

# 105CO21

*by* Cde Anu

---

**Submission date:** 18-Jul-2025 10:44PM (UTC+0530)

**Submission ID:** 2716886728

**File name:** 105CO21.pdf (10.64M)

**Word count:** 28932

**Character count:** 167552

# **HUMAN RESOURCE MANAGEMENT-I**

## **M.Com I Semester**

### **Lesson Writers**

**Prof.D.A.R. Subrahmanyam**

Principal  
Mahatma Gandhi College,  
Guntur

**Dr.B.K.S. Prakasarao**

Dept. of Management Sciences  
R.V.R& J.C. College of Engineering  
Guntur

**Dr.T.Srinivas**

Dept. of Management Sciences  
R.V.R& J.C. College of Engineering  
Guntur

**Ms.J.J.R.L Bharathi Devi**

PG Dept. of Commerce  
T.J.P.S. College  
Guntur

**Mrs.D.Nirmala**

PG.Dept. of Commerce & Management  
Mahatma Gandhi College,  
Guntur

### **Editor**

**Prof. S.Vijaya Raju**

M.B.A., Ph.D.

Dept. of Commerce and Business Administration  
Acharya Nagarjuna University  
Nagarjuna Nagar-522510

### **Director**

**Dr.Nagaraju Battu**

M.H.R.M., M.B.A., L.L.M., M.A. (Psy), M.A., (Soc), M.Ed., M.Phil., Ph.D.

Centre for Distance Education

Acharya Nagarjuna University  
Nagarjuna Nagar-522510

Phone No.0863-2346208, 0863-2346222,  
0863-2346259 (Study Material)

Website: [www.anucde.info](http://www.anucde.info)

e-mail: [anucdedirector@gmail.com](mailto:anucdedirector@gmail.com)

M.Com: Human Resource Management-I

First Edition: 2021

Reprint: 2022

No. of Copies

©Acharya Nagarjuna University

This book is exclusively prepared for the use of students of M.Com Centre  
for Distance Education, Acharya Nagarjuna University and this book is mean for limited  
circulation only

Published by

**Dr.Nagaraju Battu**

Director

Centre for Distance Education

Acharya Nagarjuna University

Nagarjuna Nagar-522510

Printed at

## FOREWORD

Acharya Nagarjuna University, since its establishment in 1976, has been moving ahead in the path of academic excellence, offering a variety of courses and research contributions. The University achieved recognition as one of the eminent universities in the country by gaining “A” grade from the NAAC 2016. At present Acharya Nagarjuna University is offering educational opportunities at the UG, PG levels to students of 447 affiliated colleges spread over the two districts of Guntur and Prakasam.

The University had started the Centre for Distance Education in 2003-04 with the aim to bring Higher Education within the reach of all. The Centre has been extending services to those who cannot join in college, cannot afford the exorbitant fees as regular students, and to housewives desirous of pursuing higher studies to study B.A., B.Com, B.B.A., and B.Sc., Courses at the Degree level and M.A., M.Com., and M.S.W courses at the PG level.

For better understanding by students, self-instruction materials have been prepared by eminent and experienced teachers. The lessons have been approved with care and expertise. However constructive ideas and scholarly suggestions are welcome from students and teachers. Such ideas will be incorporated for the greater efficacy of the distance mode of education. For clarification of doubts and feedback, weekly classes and contact classes are arranged at UG and PG levels respectively.

I wish the students who pursue higher education through Centre for Distance Education will not only be personally benefited by improving their qualifications but also strive for nation's growth by being a member in knowledge society. I hope that in the years to come, the Centre for Distance Education will grow in strength by introducing new courses, catering to the needs of people. I congratulate all the Director, Academic coordinators, editors, lesson writers and Academic Counsellors and No-Teaching Staff of the Centre who have been extending their services in these endeavours.

Prof.P.Rajasekhar

M.A., M.Phil., Ph.D.

Vice-Chancellor

Acharya Nagarjuna University



**Paper title: Human Resource Management-I**

**Paper number**

Paper 5

**Maximum marks**

70

**Syllabus details**

1. Human Resource Management : Concept – Scope – Legacy – Objectives – Principles – Policies – Procedures – Programmes – Internal and external Environment that effect HRM Programmes – Organisation of Human Resource Department.
2. Job Analysis and Design: Concepts – Need – Methods and Procedures – **Job Analysis: Job description, Job specifications – Job design and job enrichment.**
3. Human resources planning: Importance – forecasting demand and supply of employees in the organisation – forecasting techniques – skill – inventory and replacement chart.
4. Recruitment: Concept – Policy – external influences on recruitment – **sources of recruitment – Methods of recruitment – recruitment practices in India.**
5. Selection, Placement, Induction and Orientation: Concepts – Selection criteria – Steps in selection process – Selection tools – Application blank – Psychological tests – Interviewing – Reference checks – Physical Examination – Placement – Induction – Orientation.
6. Performance Appraisal: Concept – Evaluation Techniques - Communication and Counseling.
7. Training and Development: Concepts – Objectives – Needs – Policies – Methods – Employee learning – Managerial Development – Evaluation of training Programmes – Career Planning.
8. Promotion – Concept – Demotions – Transfers – Separations – Management Inventory.

