punishment and rewards are two sides of the same coin. Both have a punitive effect because they are manipulative. Not receiving a reward one had expected to receive is also punishment and the more desirable the reward the more demoralizing it is to miss it out.

2. Rewards rapture interpersonal relations within the organizations: Relationships among employees themselves and superior and subordinates often suffer casualties of the scramble for rewards and collapse under the weight of incentives and reduces co-operation. It encourages people to compete for rewards or recognition and view each other as hindrance to one’s growth prospects which surely hampers organizational co-operation and the resultant excellence in performance.

3. Rewards ignore reasons: It has been established that rewards generally ignore the reasons underlying the problems of the workplace and impedes the ability of managers to manage.

4. Rewards discourage risk taking: The number one causality of rewards is creativity which is stifled as people tend to do exactly what they are told to do in a

patterned way only anticipating handsome rewards. They avoid taking risks and exploring new possibilities for fear of failure and thereby losing the guaranteed rewards on meeting the performance standards.

5. Rewards undermine the interest: It tends to undermine the power of intrinsic motivation. People who deliver exceptional performance do it because they love work and no artificial incentive can ever match the intrinsic motivation of a person which is undermined by a reward system.

So, the managers who insist that the job won't get done right without rewards have failed to offer a convincing argument for behavioural manipulation. Promising a reward to someone who appears demotivated is a bit like offering salt water to someone who is thirsty. 'Bribes' they say, simply can't work in the workplace.

6. Does Group Compensation Plans help or not: The employees behavior is most of the time governed by a feeling that they are punished for failing in the term effort rather than being recognized for individual performance. It is based on the premise that team based anything is a "motivational happy land that doesn't square with how people really work."

9.4.7 Strategies For Effective Incentive Plans

1. More Emphasis on Non-Financial Incentives

- Non-financial incentives like status, power, delegation of authority, due recognition, challenging assignments, responsibility, need for achievement, personal growth, scope for innovation, operational freedom, variety in activities and job enrichment etc. are conspicuous by their absence in the public sector organizations.
- This is the reason why private sector executives are more satisfied on these aspects. At least they are duly recognized for their good work, given ample freedom to operate and take decisions. This acts as a major motivation for them unlike their public sector counterparts who want these aspects to be incorporated in their package.
- Thus every organization should try to strengthen the non-financial aspects of a job. Especially in a developing country like India, where it is not possible to compensate merely in monetary terms, non-monetary incentives can do wonders to boost executive morale to a large extent.

2. Try to Strike a Tradeoff between 'Hygiene' and 'Motivators'

- A good compensation package should try to strike a tradeoff between 'hygiene' and 'motivating' factors.

- The hygiene factors encompassing promotions, monetary benefits, working conditions, relations with subordinates and colleagues, and the motivating factors including the work itself, variety in activities, operational freedom, scope for innovation and recognition should form a part of an effective compensation package.
- The public sector organizations in particular should pay more attention to these factors to attract, retain and maintain the executives, at all levels.

CHECK YOUR PROGRESS 2

Identify the Types Of Incentive Plans

- 1 are motivators in nature as they tend to reward good performance of the executives and are over and above the basic salary.
- 2 on the other hand are, sense of belongingness, good human relations, self esteem, recognition, status, appreciation, higher responsibility, greater authority, job satisfaction, improved and better working conditions, work life balance etc.
- 3 as the very name suggests are solely based on the individual's performance which are given to him as an extra compensation over a specified amount for his production effort.
- 4 provide for the payment of a bonus either equally or proportionately to individuals within a group or area.

9.5 SUMMARY

Executive compensation has nevertheless assumed unprecedented importance due to the growing concern of the public in this delicate issue which has been accentuated by the stringent disclosure norms under the companies act, and more so because it has largely emerged out of the cocoon of well guarded secrecy to one of the most sought after areas of human resource management.

The broad objectives or role of compensation Attracting executives with requisite temperament and skills for a particular organization, Motivating executives to seek greater responsibilities, Retaining the best talent around.

The eight Meta goals of compensation are: Adequacy, Equity, and Balance, Cost control, Security (and estate building) Incentive (to perform according to and to meet management's standards) the Pay and Effort bargain (both individual and collective) and Acceptability (a kind of ultimate meta- goals). Another possible meta-goal could be employee morale.**there are five elements in an executive compensation package which are:** Base Salary, Benefits, Short-Term Incentives, Long-Term Incentives, and Perquisites.

The 19th Annual conference of the Indian Institute of Personnel Management at Bangalore defined fringe benefits as “those arising out of employment and not those which arise from a part of the remuneration”.

The incentive schemes may try to achieve the following **organizational objectives namely;** Increased output and thereby – increasing the profits; Sound basis of control; Best and optimum use of men money machines and material; Improved quality; Good housekeeping; Reduced absenteeism; Cordial industrial relations.

9.6 GLOSSARY

compensation :as the one which includes direct cash payments, indirect payments in the form of employee benefits and incentives to motivate employees to strive for higher levels of productivity and is a critical component of any employment relationship.

fringe benefits : as “those arising out of employment and not those which arise from a part of the remuneration”.

9.7 ANSWERS TO CHECK YOUR PROGRESS

Answers to check your progress 1

1. Attracting
2. Motivating
3. Retaining

Answers to check your progress 2

1. Monetary incentives
2. The non monetary incentives
3. The individual incentive plans
4. The group incentive schemes

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9.9 SUGGESTED READINGS

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9.10 TERMINAL AND MODEL QUESTIONS

1. Explain the meaning and concept of Wage and salary administration:
2. Outline the Objectives and Meta goals of wage and salary administration
3. Discuss in detail the basic Elements and methods of compensation

4. What are the Factors influencing executive compensation
5. What do you understand by fringe benefits? Discuss the emergence and evolution of fringe benefits over a period of time.
6. Outline the classification of the various types of fringe benefits.
7. Discuss the importance of fringe benefits in a good compensation package.
8. Delineate the features of fringe benefits.
9. What according to you are the guiding principles behind fringe benefits?
10. What do you understand by incentive plans? Do you think they are a significant part of the executive's compensation package? Explain their importance.
11. What are the objectives of doling out incentives to the executives? Which one's do you think are more effective, the monetary or the non monetary incentives.
12. Discuss the various types of incentive and retirement plans for the executives these days.
13. Sometimes even incentive plans can't work or achieve their desired objectives. Do you agree with the statement? Discuss.
14. Outline the newer strategies adopted by organizations these days to motivate their executives through incentives and retirement plans.
15. Do you think that effective incentive plans are instrumental in retaining the talent in the organizations? Discuss.

LESSON 10:- INTERNAL MOBILITY

STRUCTURE OUTLINE

- 10.1 Learning objectives
- 10.2 Introduction: Internal mobility
- 10.3 The four W's of internal mobility – what, when, why, who (and how)
- 10.4 Need and purpose of internal mobility
- 10.5 Types of internal mobility
 - 10.5.1 Promotion
 - 10.5.2 Transfer
 - 10.5.3 Demotion
 - 10.5.4 Succession planning
 - 10.5 .5 Job rotation
- 10. 6 Summary
- 10.7 Glossary
- 10.8 Answers to check your progress
- 10.9 References
- 10.10 Suggested readings
- 10.11 Terminal and model questions

10.1 LEARNING OBJECTIVES

- To comprehend the meaning Need and purpose of internal mobility
- To delineate The 4 Ws of inner mobility – what, when, why, who (and how)
- To find out the types of internal mobility: Promotion, Demotion ,Transfer, Succession planning and Job rotation

10.2 INTRODUCTION

An employee has inclination for internal mobility as long as he is sure of getting suitable employment within the organization. The organizations may resort to internal mobility until they find suitable candidate for diverse jobs within the organization. Customarily, career management agenda was observed as something the business implement for the benefit of the employees. It would benefit the organization in the long run through improved employee motivation, employee's loyalty and yield. These career management programmes be run unofficially in the organizations, thus career management programmes are neither planned nor implemented. **The current business environment has changed and challenged the human resource function to provide viable advantage to organizations.**

Therefore, career planning and development has become a influential device in dealing with HR issues of all organizations. Some of these issues relate to :

- persistence of newly hired employees,
- their retention,
- management of transfers,
- providing growth opportunity,
- rewarding and retaining employees,
- Ensuring smooth succession planning.

A properly planned and implemented career programmes can save cost, reduce turnover and improve productivity.

The focus of career management programmes of the organization should be on internal mobility of the employees to fulfill organization's HR goals. The internal mobility includes

:-

- **Promotion**
- **Demotion transfers**
- **Separations**
- **Succession planning and job rotation.**

10.3 THE FOUR “W” OF INTERNAL MOBILITY – WHAT, WHEN, WHY, WHO (AND HOW)

Internal mobility is the process, which include transfer of employees from a position to another within the same organization.

Customarily, it is used to cover the provisional shortage of the present serving of a post, to fill up the empty place eventually arise in an organization plus the new position produced in the organization. Internal mobility can undoubtedly be referred as part of an organization staffing tactics.

The introduction of this policy can enable employers to attain extraordinary bonuses and objectives compared to “just” allowing organizations to efficiently carry out the essentials of their staffing practice, mainly aim at identifying and appointing the correct person for the correct post.

As recommended by Chairman and CEO Jeff Joerres (2010), Manpower Inc., "Internal mobility programmes should be pursued to promote the cross-fertilization of ideas and commitment by all employees to the global mindset of the company."

Big business have wide range of reasons recourse to opt for internal mobility programmes, for instance, in order to: improve the effectiveness of their retention practices, enhance productivity (maintaining the existing staff size), chase cost saving strategies (controlling severance, sourcing and on-boarding costs) and reduce labour costs etc.

Implementation of inner movement of employees can be diverse according to the different purposes of an organization who intend to follow to achieve predicted aim.

An employer is expected to attain HR goals by means of its implementation, through different options:

1.) Internal sourcing: - This option is executed through the internal job placement approach, this programs is intended to block all the types of post arise within the organization. The chief objectives are usually associated with this approach are: to provide opportunity for career development of existing employee; magnetize and retain staff for all-purpose and talented individuals in particular.

2.) Staff exchange: - This scheme is implemented by means of offering employees inter-department functioning and co-working opportunities, valid also for the company subsidiaries and branches.

The main objective is to enhance the level of engagement and team working.

3.) Fixed period mobility program: - This type of program is normally implemented by offering the staff fixed term assignments in different regions of the organization. The major objective of fixed term mobility program is to widen skill and experiences of the staff and individual development.

This alternative also has an advantage of free-cost way out to fill up internal short-term vacancies and create a flexible working force in order to efficiently use the skill and resources available within the organization.

3.) Managers mobility:- Implementation of this programme is with planned rotation of the managers of the company in diverse organizational functions and structures.

The major objectives of this program is to develop the business cream of the crop (leaders) , to shape and train the future executives and facilitate succession planning.

This method has another valuable point or additional benefit of enabling the managers of the business to attain better understanding and knowledge about the company's functioning and changing customers' expectations from the different perspective.

10.4 Need and purpose of internal mobility

Need for internal mobility

Internal mobility has been viewed as an important technique for enhancing employee motivation and morale at the workplace. It helps the employees in understanding the nuances of the business as a whole and gives him better and deeper understanding of the working of the various departments. Besides the organization reaps the benefits of optimum utilization of the available pool of human resources with in the organization.

It is also necessitated due to the following reasons

- Organizational restructuring leads to job redesign which might necessitate internal mobility to fill in the gaps .
- Internal mobility helps in breeding creativity and innovation in all the departments as people's movement from one department to another will infuse fresh ideas.
- When the organization contemplates expanding and diversifying its operations from local to international levels, internal mobility may be helpful.
- It also takes care of the concerns of the trade unions as well which are interested in protecting the interests of their members and want them to be absorbed internally in case of any contingencies etc.
- It helps in improving the overall human relations within the organization as people get to know each other better when they are continuously coming in contact with each other which would not be possible if they are not given the chance to take up different responsibilities in different departments.

- In today's de jobbed organizations it becomes all the more important to move people around in the organization to help them do away the 'this is not my job mentality'.

Purpose of internal mobility

Most of the organizations contemplate internal mobility as a first choice vis a vis hiring fresh recruits from outside unless it is absolutely necessary. It aims to achieve the following four fold objectives as delineated below;

1. The very first objective aims at enhancing organizational effectiveness which results from increased levels of morale and motivation of the people promoted or moved from within.
2. it enhances employee productivity because of the confidence posed in them by the organization
3. it nevertheless leads to a more disciplined hardworking workforce in the organization and
4. last but not the least , it enables the organization to be rightly sized all the times helps in optimum utilization of the available human resources. **See figure 1**



Figure 1 : The four fold Purpose of internal mobility

1.) To improve effectiveness of the organization: - The organizations' effectiveness depends mainly on how well the policies, programme and procedure are implemented in actual practice, which in turn depends on suitability of employee skill's, knowledge, commitment etc., to the job

requirements. Employee suitability to the job requirement can be mostly secure through proper placement and job reassignment to internal employee as and when vacancies occur. Employee's contribution would be maximum to the organization when he is placed in the right job. Thus right placement, in addition to other factors contributes much to improve the organization effectiveness.

2.) To maximize the employee efficiency: If apt job is assigned employees, the existing skills and knowledge etc can be utilized properly. Internal mobility moves UPWARD – DOWNWARD AND HORIZONTAL to improve the efficiency of the employees. Upward job assignment to an employee certainly helps in encouraging the employees, boosting their moral and improving his commitment to the job and organization in addition to utilizing the skill of higher order which were higher to be unutilized. Horizontal mobility of employee helps in reassigning the job where skill of employees can be utilized in better way. Thus the internal mobility helps for optimum utilization of employee skill and in turn maximizes employee efficiency through motivation.

3.) To ensure discipline: - Discipline is highly essential to implement the programmes in right time and in right manner. Demotion technique can be used to ensure discipline in the organization to correct the wrong placement and job assignments.

4.) To adapt to organizational changes: - Organizational changes include **operational changes** like change in level of production and schedules, market level, share, schedule and direction. **Economic changes** like inflation and deflation, changes in technology: expansion and diversification, geographical changes etc. all these organizational variations should be met by proper job reassignment to the existing employee through below mentioned techniques of internal mobility:

- **Promotion** meet the demand for higher order skill,
- **Demotions** meet the demand of the depression.
- **Transfer** meet the demand for any adjustment in the same or similar level of skill, knowledge etc. whilst
- **Succession planning**
- **Job rotation**

10.5 TYPES OF INTERNAL MOBILITY

To accomplish the above mentioned needs, the organizations choose to the following methods of internal mobility which may range from promotion demotion transfer and separations and succession planning also sometimes

See figure 2

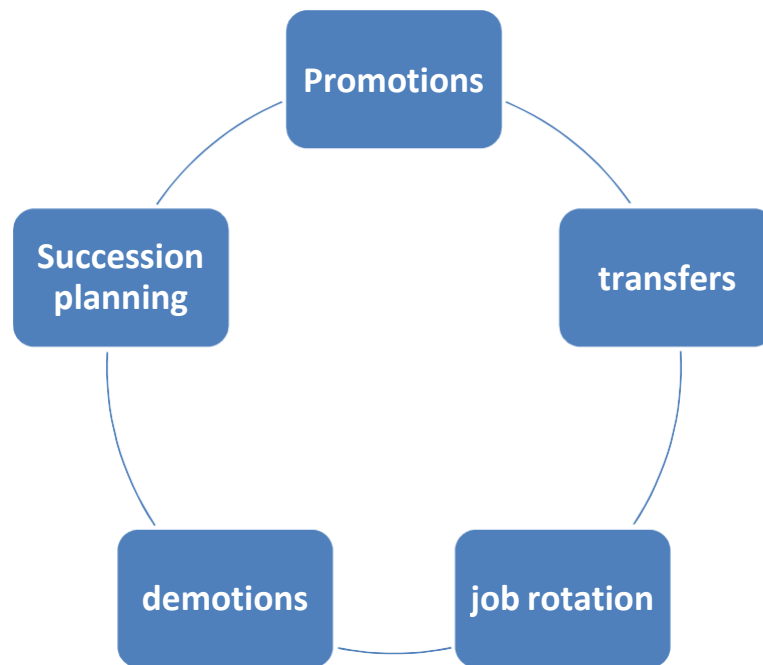


Figure 2: Types of Internal Mobility

Let us discuss these in detail. Each of these is explained below:-

A.) Promotion

Promotion refers to movement to the positions of increased pay, responsibility, accountability and job satisfaction. Promotion is **vertical movement** of the employees from **lower level to upper levels** of higher responsibility. This type of internal mobility helps both the organization as well the employees. The organization gets its high positions filled with tested and loyal employees while for employees, it is the reward for exceptional performance. It acts as a motivation for the employees and help them to achieve desired level of efficiency expected by the organization from them.