**SUGGESTED READINGS:**

1. Sharma, N. Baladev, R. Not: Bread alone, Shri Ram Centre for Industrial Relations and Human Resources, New Delhi, 1987.
2. Monappa, Arun and Saiyadain, M.S: Personnel Management, New Delhi, Tata McGraw Hill, 1981.
3. Parekek Udai and Rao, T.V: Designing and Managing Human Resources Systems, New Delhi, Oxford and IBH, 1981.
4. De, R.Nitish,: Alternative Designs of Human Organisations, Sage Publications, New Delhi, 1984.

# **Human Resource Management-I**

## **CONTENTS**

	<b>Pg. No</b>
Lesson 1 : Human Resource Management-An over view	1.1-1.13
Lesson 2 : Job Analysis and Design	2.1-2.11
Lesson 3 : Human Resource Planning	3.1-3.9
Lesson 4 : Recruitment-Sources and Methods	4.1-4.7
Lesson 5 : Selection and Induction	5.1-5.11
Lesson 6 : Performance Appraisal and Counseling	6.1-6.11
Lesson 7 : Training and Development	7.1-7.15
Lesson 8 : Promotions, Demotion, Transfers and Separation	8.1-8.6

LESSON - 1

## HUMAN RESOURCE MANAGEMENT - AN OVERVIEW

### Objectives

After studying this lesson, the student is able to :

- P visualise the reasons for studying Human Resource Management (HRM)
- P identify the principal elements of HR Programme and their importance in managing HR
- P present the functions of Human Resource Management
- P explain why HR Managers should be concerned with the External and Internal Environments of the organisation.

### Structure

- 1.1. Introduction
- 1.2. Meaning of Human Resource Management
- 1.3. Features of Human Resource Management
- 1.4. Importance of Human Resource Management
- 1.5. Objectives of Human Resource Management
- 1.6. Functions of Human Resource Management
- 1.7. HR policies
- 1.8. Environmental Influences on HR Department
- 1.9. Qualities of HR Manager
- 1.10. Summary
- 1.11. Keywords
- 1.12. Self Assessment Questions
- 1.13. Further Readings

### 1.1. Introduction

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

### 1.2. Meaning of Human Resource Management

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

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

Edwin B. Flippo -

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

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

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

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

### 1.3. Features of Human Resource Management

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

1. It is concerned with employees both as individuals and as group in attaining goals.
2. It is concerned with the development of Human Resources.
3. It is concerned with managing people at work.
4. It is a continuous in nature.
5. It is concerned with both blue collared and white collared workers.
6. It is concerned with emotional, behavioral and social aspects.
7. It is concerned with the potentialities and capacities to the maximum possible extent.
8. It is universal in nature.
9. It is continuous in nature.
10. It is action oriented. It focusses on action rather than on record keeping, procedures and roles. It emphasises on the solution to the employment problems.
11. It is individual oriented.
12. It is future oriented. It tries to achieve objective by providing competent and well motivated employees.

### 1.4. Importance of Human Resource Management

HRM helps an organisation in multifarious ways:

1. Good human resource practice can help in attracting and retaining the best people in the organisation. Planning alerts the company to the types of people it will need in the short, medium and long run.
2. Appropriate recruitment and selection activities identify the best people for available jobs and make sure they are placed in suitable positions.
3. Performance appraisals and training develop individuals who need skills, knowledge and attitudes different from those they currently possess.
4. Good human resource practice motivate the organisational members to do outstanding work.

### 1.5. Objectives of Human Resource Management

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

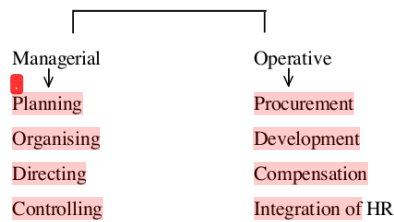
- i) The effective utilisation of human resources.
- ii) To establish desirable working relationships among all members of an organisation.
- iii) to maximise the individual development.
- iv) To establish Harmonious relations between labour and capital.
- v) To increase the welfare of Human employees.
- vi) To arrange for effective communication with Resources.
- vii) To arrange for sufficient number of efficient employees in all the Departments.
- viii) To increase the morale of the employees.
- ix) To motivate the employees to increase productivity.
- x) To provide congenial working environment.