Organizations often face the problem of identifying most suitable criteria to choose employees for promotion.

Traditionally, seniority is considered to be the most commonly used method for the promotion of its employees. **Today competitive environment favours competence as a base for promotions in the organization.**

It is felt that promotions based on competence are a superior motivator for the employees. But competence itself is **difficult to define and measure**. Even where, one is able to define and measure competence of an employee, it will always relate to past performance of an employee. But promotions require some more-prediction about a person's future performance.

In order to solve the issue, assessment centre method is used in the organization for identifying high performers for promotion. **Some organization use career pathing for employee development**. Career pathing is a planned movement of an individual through a carefully developed sequence of job assignments to develop the employee's skills, knowledge and competencies. It allows stretching of employee's talent by moving them through selected jobs with increasing challenges and responsibility.

See Figure 3

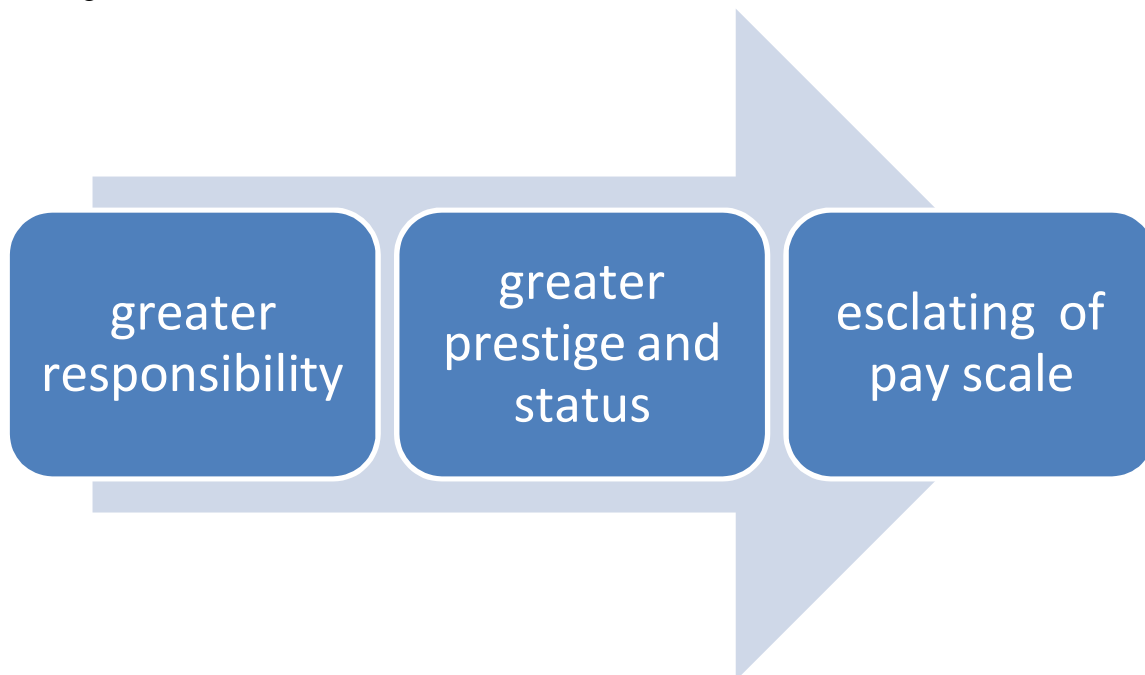


Figure 3 : Elements of promotion

Types of promotion : when an employee is promoted within the organization ,

- **Vertical promotion:** - Under these types of promotion, employee is moved to the next higher level in the organizational hierarchy with greater responsibility, authority, pay and status.
- **Upgradation:** - In these types of promotion, the job is upgraded in the organizational hierarchy. Consequently, the employee gets more salary, higher authority and responsibility. **For example**, the job of medical officer in rail way was in group C is upgraded as group B position.
- **Dry promotion:** - These types of promotion of employees involve movement to the next higher level in the organizational hierarchy with greater responsibility, authority and status without any increase any salary.

Purposes of promotion

Any promotional initiative in the organization aims at optimum utilization of available knowledge skills and abilities , to keep the healthy competitive spirit high , to be ready all the times , helps in encouraging the employees to be on their toes always to take up the everyday challenges ,makes an organization more people friendly and increases organizational stability ,enhances employee commitment, sense of belongingness and long term loyalty which can prove to be a very good investment for the future and provides ample training and developmental opportunities .

Above all it helps to keep the fire burning in the belly of their employees as they know they can be picked up any time for any challenging assignments.

B.) Transfer

Transfer is defined as “a lateral shift causing movement of individual from one position to another usually without involving any marked change in duties, responsibility, skill needed or compensation.”

Transfer is also defined as “...the moving of an employee from one job to another, it may involve promotion, demotion or no change in job status other than moving from one job to another.”

Reassignments to similar positions in other parts of the firm are considered as transfers. It is the movement of an employee from one operation to another usually with no change in pay and allowances or status. Some organizations have clearly laid down transferring policy for employees. Such a policy aim at keeping the employees up to date, open to new learning and provided them with a broader perspective of the jobs/organizations. **Sometimes, transfers are made to fill vacant positions with trained employees or to vacate a position where the employee is no longer needed.** These **lateral movements** provide opportunities for development of employee to handle more demanding positions. Lateral transfers are normally

associated with risk of employee leaving the organization as it disturbs his family life. Moreover organizations are now finding cost of employee relocation too high against its benefits.

Reasons for Transfer

1.) To fulfill the managerial requirement: - Organization can opt to relocate of employees for any reason for e.g. Change in technology, change in production volume, schedule of production, product line & quality, change in pattern of the job caused by modification in managerial structure, fluctuation in the conditions of the market like demand fluctuation, introducing the fresh line or sinking of existing line. All such alterations also demand the shift in job assignment with a view to place the right man at right job;

2.) To assure the employee need: - Employee do need transfers in order to have experience of varied working atmosphere and assure their longing to work under a welcoming and cooperating superiors in a region or department where opportunity for advancement are brilliant or near to their resident place or place of interest, doing a job where the work itself is challenging etc.;

- **To fully exploit employee skill knowledge** etc. where they are more suitable or badly needed;
- **To improve employee's environment** by shifting them in different jobs or various department units, region etc. these develop the employee and enables him to accept any job without any hesitation;
- **To accurate inter personal conflict;** To adjust workforce of one section/plant in other section/plant during lay-off, closure or adverse business condition or technological change;
- **To give relief to the overburdened employees from doing complicated or risky work** for a longer period of time;
- **To punish the employee who violet the disciplinary roles;**
- To help the employee whose are having odd working hours or place making them inconvenient to work;
- To **minimize fraud, bribe etc.** which result due to permanent and stay and contact of an employee with customer, dealers, suppliers etc.

Types of Transfer:

- **Production transfer:** transfer caused due to change in production
- **Replacement transfer:** transfer caused due to initiation or replacement of a long standing employee in the same job due to unsatisfactory performances mainly or unavoidable circumstances
- **Rotation transfer:** transfer initiates to increase the versatility of employee by moving them from one operation to another.
- **Shift transfer:** transfer an employee from one shift to another for eg. Morning to night.
- **Remedial transfer:** transfer initiates to correct the wrong job placement.
- **Penal transfer:** it is a transfer initiate as a punishment for the employee to maintain in discipline among employee.

Transfer can be basically of three categories

- ✓ Employee-Initiated Transfer
- ✓ Company Initiated Transfer
- ✓ Public Initiated Transfer

1. Employee initiated transfer :

This transfer is also known as personal transfer. These transfers are primarily in the interest of the employee and according to his convenience and desire.

Further, these transfers can be classified into **temporary and permanent transfers**.

- **Temporary transfers:** the reason for employee initiated temporary transfers are:
 - Due to uncertainty for eg. health or involvement of employee in accident,
 - Due to personal issues like care of old person and
 - Due to other ad hoc problems like pursuing education.
- **Permanent transfers:** there are several reasons for employee initiated permanent transfer.
 - Owing to chronic ill health or permanent disablement caused by accident,
 - Owing to family problem like taking care of affairs in his native place, With a view to correct his wrong placement.
 - Employee may not be interested in the current work, working condition and the environment of his present job and hence may require a transfer,
 - In order to relieve himself from the monotony or boredom caused due to same job for years together,
 - To avoid clash with superiors and maintain cordinal relations within the organization : If most of employees are working under the same superior they might request for a transfer, the situation should be corrected by other

means like developing that superior in inter-personal skills rather than transferring the subordinate,

2. **Company initiated transfer:** These are further divided into two categories mentioned below:
 - **Temporary transfer:** reason for the company initiated temporary transfers are:
 - Due to temporary non-attendance of employee,
 - Due to variation in quality of production and thereby in work load,
 - Due to short term vacancies.
 - **Permanent transfers :** Changes in the quality of production, lines of activity, technology, organizational structure as discussed earlier
 - To improve versatility of employees,
 - To improve the employee's job satisfaction level
 - To minimize bribes or corruption in the working of the organization.
3. **Public initiated transfer:** - Public also initiate the transfer generally through the politician/government for the following reasons:
 - If the behavior of an employee is against the social norms of the society or if he indulges in any social evils.
 - If the functioning of an employee is against the interest of public.

The major drawback of public initiated transfer is the politicization of the issue. Some employees may be transferred frequently due to political victimization or company initiated transfer of some employee may be stopped due to political favoritism. This drawback is more severe in government department and public sector units.

Benefits of transfer: Transfers benefit both employee and the organization.

❖ **Employee benefits**

- Transfer reduces the monotony and boredom of the employees.
- It increase employees' job satisfaction level.
- Further, It improve employees' skills, knowledge etc. and also correct flawed placement and inter-personal conflicts. Thus, they improve employees' morale
- Further, they prepare the employee to meet organizational exigencies including fluctuation in business and organizational requirement. Thus, they enhance human resource contribution to organizational effectiveness.

❖ **Problem of transfer:**

- Adjustment with the employee to the new job, place, environment, superiors and colleagues takes time,
- Transfer from one place to another cause inconvenience to the organization and incurs extra cost to the employee and his family members relating to housing, education of children etc.,.
- Transfer from one place to another result in loss of man day

Company initiated transfer result in reduction in employee contribution; Discriminatory transfer affects employee morale, job satisfaction, commitment and contribution.

C.) Demotion

It is the opposite if promotion. Demotion is the reassignment of a lower level job to an employee with delegation of responsibility and authority required to perform that lower level job and normally lower level pay. It is one of the form of punishment to take disciplinary actions in the organization. Organization use demotions less frequently as it affect the employee career prospects and moral.

Reasons for Demotion:

- **Unsuitable to the employee to higher level job:** employees are promoted based on seniority and past performance, but some of the employees promoted on two bases may not meet the job requirement of higher level job. In most cases, employees are promoted to the level where they prove to be incompetent in doing that job. Such employee may be demoted to the lower level jobs where their skills, knowledge and aptitude suit the job requirement.
- **Adverse business condition:** generally adverse business condition forces the organization to reduce quality of production, withdrawal of some lines of products, closure of certain department or plants. In addition, organization resort to economy drives. Consequently organization minimizes and the number of employee will be demoted under such condition.
- **New technology and new method of operation demand new and higher level skill.** If the existing employees do not develop themselves to meet this new requirement, organization demotes them to the lower level jobs where they are suitable.
- **Employees are demoted on disciplinary grounds.** This is one of the extreme steps and as such organization rarely uses these measures. Through the demotion seems to be simple, it adversely affect the employee morale, job satisfaction etc. as it reduce employee status not only in the organization but also in the society in

addition to reduce in responsibility, authority and pay. Hence, there should be systematic demotion principals.

CHECK YOUR PROGRESS 1

FILL IN THE BLANKS

1. Transfer Due to fluctuation in quality of production and thereby in work load,
2. Transfer To minimize bribes or corruption.....
3. If an employee's behavior in the society is against the social norms or if he indulges in any social evils.

D.) Succession Planning

Identifying those individuals in the organization who stand a fair chance of succeeding an executive position after the retirement of the present incumbent is succession planning. These individuals are known as 'stars' 'Listers', 'high pots' or 'new generation leaders'. The replacement chart is prepared by the organization which provides detailed comparative information of the identified individuals in different terms of their age, present performance level and assessment of his suitability to the new position. This replacement chart serves as an easy method to compare employee promotability. Some management experts argue that these charts should be kept highly confidential while others argue that the succession plan should be disclosed to the short listed employees.

Disclosing the succession plan act as a motivational tool to retain high performers in the organization but this approach has its ill effects as discussed below:-

- It creates frustration among employees.
- It creates informal power centers in the organization in favour of future bosses.
- It encourages the employees to use this knowledge to get better opportunities somewhere else.
- It helps proactive poachers to know when and where to hire whom.

Succession planning in India has not received due attention as a result companies become vulnerable due to lack of suitable successor. Companies like Essar, Godrej are still not serious about smooth succession despite their having more than one potential heir.

E.) Job Rotation

Job rotation is changing positions of an employee within the same organization and eventually returning to his original position later. **There are different types of rotations.**

Task rotation usually done in jobs that involve a high degree of physical demands or high degree of repetitive tasks that can become extremely tedious. Employees are periodically removed from the jobs which are mentally stressful or physically demanding tasks/jobs which are less demanding task for a while to give them a break.

Position rotation is the process of laterally moving an employee from one position to different positions, departments or geographic locations for the purposes of developing professional skills in an employee by exposing them to new experiences. Position rotation can be further broken down into **within-function rotation** and **cross-functional rotation**. Within-function rotation refers to the rotation where an employee rotates between jobs within similar levels of responsibility and accountability and in same functional or operational areas. Cross-functional rotation, on the other side, involves series of positions, often with escalating levels of job

Advantages of Job Rotation

Task rotation has some varied advantages.

- ✓ The job satisfaction level increases because workers are exposed to various work tasks that reduces constant physical or mental stress, which may create more motivation to continue in the position and reduce turnover.
- ✓ Another advantage is the effect of cross-training of employees for different functions or operations, which will increase the flexibility and adaptability of the organization.

Position rotation also has some distinct advantages.

- ✓ Position rotation can be used to groom or prepare promising employees for future leadership for various positions of the organizations' structure by increasing their knowledge, skills for different perspectives.
- ✓ It can also assist an organization in creating members with a broad base of organizational knowledge. Position rotation may also facilitate new personal relationships across the organization that may help develop a sense of cohesion and loyalty.

10. 6. SUMMARY

Fundamentally, internal mobility is all about to matching the employee's skill with the requirement of the job and those of the organization. **Internal mobility is needed because of the following reasons:**

- For Changing the job structure, job design, job grouping etc.
- For Changing the technology, mechanization etc. resulting in enhancement of job demands.
- For the Expansion and diversification of product/operation.
- For Adding different lines of secondary and supportive activity

The purposes of internal mobility are four-fold,

1. To improve the effectiveness of the organization

2. To maximize the employee efficiency
3. To ensure discipline; and
4. To adapt to organizational changes

The types of internal mobility initiatives taken by the organizations includes promotions, demotions transfers separations succession planning and job rotations which have been discussed in detail .