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

### 1.6. Functions of Human Resource Management

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

#### Functions of HRM



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

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

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

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

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

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

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

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

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

- \* Preparation of job description, job specification (job requirements and employee specifications) which will help in identifications identifying the nature levels and quantum of human resources.
- \* Providing the guides, plans and basis for job design and for all operative functions of personnel management.
- b) **Human resource planning :** It is a process for determining and assuring that the organisation will have an adequate number of qualified persons, available at proper times, performing jobs which would meet the needs of the organisation and which would provide satisfaction for the individuals involved.
- c) **Recruitment :** It is the process of searching for prospective employees and stimulating them to apply for the jobs in an organisation.
- d) **Selections :** It is the process of ascertaining the qualifications, experience, skill and knowledge of an applicant with a view to appraising his/her suitability to a job.
- e) **Induction and orientation :** Induction and orientation are the techniques by which a new employee is rehabilitated in the changed surroundings and introduced to the practices, policies, purposes and peoples of the organisation.
- f) **Placement :** It is the process of assigning the selected candidate with the most suitable job. It is matching of employee specifications with job requirements.
- ii) **Human Resource Development :** It is the process of improving moulding, changing and developing the skills, knowledge, creative ability, aptitude attitude, values, commitment etc., based on present and future job and organisational requirements.
- a) **Performance appraisal :** It is the systematic evaluation of individuals with respect to their performance on the job and their potential for development.
- b) **Training :** It is the systematic process by which employees learn knowledge, skills, abilities or attitudes to fulfill organisational and personal goals.
- c) **Management Development :** It is the process of designing and conducting suitable executive development programmes so as to develop managerial and human relations skill of employees.
- d) **Career planning and development :** It is the planning of one's career and implementation of career plans by means of education, training, job search and acquisition of work experiences. Transfers and promotions are two important ways of personnel development in an organisation.
- \* **Transfer :** There will not be any material change in the status, responsibilities or pay of the employees.



- \* **Promotion :** It is the upward reassignment given to an employee in the organisation to occupy higher position which commands better status and / or pay keeping in view the human resources of the employees and the job requirements.
- \* **Demotion :** It deals with downward reassignment to an employee in the organisation, to lower level position.
- e) **Organisation development :** It is an organisation wide, planned effort, managed from the top, with a goal of increasing organisational performance through planned interventions. Organisation Development seeks to change attitudes, values, organisation structures, and managerial practices in an effort to improve organisational performance.
- iii) **Compensation Management :** It is the process of providing equitable and fair remuneration to the employees. It includes job evaluation, wage and salary administration, fringe benefits.
- a) **Job evaluation :** It is the process of determining relative worth of jobs.
- b) **Wage and salary administration :** It is the process of developing and operating a suitable salary and wage programme.
- c) **Incentives :** It is the process of formulating, administering and reviewing the schemes of financial incentives in addition to regular payment of wages and salary.
- iv) **Integration of Human relations :** It is the process of interaction among human beings. Human relations is an area of management practice in integrating people into work situation in a way that motivates them to work together productively, cooperatively and with economic, psychological and social satisfaction.
- a) **Personnel Research :** It is the process of evaluating the effectiveness of human resources policies and practices and developing more appropriate ones.
- b) **Personnel audit :** It refers to an examination and evaluation of policies, procedures and practices to determine the effectiveness of human resource management.

**Activity A :** To what extent your personnel Department is carrying out different functions in your office.

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

## 1.7. HR Policies

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

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

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

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

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

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

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

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

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

### 1.8. Environmental Influences on HR Department

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

- a. External
- b. Internal

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

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

- i) **Monitoring Environment** : One has to monitor likely changes in the Environment.
- ii) **Evaluate Impact** : Specialist must diagnose the problems and they must evaluate the results.
- iii) **Proactive Measures** : Specialists has to implement approaches that help the organisation reach its goals.
- iv) **Analyse feed back** : Feed back to be taken that the desired out comes to be reached.

a) **External Challenges :**

- i) Technological Challenges
- ii) Governmental Challenges
- iii) Economic Challenges
- iv) Cultural Challenges
- v) Demographic Challenges

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

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

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

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

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

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

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

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

### 1.9. Qualities of a HR Manager

- i) A HR Manager must have the mental ability of the High Standard. He must possess immense tact, practical mind and cool temperament.
- ii) HR Manager must be free from bias attitude. He should be known for his honesty, integrity, character, justice and fair play.
- iii) A HR Manager must be a good leader and organiser.
- iv) HR Manager should have high character. He should be aware of social responsibilities.
- v) HR Manager must be able to communicate his ideas and opinions effectively and clearly so that all the employees understand the messages.
- vi) HR Manager must be trained in behavioural sciences so that he predicts and controls the human behaviour.
- vii) HR Manager must be able to predict the human problems in advance.