CHECK YOUR PROGRESS 2

IDENTIFY THE TYPE OF JOB ROTATION

1..... usually takes place in jobs that involve a high degree of physical demands on the body or a high degree of repetitive tasks that can become extremely tedious. Employees are periodically removed from these mentally stressful or physically demanding tasks to a less demanding task for a while to give them a break.

2..... is the process of laterally moving an employee to different positions, departments or geographic locations for the purposes of professionally developing the employee by exposing them to new knowledge, skills and perspectives.

10.7 GLOSSARY

Promotion: Promotion refer to advancement to positions of increased pay, responsibility and job satisfaction. Promotion is vertical movement of the employees from lower level to upper levels of higher responsibility.

Transfer is defined as “a lateral shift causing movement of individual from one position to another usually without involving any marked change in duties, responsibility, skill needed or compensation.”

Demotion is the opposite if promotion. Demotion is the reassignment of a lower level job to an employee with delegation of responsibility and authority required to perform that lower level job and normally lower level pay. Organization use demotions less frequently as it affect the employee career prospects and moral.

10.8 ANSWERS TO CHECK YOUR PROGRESS

Answers to check your progress 1

1. **Temporary transfer**
2. **Permanent transfers**
3. **Public initiated transfer**

Answers to check your progress 2

1. **Task rotation**

2. Position rotation

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10.11 TERMINAL AND MODEL QUESTIONS

1. Discuss the meaning need and purpose of internal mobility for organizations today.
2. What are the four W's of internal mobility – what, when, why, who (and how). Explain.

3. Outline the different Types of internal mobility interventions taken by the organizations and the pros and cons of each of them: Promotion, Transfer Demotion, and Transfer.
4. Discuss the significance of Succession planning as a career development initiative.
5. What is Job rotation? Is it a good internal mobility initiative? Discuss.

LESSON 11: HEALTH SAFETY AND EMPLOYEE WELFARE

COMPETENCY MAPPING

STRUCTURE OUTLINE

11.1 Learning Objectives

11.2 Introduction: Health Safety and Employee Welfare

11.3 The Role of Top Management In Employee health and Safety

11.3 .1The Role of Supervisor in Employee health and Safety

11.4 Employee Welfare

11.4.1 Features of Employee Welfare

11.4.2 Types of Employee Welfare

11.4.3 Benefits and significance of employee welfare activities

11.5 Social Security Measures in India

11.5.1 Social impact of social security measures

11.5.2 Aim of social security

11.5.3 Approaches to social security

11.7 Competency Mapping

11.7.1 Methods of Competency Mapping

11. 8 Summary

11.9 Glossary

11.10 Answers to Check Your Progress

11.11 References

11.12 Suggested Readings

11.13 Terminal and Model Questions

11.1 LEARNING OBJECTIVES

- To understand the meaning Need and purpose of employee health safety and employee welfare
- To appreciate the Role of Top Management and Supervisor In Employee Safety and Employee Welfare
- To find out the Social Security Measures in India , Needs of Social Security, Needs That Necessitates Social Security and Approaches to Social Security and Social Security Schemes in India
- To understand the concept of Competency Mapping and outline the various Methods of Competency Mapping

11.2 INTRODUCTION

As a socially responsible organization, it is the prime duty of the HR department to ensure employees health safety and welfare, their social security so as to ensure stress free jobs. Organizations take care of competency mapping; proper counseling and mentoring from time to time undertake measures to ensure the job satisfaction and morale. Competency mapping is performed so as to attract, retain and motivate the best performers in the organization.

In this lesson, we are going to dwell on all the issues outlined above.

First and foremost duty of the employees is to look after their own health and safety at work, and the next duty is towards the others who might be influenced by individual's actions. All employees must know their rights and responsibilities regarding their safety and health at work. They should be aware of the general laws applicable to them related to their safety, health, working conditions to name a few.

11.3 THE ROLE OF TOP MANAGEMENT IN EMPLOYEE SAFETY

There are a number of strategies that can be used by organizations to ensure a healthy and safe workplace, and to ensure compliance with legal requirements. Some of them are written as below:

- Designing Safe and healthy systems of works
- Exhibiting Strong management commitment
- Mandatory and regular Inspection at workplace for health and safety problems
- Effective procedures and protocols for dealing with various health and safety issues
- Developing adequate training programs so as to make the employees learn about certain safety measures
- Setting up Health and safety committees
- Monitoring and reviewing safety policies time and again
- Drawing up Action plan and checklist

11.3.1 THE ROLE OF SUPERVISOR IN EMPLOYEE SAFETY

- The supervisors at the shop floor are entrusted with a lot of responsibility especially with regard to the maintenance of healthy safe and accident free working conditions. For this it is necessary that there are ample written instructions or manuals which should be made available to the workers. If there is any new installment, they should be made well versed with its operations to ensure their safety and well being.

- Apart from this requirement it is necessary that the workers are given training from time to time to update their skills and knowledge to operate the instruments and the machinery. They should also be well trained to deal with situations arising out in case of accidents, emergency, fire etc which could be fatal or detrimental to the health and safety of the workers. There should also be the presence of expert team on the factory premises to deal with such situations to take immediate action.
- The supervisors can be helpful only if the employees cooperate with them on certain accounts like they
- Should be proactive themselves to bring to the notice of the supervisor any conditions at the workplace which are not safe and healthy, like there could be poor ventilation and lighting system which might be posing health problems to the workers.
- There could be lack of safe hygienic and purified water which is unfit for human consumption and might be leading to problems related to water. Poor water supply and also water logging at places could lead to mosquito breeding which is again hazardous for the workers health.
- It is also recommended that frequent inspections of the workplace must be conducted from time to time to ensure that nothing is wrong and everything is in accordance with the health standards and workers safety. It becomes all the more important in the wake of regulations being announced by WHO from time to time to ensure worker health and safety.
- Since most of the companies which have set up shop in India are in the manufacturing sector, it becomes the responsibility of the organization to adhere to the international standards of health and safety as is followed in their respective countries. This would also save them from fines and

punishment in the light of non adherence to the laws of employees health and safety (EHS).

- Most of the top organizations which are into hazardous activities and products have separate EHS departments which duly takes care of all the aspects related to this very sensitive and important issue.
- It is also important to ensure that the accidents once occurred should not be repeated, and due care should be taken to ensure that they are not repeated and corrective action must be taken on time.

11.4 EMPLOYEE WELFARE

Taking care of the employee's welfare is the top most priority of the organization. They are supposed to enforce both the statutory as well as the non statutory requirements at the workplace to ensure worker health and safety. There are various activities which are a part of employee welfare and are in the nature of various benefits which could also be called fringe benefits.

These benefits are no longer called fringe benefits in today's world as they are no longer fringes. They have assumed very important and significant role in the organization which are aimed at improving the working conditions of the employees within the premises and also outside sometimes. These also include a number of facilities and amenities within the organization which makes their lives easier and comfortable.

11.4.1 Features of Employee Welfare

- The employee welfare activities are not only important but they are absolutely necessary to ensure employee retention in the organization especially because of the growing trend of employee health and safety by the

multinational organizations which are much more active and serious about this issue. They take this very religiously and is on top of their HR agenda.

- Nevertheless when the workers interest is being taken care of , he will obviously have a feeling of commitment and belongingness to the organization , which will in turn give him confidence, boost his morale and the workforce will be motivated to contribute their fullest to the organization.
- Now when the workers are satisfied, it will obviously result in creating a people stable organization where the workers will not be looking outside too frequently.
- Apart from all these benefits it will make the organization a good place to work with worker friendly facilities thereby enhancing its public image as well. A good public image increases the company's sales and profits also as people love to buy products and services from the organizations which are fulfilling their social responsibility towards their stakeholders, and one of the most important being the workers.
- The end result of course will be the maintenance of harmonious industrial relations and a peaceful social environment as well.

The various facilities provided to the workers can be categorized into extramural and intramural facilities.

- The facilities which are in the nature of being extramural could be : the LTA, the leave travel allowance, loans at subsidized rates for buying homes or vehicles , having tuck shops and ration stores providing things at subsidized and rationed prices and providing guidance and counseling to the workers on certain vocational programs .

- **The facilities which are in the nature of being intramural could be:**
Canteens, Rest rooms, Crèches for their children, factory Uniform both winter and summer , medical facilities, compensation for accidents, installation of water purifiers and coolers for clean and cold drinking water, washing and bathing facilities , safety measures etc.

11.4.2 Types of Employee Welfare

Different ways of Social Security Provision in India

Statutory measures : Art 41 Of Indian constitution says that “ the state shall with in the limits of its economic capacity provide Medical care - Sickness benefit in cash - Old age pension or retirement benefit - Invalidity pension - Maternity benefit - Accident benefit - Survivor’s benefit ,Social Security Employee Welfare & development, make effective provision for security , the right to work, to education & to public assistance in cases of unemployment, old age, sickness & disablement & in other cases of undeserved want”.

Personal Health Care facilities including regular and expert medical check-ups of the workers: all the organizations have to have mandatory health care facilities for the workers which would include hospitalization expenses for them and their families including dependent parents and disabled children.

Flexi-timing facility : this facility is fast picking up in today’s fast paced business environment especially due to the increase in the number of single working parent to enable them to take care of their familial responsibility as well. It gives them the option to have flexible working schedules according to their comforts and

requirements. This facility gives a lot of freedom to work in comfortable and stress free environment. But this facility is possible only in the organizations which have a number of workers on their rolls and can afford to rotate the workers on shifts and duties one by one.

Employee Assistance and wellness Programs: most of the organizations have a plethora of employee assistance and welfare programs for the benefit of the workers and their families

11.4.3 Benefits and significance of employee welfare activities

“Welfare is comfortable living and working conditions”. Employee welfare means the efforts to make life worth living for workman.

- Having the right kind of employee welfare in place obviously boosts the level of employee confidence in the organization besides improving their morale and motivation which in turn produces productive workforce
- It enables to garner higher degrees of worker commitment and sincerity towards the organization.
- It enhances the trust worthiness of the employees towards the management.
- Increases the job satisfaction index of the employees , and as is said a satisfied workforce is a more happy and efficient workforce.
- Above all improves the social image of the organization which takes care of its employees.

People are the most important asset of an organization as they are the only repository of knowledge in the knowledge-worker organizations. Number of

companies like Infosys assesses and records the value and cost of people of an organization for the accounting purpose (Human Resource Accounting).

It is important to mention here that value of human assets appreciates with passing years unlike other assets which keep on depreciating with time. Once the employee is made to feel young in spirits and the necessary care is given, the value of this human asset appreciates considerably.

11.5 SOCIAL SECURITY MEASURES IN INDIA

Social Security is defined by the **International Labour Organization (ILO)** as “The protection which society provides for its members through a series of public measures against the economic and social distress that otherwise would be caused by the stoppage or substantial reduction of earnings resulting from sickness, maternity, employment injury, invalidity and death; the provision of medical care; and the provision of subsidies for families with children” (1984).

Needs that necessitates social security

1. Physical risks: Sickness, invalidity, old age, maternity, accidents, death
2. Economic risks : Unemployment, Economic burden of large family

11.5.1 Social impact of social security measures

Short term effects: Access to adequate medical care helps the workers meet their short term medical requirements which will ultimately benefit the workers.

Long term effects: in long run, it results in more efficient workers as workers feel a greater level of security. Further, it helps in reducing absenteeism, labour turnover, and results in stabilized working class. Thus,

helps in improving the living standards of the people and strengthen livelihoods.

Significance of Social Security Methods: It is an important step towards the goal of welfare state and helps in the forming a stable and efficient labour force. Further, it reduces the chances of industrial disputes, sickness, and disability. **Social cost of industrialization in the shape of unemployment, disability, frustration and mass dissatisfaction is considerably minimized.**

11.5.2 AIM OF SOCIAL SECURITY

The social security measures aim at improving the working conditions for the employees by providing them the basic facilities which will keep them free from fatigue , monotony and give them a healthy environment.

The workplace would cover things like proper airy and ventilated rooms with enough light , having very good waste disposal machinery to keep the surroundings neat and clean, ensuring the workers safety at all times .

11.5.3 APPROACHES TO SOCIAL SECURITY

There are mainly two types of social security measures

1. Social assistance
2. Social insurance

Social assistance: A method to provide benefits as of right to persons usually of small means in amounts sufficient to meet minimum standards of living from general revenues of the state. Characteristics feature of this is the beneficiaries do not make any contribution towards various benefits which are made available to them. It is a “Non-contributory benefits” towards the maintenance of vulnerable groups such as children, mothers, aged peoples,

disabled etc. It is very much essential for the effective working of the economic system.

Social Insurance A method to provide benefits as a matter of right for persons of small earnings, in amounts which combine the contributions of the beneficiaries with subsidies from perspectives the employer and the state. Characteristics feature of this is the beneficiaries, employers and the Government make contributions towards the creation of common pool, out of which benefits are paid to the members in the event of any contingencies. Type of compulsory mutual aid with benefits can be claimed as a matter of right. It is found to be suitable where the class of workers to be covered is sufficiently well organized, legally regulated and financially stable.

Social security schemes in India

The various social security schemes in India takes care of employees insurance needs, their provident fund , compensation , maternity benefits, and family pension etc.

CHECK YOUR PROGRESS 1

There are a number of strategies that can be used by organizations to ensure a healthy and safe workplace and ensure compliance with legal requirements. Some of them are as following.

State true or false..... and fill in the blanks.

1. Designing Safe and healthy systems of works
2. Exhibiting weak management commitment
3. Inspecting Workplace for health and safety problems whenever the accidents occur.
4. Establish for dealing with health and safety issues.

5. Developing adequate
6. Setting up
7. Drawing up Action plan and.....

11.7 COMPETENCY MAPPING

According to Boyatzis (1982) “A capacity that exists in a person that leads to behavior that meets the job demands within parameters of organizational environment, and that, in turn brings about desired results”

The steps involved in competency mapping are presented below:

1. The First step involves conducting a job analysis.
2. On the basis of the job analysis, a competency based job description is developed.
3. With the help of a competency based job description, competencies mapping is done.
4. Further, the results of one’s evaluation can be used to identify the performance gaps which would help in training need analysis for the individual.

11.8 METHODS OF COMPETENCY MAPPING

The following methods as exhibited below can be used for competency mapping see figure 1

1. The assessment centers
2. Critical method technique
3. Interviews
4. Questionnaires

5. Psychometric tests

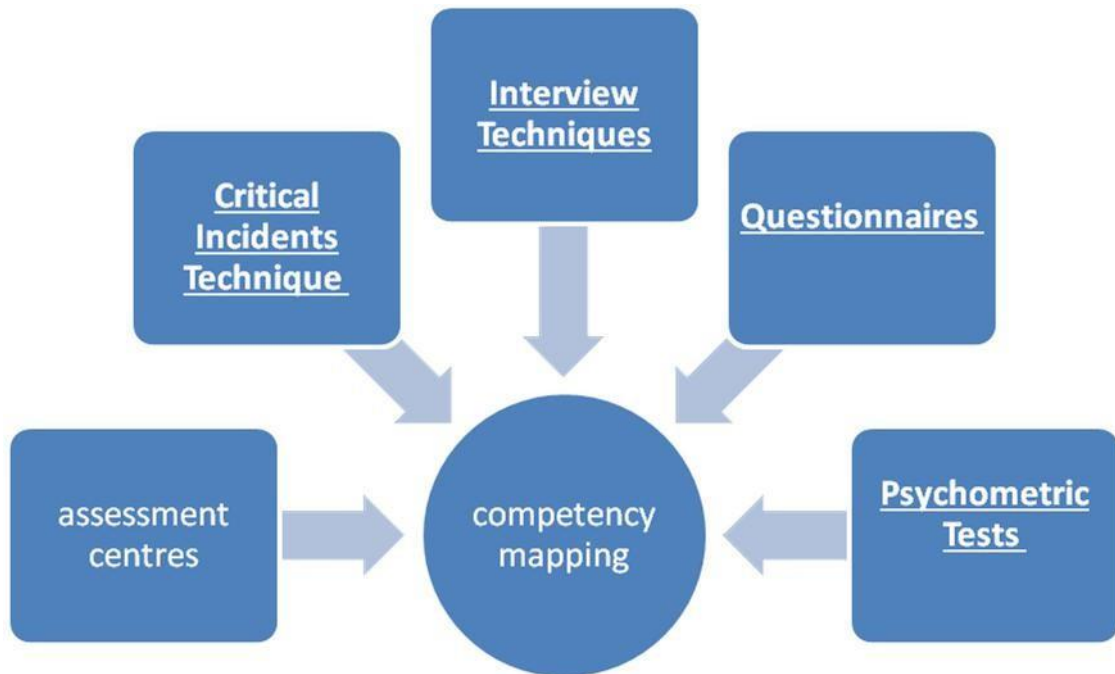


Figure 1: Methods of Competency Mapping

1) Assessment Centre: “Assessment Centre” is a procedure to identify the potential for growth of the individual as well as for the organization which follows the steps as given below