**Activity E :** Study the your Personnel Manager and list out his qualities.

### 1.10. Summary

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

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

### 1.11. Keywords

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

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

**Policies:** General Statements that guide decision making.

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

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

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

### 1.12. Self Assessment Questions

- 1) Define the term "Human Resource Management" ?
- 2) Enumerate the objectives of Human Resource Management
- 3) What is significance and scope of Human Resource Management.
- 4) What are the various Functions of Human Resource Management ? Explain.
- 5) Explain the qualities of HR Manager.
- 6) What is personnel policy ? Describe how personnel policies affect the job of personnel Manager.
- 7) Explain how HR M is important to organisations ?

- 8) Personnel Management involves two categories of functions - Managerial and operative. Describe in detail.
- 9) What is environment ? Explain in detail the internal and external Environment affecting HRM in an organisation.
- 10) Give qualities of a Good HR Manager .

#### **1.13. Further Readings**

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

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

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

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

**Prof. D.A.R. Subrahmanyam**

**LESSON - 2****JOB ANALYSIS AND DESIGN****Objectives :**

*After studying this lesson the student is able to :*

- \* understand the meaning of the terms Job Analysis, Job Description, Job Specification, Job Design.
- \* present the outline on Job analysis procedure.
- \* present the content of Job Description
- \* promote the purpose of Job specifications and procedure for developing one.
- \* identify the various factors that must be taken into account in designing a Job.

**STRUCTURE**

- 2.1 Introduction**
- 2.2 Job Design**
- 2.3 Objectives of Job Design**
- 2.4 Factors affecting Job Design**
- 2.5 Job Enrichment**
- 2.6 Techniques of Job Enrichment**
- 2.7 Job Enrichment Procedure**
- 2.8 Job Analysis**
- 2.9 Uses of Job Analysis**
- 2.10 Job Analysis Information**
- 2.11 Job Analysis procedure**
- 2.12 Job Description**
- 2.13 Job Specification**
- 2.14 Summary**
- 2.15 Key words**
- 2.16 Self Assessment Questions**
- 2.17 Further Readings**

**2.1 Introduction**

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



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

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

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

## 2.2 Job Design :

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

## 2.3 Major objectives of Job design are :

- i) To satisfy the requirements of the organisation for productivity, operational efficiency and quality of produce or service.
- ii) To satisfy the needs of the individual for interest, challenge and accomplishment.
- iii) To integrate the needs of the individual with the organisational requirements.

*Job design involves four sets of decisions -*

- a) Deciding what tasks will be performed by the work force.
- b) Deciding how these tasks will be grouped together and assigned to individuals.
- c) Deciding how individuals will relate to each other so that their work can be co-ordinated.
- d) Deciding how they will be rewarded for their performance as members of the organisation.

### Activity A :

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

#### 2.4 Factors affecting Job design :

- i) Proven values of specialisation and repetitive operations.
- ii) Changing Technology
- iii) Trade Union policies
- iv) Abilities of present personnel
- v) Available supply of potential employees.
- vi) The interaction requirements among jobs with in the system.
- vii) Psychological and Social needs of human beings that can be met by the Job.

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

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

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

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

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

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

### 2.5 Job Enrichment :

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

### 2.6 Techniques of Job Enrichment :

- i) Increasing the responsibility of the activity.
- ii) Providing wider scope, more sequence and increased pace of the work.
- iii) Giving a natural unit of work either to an employee or group of employees.
- iv) Providing the freedom of work by minimising controls.
- v) Allowing the employees to set their own standards.
- vi) Providing the employees the control information and allow them to monitor their own performance.
- vii) Encouraging employee participation in planning, creations and innovations.
- viii) Introducing new, difficult, creative tasks to the employees.
- ix) Assigning specific tasks.

### 2.7 Procedure of Job Enrichment :

- i) Selecting jobs which permits close relation between motivation and Job performance.
- ii) Introducing on a pilot scheme basis.
- iii) Starting with the assumption that these jobs can be changed.
- iv) Brain storming a list of changes that may enrich the jobs.
- v) Concentrating on motivational factors such as achievement, responsibility, self control etc.
- vi) Trying to change the content of the Job rather than changing the employees from their Job.
- vii) Providing adequate training, guidance, encouragement and help.
- viii) Introducing with care as Job enrichment programmes may be resisted by employees.

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

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

- a) Task variety.
- b) Task identity.
- c) Task significance.
- d) Autonomy.
- e) Feed back.

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

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

**Activity B :**

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

.....

.....

.....

**2.8 Job Analysis :**

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

- a) Job Description
- b) Job Specification

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

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

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

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

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

The importance of Job analysis may be summarised as under :

- i) It is helpful in organisational planning.
- ii) It provides realistic basis for hiring, training, placement, transfer and promotion of personel.
- iii) It helps in determining wage and salary Admn.
- iv) It provides information which enables us to change jobs. It is concerned with operational Analysis, motion study, work simplification methods.
- v) It aims at reducing labour costs.
- vi) It helps in improving efficiency.
- vii) It helps in establishing clear cut standards.
- viii) It provides opportunity for identifying hazardous conditions and unhealthy environmental factors.
- ix) Helps in redesigning Job.
- x) It acts as basis for Job Evaluation.
- xi) It helps in vocational selection.

**Activity C :**

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

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

**2.10 Job Analysis Information :**

It provides the following information :

- i) Job Identification
- ii) Characteristics of a Job
- iii) What a typical worker does
- iv) Which materials, equipment a worker uses
- v) Nature of operations
- vi) Received personal attributes
- vii) Job Relationship

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

- a) Collection of back ground information
- b) Selection of representative positions to be analysed
- c) Collection of Job Analysis data
- d) Developing a Job description
- e) Developing a Job specification

**Phases of Job Analysis :**

- Phase I : Preparation for Job Analysis  
Phase II : Collection of Job Analysis Information  
Phase III : Application of Job Analysis Information

Diagrammatically; It can be shown in following manner

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

**Techniques used for Data collection for Job Analysis :**

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

- a) Questionnaire Method
- b) Interview Method
- c) Jury of Experts
- d) Record Method
- e) Employee Log Method
- f) Personal Observation

**2.12 Job Description :**

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

**Content of the Job Description :**

- i) Job title
- ii) Organisational location of the Job.
- iii) Supervision given and received.
- iv) Designation of Immediate Superior.
- v) Salary level.
- vi) Complete list of Duties.
- vii) Conditions of Work.
- viii) Training and Developmental facilities.
- ix) Promotional channels and chances.

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

**Characteristics of a Job Description :**

Following are the important characteristics of a good Job description :

- i) The first necessity of a good Job description is that it should have a proper title. The title must be meaningful.
- ii) Job description should be upto date. All necessary changes must be incorporated from time to time.

- iii) A good Job description must have all the relevant information relating to a Job.
- iv) There should be clarity in duties and responsibilities.
- v) A good Job description is one that is classic enough to incorporate the changes and amendments.
- vi) A good Job description is one which is made clear to the employees for whom it is meant.

**Activity D :**

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

.....

.....

.....

**2.13 Job Specification**

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

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

**Job Specification information includes -**

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

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

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

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

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



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

**Activity E :**

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

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

**2.14 Summary :**

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

**2.15 Key words :**

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

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

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

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

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

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

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

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

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

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

#### 2.16 Self Assessment Questions :

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

#### 2.17 Further Readings :

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

**Prof. D.A.R. Subrahmanyam**

## LESSON - 3

**HUMAN RESOURCE PLANNING****Objectives**

After studying this lesson, the student is able to :

- P describe the basic approaches to Human Resource Planning
- P explain the process of forecasting the personnel requirements
- P review the process of Human Resource Planning
- P study the methods and techniques of demand and supply and identifying human resource requirements.

**Structure**

- 3.1. Introduction
- 3.2. Meaning and Definitions
- 3.3. Significance of Human Resource Planning
- 3.4. Reasons for current Interest
- 3.5. Objectives of Human Resource Planning
- 3.6. Human Resource Planning Types
- 3.7. Need for Human Resource Planning
- 3.8. Problems in Human Resource Planning
- 3.9. Human Resource planning process.
- 3.10. Summary
- 3.11. Key words
- 3.12. SelfAssessment Questions
- 3.13 Further Readings

### 3.1. Introduction

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

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

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

### 3.2. Meaning and Definitions

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

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

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

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

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

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

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

### 3.3. Significance of Human Resource Planning

- i) Helps in the selection and Development of the employees as it ensures that adequate persons are selected well in advance so that they may be developed for anticipated openings.
- ii) It helps in procurement of personnel
- iii) Human Resources Planning helps in formulating managerial succession plans as a part of the replacement planning process.
- iv) Manpower forecasting, which highlights critical short age of important skills, helps the management in avoiding disruption of production programmes and under utilisation of plant capacity by timely corrective action.
- v) It also helps in identifying areas of surplus personnel.
- vi) Helps in managerial succession plans as a part of the replacement planning process which is necessitated when job change plans for managers are formulated.