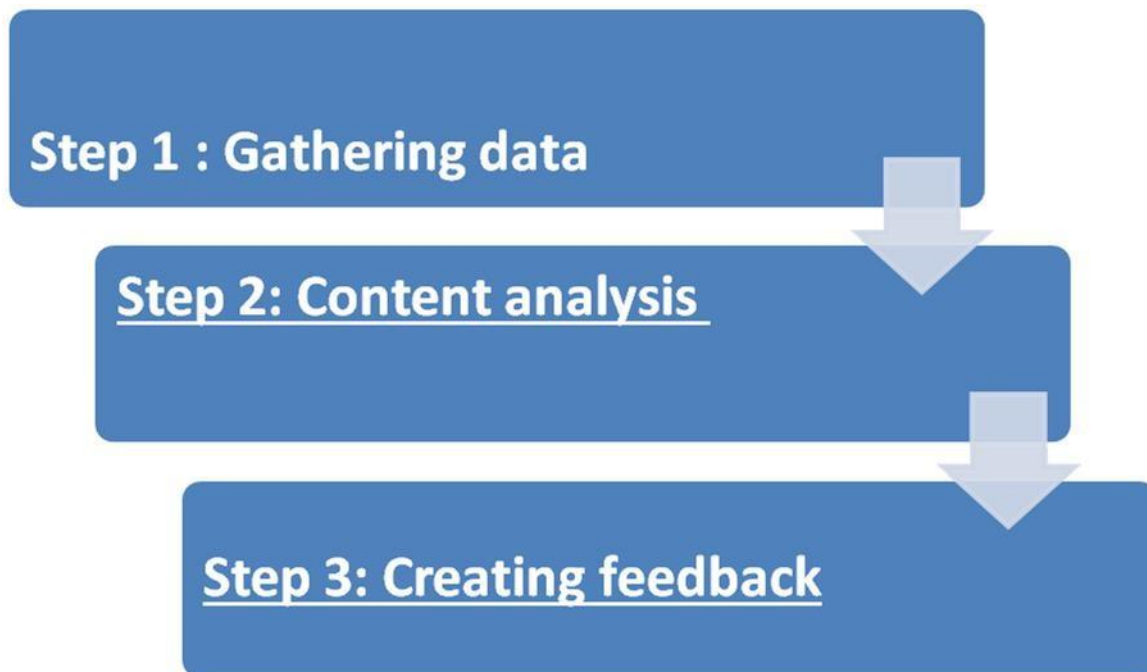


Figure 2: Steps in Assessment Centers

Step 1: Gathering data

Data collection can be done through structured questionnaires, interviews and observation of specific job behavior of the individual to identify their strengths and weaknesses.

Assessment Centre are designed in such a way that they replicate the original work setting and their performance on these tasks can be easily observed by the assessors . Some of the most commonly used exercises are

a) Conducting Group Discussions where the employees are supposed to present their viewpoints on various issues which can range from socio economic political legal technical or international , these discussions help the observer to find out the various traits they are looking for in a person like his communication skills his behavior, taking charge of the situation, showing leadership skills, whether he is team player or takes individual credit and so on.

b) Interview Simulations/Role Plays

Here the individuals are required to meet the resource persons in the beginning to discuss the objective and find out a solution to the given problem. Though they are at times given some time to prepare for such a meeting , most of the times the individual's assessment is made on as to how the individual conducted himself during the meeting .

c) Case Studies / Analysis Exercises

Case studies are the most commonly used techniques of assessing the individuals competencies and abilities. The individuals are given a problem related to any field generally a day today business or management related problem or issues for which he has to find a relevant and acceptable solution. This he will be able to do only if he has considerable expertise over the subject and he is aware of the legal consequences of the problem and the solution suggested by him.

2) Critical Incidents Technique

This technique ensures that the critical incidents or behavior of the individual is well recorded which can have long term implications for the firm. These may be some very good behavioral patterns which will contribute to organizational success and effectiveness , on the other hand there might be some very serious behaviors which are not acceptable and can ruin the future of the organization e.g. an employee resorting to unethical practice or passing on the organizations crucial information to somebody. These are some of the critical incidents which can be refereed to for assessing the individual's competencies. It can be undertaken using these following three steps:

Step 1: Data Collection

Step 2: Content analysis

Step 3: Giving feedback

Step 1: Data Collection: the data can be collected either through unstructured or moderately structured approach.

In the first approach the individual is made to jot down his observations some of the good and some of the bad ones while performing the activity.

While in the second approach, he is made to answer some of the questions related to the task.

Step 2: Content analysis:

The qualitative data is then analyzed by using ‘content analysis software, Atlas.ti. This facilitates in analysis from the constant comparison of events. Events and quotations are coded with ‘Free Codes’. Multiple similar events are indicators of a category, e.g. relationship with supervisor. Events similar to one another, like ‘getting support from the supervisor’ is clubbed under a sub-construct |Supportive Supervisor|. A group of sub-constructs, through constant comparison brings out similarities, differences, and consistency of meaning, which results in the construction of a construct. Each evolved construct has a Grounded ness score and a Density score. The grounded ness scores come from the number of times the quotations referring to the construct occurs during interviews or in other written literature or documents. Density come from the number of other constructs or sub-constructs that a particular construct is related to. Only those constructs form part of the theory which are well grounded and dense.

Step 3: Giving feedback

After the whole exercise has been done, it is important to give the feedback on the performance. All the positive and the negative points should be well recorded and informed.

3) Interviews

Almost every organization uses an interview in one or another form for the purpose of competency mapping. A quite good number of researches have been conducted about the usage of this technique. A few general guidelines regarding the use of an interview for competency mapping must be followed as given by the authors. The interview consists of interaction between interviewer and applicant. If handled properly, it can be a powerful source to gather accurate and additional information. If the interview technique is not handled carefully, it can be result in source of bias, restricting or distorting the flow of communication to name a few.

Since the interview is one of the most commonly used personal contact methods, to make it a reliable and error free exercise, following steps are recommended:

- Identify the critical areas for questioning well in advance .
- The next step is to scrutinize the information provided to identify skills, incidents and experiences.
- Creating a comfortable environment for the candidate
- Ensuring the candidate that it is a mere friendly conversation to know each other better , so that they can well identify the suitability of the candidate to the organization apart from identifying his strengths and weaknesses.
- After making the candidate feel at ease, his knowledge and skills related to the job can be tested by asking him technical questions .
- In this whole process of interviewing it is important that the candidate is not made to feel inferior in terms of his communication skills , his background etc. these are quite sensitive issues which should be well taken care of while interviewing .

- It is also advisable not to ask leading questions at the time of interviews where the interviewer is looking for particular answers only to the particular questions, this will put both the parties into conflict of interest mode where both of them will be seen justifying their point of view.
- The interviewer should be prepared with precise questions, and not take too much time in framing them. A little effort in advance for framing such questions before the start of actual interview will be helpful in the case.