### 3.4. Reasons for current Interest

- i) The changes in production technologies, marketing methods and management techniques have been extensive and rapid. These changes are causing problems relating to redundancies retaining and redeployment. All these contribute to the need to plan the human resource needs intensively.
- ii) Acute shortage of a variety of skills emphasises the need for effective recruitment and retaining people.
- iii) Cyclical fluctuation, discontinuities are effecting the man power requirements and require strategic consideration.

- iv) Changes in demographic profile of the work force in terms of age, sex, literacy, technical inputs and social background have implications for Human resource planning.
- v) Legislative controls and Hire and Fire policies and also responsible to give a relook into human resource planning.
- vi) Pressure groups such as unions, politicians, persons displaced from land by location of giant enterprises have been raising contradictory pressures on the management.

### 3.5. Objectives of Human Resource Planning

- i) To ensure optimum use of human resources currently employed.
- ii) To recruit and retain the human resources of required quantity and quality.
- iii) To foresee employee turnover and make arrangements for minimising turnover.
- iv) To meet the needs of programmes of Expansion.
- v) To improve standards, skills, knowledge etc.
- vi) To assess the surplus or shortage of human resources.
- vii) To prepare recruitment policy.
- viii) To promote the personnel policy.

### 3.6. Types of Human Resource Planning

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

- a) On the basis of the level at which it is done
- b) On the basis of period for which it is done.

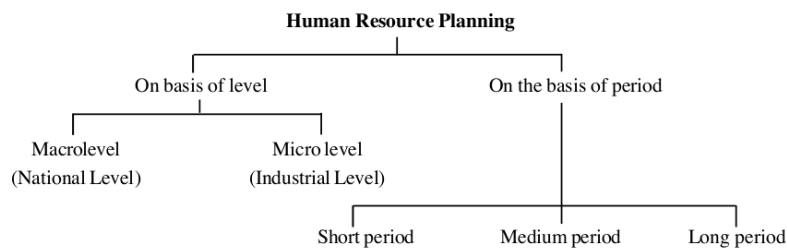


Fig 3.1 : Types of Human Resource Planning

### 3.7. Need for Human Resource Planning

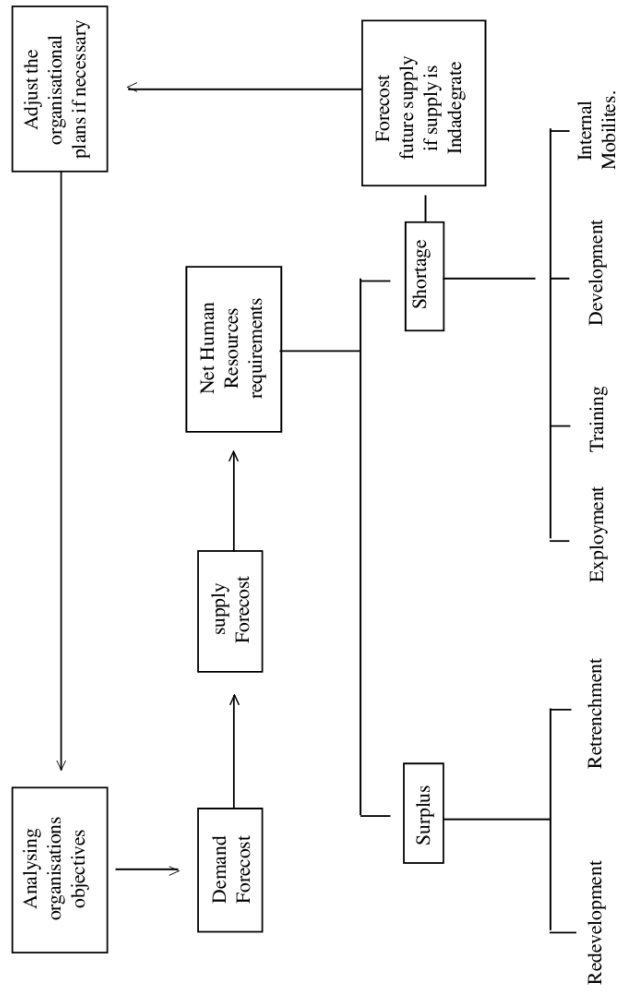
Human Resource Planning anticipates not only the required kind and number of employees but also determines the action plan for all the functions of Human Resource Management.

- i) It helps to satisfy the individual needs of the employees for promotions, transfers, better benefits etc.
- ii) It helps in anticipating cost of salary, cost of human resources for facilitating the formulation of budgets.
- iii) It tries to fore see the need for redundancy and plan to check it.
- iv) It helps in fore see the changes in values, aptitude and attitude of human resources.
- v) It helps in planning for physical facilities, working conditions, the volume of fringe benefits like canteen, schools, hospitals etc.
- vi) It gives idea of type of tests to be used and interview techniques in selection based on the level of skills, qualifications, intelligence, values etc.
- vii) It provides scope for advancement and development of employees through training, development etc.
- viii) It causes the development of human resources to meet the organisational needs.

### 3.8. Problems in Human Resource Planning

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

- i) Most employees resist H R P as they think that it increases the cost of manpower. Trade unions and employees also resist H R P as they view that it increases the work load of the employees.
- ii) Uncertainties like absenteeism, seasonal employment, labour turnover etc., technological changes, marketing conditions are making human resource planning less reliable.
- iii) Due to low status given by the Indian Industries, Information system regarding human resources has not yet fully developed. Further reliable data regarding economy, other industries, labour market, trends in human resources are not available.

**Fig 3.2.: Human Resource Planning**



### 3.9. Human Resource Planning Process

Human Resource Planning Process consists of the following areas :

- a) Analysing the organisational objectives.
- b) Forecasting the Human resource needs.
- c) Projecting the Human resource supply.
- d) Estimating the net Human resource requirements.
- e) Planning for policies and programmes
- f) Evaluating effectiveness.

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

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

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

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

**Some of the techniques are :**

- i) Judgement and Experience.
- ii) Budgetary planning,
- iii) Work standards
- iv) Key predictive factors.

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

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

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

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

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

**Retention plan should include :**

- 1) Adjustment of salary levels with those of the comparable industries.
- 2) Providing opportunities for career development.
- 3) Providing extensive training
- 4) Providing scope for extensive participation.

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

### 3.10. Summary

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

### 3.11. Key words

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

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

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

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

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

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

### 3.12. Self Assessment Questions

1. Define Human Resource Planning ? What are its objectives ?
2. Explain the process of Human Resource planning ?
3. What are the techniques for Human Resource planning ?
4. What do you understand by Human Resource planning ? How would you draw up a manpower plan for an organisation.
5. What factors do you consider while forecasting manpower needs of the organisation ?
6. What are the benefits of Human Resource planning ?
7. Review the major activities of Human Resource planning ?

### 3.13. Further Readings

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

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

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

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

**Prof. D.A.R. Subrahmanyam**

## LESSON - 4

**RECRUITMENT - SOURCES AND METHODS****Objectives**

After reading this lesson, you should be able to;

- \* understand the nature and policy of Recruitment ;
- \* explain and evaluate various methods of Recruitment ;
- \* describe the recruitment practices in India.

**STRUCTURE**

- 4.1 Introduction**
- 4.2 Policy of Recruitment**
- 4.3 Sources of Recruitment**
- 4.4 Methods of Recruitment**
- 4.5 Evaluation of Recruitment Programme**
- 4.6 Recruitment practices in India**
- 4.7 Summary**
- 4.8 Key words**
- 4.9 Self Assessment Questions**
- 4.10 Further Readings**

**4.1 Introduction**

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

**4.2 Policy of Recruitment**

Recruitment is a continuous function which involves the following stages

- Recruitment policy
- Organising for recruitment
- Forecasting manpower requirements
- Discovering appropriate manpower sources.
- Different techniques used for utilising these resources
- Evaluating the recruitment programme

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

#### 4.2.1 Recruitment Policy:

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

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

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

A good recruitment policy must contain the following elements;

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

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

**Activity A :**

Describe below the recruitment policies of your organisation.

.....

.....

.....

**4.3 Sources of Recruitment:**

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

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

**Merits of Internal Sources**

- i. It promotes loyalty among the employees
- ii. Morale of the employees can be improved
- iii. It provides a sense of job security and opportunity for advancement
- iv. It is less costly compared to outside sources
- v. It is used as a technique of motivation
- vi. It is a training device for developing middle and a top-level managers
- vii. Loyalty, commitment a sense of belongingness, and security of the present employees can be enhanced.

**Demerits :**

- i. It often leads to inbreeding, and discourages new blood from entering an organisation.
- ii. It is dysfunctional to the organisation to utilise inferior internal sources when better candidates are available outside.

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

- a) **Public Employment Exchange:** The government setup Public Employment exchanges in the country to provide information about vacancies to the candidate and to help the organisation in finding suitable candidates. The employment Exchange Act, 1959 makes it obligatory for public sector and private sector enterprises in India to fill certain types of vacancies through public employment agencies.
- b) **Private Employment Agencies:** Private employment agencies perform the recruitment function on behalf of a client company by charging fee. They also provide complete time of services which include advertising position, screening the applicants and going guarantee to employees.