Once the interaction is over, the interviewers should discuss the interviewee, identify areas of agreement and disagreement, and make a tentative decision about the candidate. It will be helpful if, in addition to rating the applicant, interviewers made short notes of the responses, behaviour patterns etc. **If the interview is to continue for many days, an evaluation of the day's work, content of questions and general pattern of response should be made for possible mid-course correction.**

4). Questionnaires

This method of data collection from the individuals to assess their competencies is the most common technique.

In this an effort is made to design the questionnaire in such a way as to elicit information about everything the organization wants to know about the candidate. Starting with his academic qualification , to his extracurricular activities, to his stints in previous job positions , to his strengths and weaknesses . his expectations from the organization and so on.

The questionnaires can take any of the following forms to be more precise .

a) Common Metric Questionnaire (CMQ)

Often called CMQ's these type of questionnaire would aim at seeking information from the candidates in the following five areas pertaining to :

1. Background : his socio economic status ,
 2. Contacts with People,
 3. His Decision Making abilities
 4. Physical and Mechanical Activities,
 5. and Work Setting.
- The background section focuses on general questions about work requirements such as travel, seasonality, and license requirements.
 - The Contacts with People section focuses on questions targeting level of supervision, degree of internal and external contacts, and meeting requirements.
 - The Decision Making items in the CMQ seek to elicit the information related to occupational knowledge and skill, language and sensory requirements and managerial and business decision making.
 - The Physical and Mechanical Activities section seeks information about physical activities and equipment, machinery and tools.
 - Work Setting contains items that focus on environmental conditions and other job characteristics.

b) Functional Job Analysis: The most recent version of Functional Job Analysis uses seven scales- Things, Data, People, Worker Instructions, Reasoning, Maths, and Language-to describe what workers do in jobs. **Each scale has several levels that are anchored with specific behavioral statements and illustrative tasks and are used to collect job information.**

c) Multipurpose Occupational System Analysis Inventory (MOSAIC): In this method each job analysis inventory collects data from the office of personnel management system through a variety of constructs. Two major constructs in each questionnaire are tasks and competencies. Tasks are rated on importance and competencies are rated on several scales including importance and requirements for performing the task. This type of questionnaire is mostly used for US government jobs.

d) Occupational Analysis Inventory: It consists of 617 “work elements” framed to yield more specific job information while still capturing work requirements for virtually all occupations. The major five categories of items-: Information Received, Mental Activities, Work Behavior, Work Goals, and Work Context-are used for eliciting information. Respondents rate each job element on one of four rating scales: part-of-job, extent, applicability, or a special scale designed for the element. Afterwards, the matching is done between competencies and work requirements so as to identify the gaps.

e) Position Analysis Questionnaire (PAQ): It is a structured job analysis instrument to measure job characteristics and relate them to human behavior characteristics. It consists of 195 job elements that represent in a comprehensive manner the domain of human behavior involved in work activities. These items fall into following five categories:

- Information input (where and how the worker gets information),
- Mental processes (reasoning and other processes that workers use),
- Work output (physical activities and tools used on the job),

- Relationships with other persons, and
- Job context (the physical and social contexts of work).

f) Work Profiling System (WPS): It is framed to help employers accomplish human resource functions. The competency approach is designed to yield reports such as individual development planning, employee selection and job description. There are three different types of the WPS depending upon the type of occupations: managerial, service, and technical occupations. **It contains a structured questionnaire which measures ability and personality attributes.**

5) Psychometric Tests

One of the most commonly and successfully administered test is the psychometric test which measures the individual differences in the most objective manner compared to other tests. The best part of this test is that it is the same for all the prospective candidates. Like the common entrance test, the IIT's selection tests, the PMT or all the other entrance examinations are designed to measure the candidates abilities in terms of his general awareness, his logical and analytical reasoning etc. These tests can be in the nature of aptitude tests or achievement

a) Aptitude Tests: The main objective of the aptitude test is to measure the candidates potential and not the past, as it aims to find out the candidates ability to be trained for particular future activities of the organizations. Here the organizations are more interested in selecting candidates who are basically sharp and have the potential and the aptitude for the job they are applying for. The purpose of the test is to identify individuals with special inclinations in given abilities. Hence they cover more concrete, clearly defined or practical abilities like mechanical aptitude, clinical aptitude and artistic aptitude etc.

b) Achievement Tests: These tests measure the level of proficiency that a person has been able to achieve. **They measure what a person has done. Most of these tests measure such things as language usage, arithmetic computation and reasoning etc.**

Check your progress 2

Identify the tests used in competency mapping

1. These tests measure the level of proficiency that a person has been able to achieve.....
2. They refer to the potentiality that a person has to profit from training.....
3. It is designed to help employers accomplish human resource functions.
.....
4. It is a structured job analysis instrument to measure job characteristics and relate them to human characteristics.....

11.8 SUMMARY

Health, safety and welfare are the measures of promoting the efficiency of employee. The various welfare measures provided by the employer will have immediate impact on the health, physical and mental efficiency, alertness, morale and overall efficiency of the worker and thereby contributing to the higher productivity. The basic propose of employee welfare is to enrich the life of employees and to keep them happy and conducted. Welfare measures may be both

statutory and non-statutory; laws require the employer to extend certain benefits to employees in addition to wages or salaries.

Competency Mapping is a process to identify key competencies for an organization and/or a job and incorporating those competencies throughout the various processes (i.e. job evaluation, training, recruitment) of the organization. A competency is defined as a behavior (i.e. communication, leadership) rather than a skill or ability. The various methods of competency mapping that can be used by the organizations can be The assessment centers, Critical method technique , Interviews, Questionnaires and Psychometric tests which can be either to test the candidates aptitude or potential or achievements in the past .

11.9 GLOSSARY

Employee welfare: means anything done for the comfort and improvement, intellectual or social, of the employees over and above the wages paid which is not a necessity of the industry.

Extra mural facilities are those which are provided outside the organization like Leave travel facilities, Interest free loans, Workers cooperative stores, Vocational guidance etc. Housing etc.

Intramural facilities: These are provided within the organization like:

Canteen, Rest rooms, Crèches, Uniform , medical facilities, compensation for accidents, supply of clean drinking water, washing and bathing and safety measures .

Social Security: The protection which society provides for its members through a series of public measures against the economic and social distress that otherwise would be caused by the stoppage or substantial reduction of earnings resulting

from sickness, maternity, employment injury, invalidity and death; the provision of medical care; and the provision of subsidies for families with children.

Critical Incidents Technique : This technique ensures that the critical incidents or behavior of the individual is well recorded which can have long term implications for the firm

Competency mapping: A capacity that exists in a person that leads to behaviour that meets the job demands within parameters of organizational environment, and that, in turn brings about desired results.

Aptitude Tests: The main objective of the aptitude test is to measure the candidates potential and not the past, as it aims to find out the candidates ability to be trained for particular future activities of the organizations.

Achievement Tests: These tests measure the level of proficiency that a person has been able to achieve. **They measure what a person has done. Most of these tests measure such things as language usage, arithmetic computation and reasoning etc.**

11.10 ANSWERS TO CHECK YOUR PROGRESS

Answers to check your progress 1

1. True
2. False ,Exhibiting Strong management commitment
3. False ,Regularly
4. Procedures and controls
5. Training programs
6. Health and safety committees

7. checklist

Answers to check your progress 2

1. Achievement Tests
2. Aptitude Tests
3. Work Profiling System (WPS)
4. Position Analysis Questionnaire (PAQ)

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11.13 TERMINAL AND MODEL QUESTIONS

1. Give a brief account of the Health Safety and Employee
2. Welfare schemes and activities being initiated by Indian organizations.
3. What do you think is the Role of Top Management and supervisors In Employee Safety? Discuss in detail.
4. Explain the Social Security Measures in India, why there is a need of Social Security and what necessitates Social Security measures. Elaborate.
5. Outline the approaches to Social Security that can be adopted especially in the Indian scenario.
6. Write down the various Social Security Schemes being implemented in India. What else can be done to strengthen the social security norms in the light of globalization?
7. Differentiate between Coaching, Mentoring and Counseling, what is their significance in employee's growth within the organization.
8. What is Competency Mapping? Define and explain its importance in today's job environment.
9. What are the Methods of Competency Mapping that can be applied to find the right person for the right job in the organization?