- c) **Management Consultants:** They specialise in middle and top level executive placements. These agencies act as a buffer in screening the candidates and keeping the prospective employee anonymous. In the final state senior executive of the prospective firm move into negotiation with applicants and determine degree of natural interest.
- d) **Campus Recruitment:** Universities and Institutions, Colleges provide facilities for campus recruitment and selection. They maintain the bio-data and performance required of the candidates. Organisations seeking to recruit the candidates from this source can directly contact these colleges and universities directly.
- e) **Professional Organisations:** professional organisations or associations maintain bio-data of their members and provide the same to various organisations on requisition. Organisation find these source more useful to recruit the experienced and professional employees like executives, managers, engineers etc.
- f) **Casual Applicants:** This source provides an excellent supply of stock piled applicants. Depending upon the image of the organisation, its prompt response, level of employment, potential candidates apply casually for jobs through mail or hand over the applications in Human Resource Department.
- g) **Other Sources:** Friends and relatives of present employees are also a good source for which employees may be drawn. Trade unions also provide manual and skilled workers. Voluntary organisations like social organisation, non-profit organisations associations also provide employees. Handicapped, widowed women, old persons, retired people, etc, in response to advertisement potentials of utilising workers is older age group is an important source of additional supply. This source provides an opportunity to gain fullest benefits from employment of the nature and old workers.

**Activity B :**

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

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

**4.4 Methods of Recruitment :**

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

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

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

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

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

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

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

#### Modern sources of Recruitment

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

- a) **Walk-in:** Modern Organisation advise the advertise an potential candidates to attend for an Interview directly in without a prior application on a specified date, time and at a specified place. The potential candidates from among the interviews will be selected for appointment after screening the candidates through tests.
- b) **Consult in:** Organisation encourage the potential job seekers to approach them personally and consult them regarding the jobs, and select the suitable candidates through the selection process.
- c) **Body shopping:** Professional Organisation and hiitech training institution develop the pool of human resources for the employment. These professional and training institutions are called body shoppers and their activities are known as body shopping the body shopping is used mostly for computer professionals.
- d) **Internet Recruitment:** Information Revolution helped the organisations to use Internet as a source of recruitment and advertisement. Organisation advertise the vacancies through world wide web (www) and the potential applicants send their application through e-mail

#### 4.5 Evaluation of Recruitment process :

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

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



- Cost of the recruitment process
- Time lapsed data.

#### 4.6 Recruitment Practices in India:

The different sources of recruitment in India are:

- i) Internal sources or within the organisation
- ii) Temporary workers
- iii) Casual workers
- iv) Employment Exchanges
- v) Advertisements
- vi) Candidates introduced by friends and relatives
- vii) Campus recruitment like IIM, IIT, IIS and NITL.
- viii) *Sons of the soil* : The Government of India issued directives to public sector enterprise to recruit local candidates on primary basis. The national committee on labour, in this connection, recommended for providing employment to local persons. Public sector organisations and multinational corporations have started providing jobs to son of the soil on primary basis.
- ix) Labour contractors
- x) *Specified communities and categories*: According to the Government directives the organisations, particularly public sector have to recruit candidates to the specified extent from the scheduled castes, scheduled tribes, backward communities and from specified classes like physically handicapped, ex n̄ servicemen, and women etc.

#### 4.7 Summary :

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

#### 4.8 Key words :

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

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

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

**4.9 Self Assessment Questions :**

1. Explain recruitment policy?
2. Discuss relative merits and demerits of source and methods of recruitment?
3. Explain the recruitment process?
4. What are the modern sources of recruitment?
5. What is meant by Recruitment? What are characteristics of good Recruitment Policy?
6. Describe the procedure of recruitment in a industrial concern.
7. Discuss the various sources of personnel supply and a particular methods or techniques of recruitment of manpower giving suitable examples from India.
8. Evaluate the relative problems and merits of provate VS public sources of personnel or manpower supply.
9. Examine the merits and limitations of recruitment from with in, recruitment through advertisement.

**4.10 Further Readings**

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

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

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

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

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

**Dr. T. Srinivas**

## LESSON - 5

## SELECTION AND INDUCTION

**Objectives**

After completion of reading this lesson you could able to :

- define selection and explain its significance
- understand the selection process and its stages
- identify the tools of selection
- understand the concepts of placement and orientation
- understand purposes of orientation of induction
- explain the process and its stages

**STRUCTURE :**

- 5.1 Introduction
- 5.2 Selection Policy
- 5.3 Selection Process
- 5.4 Selection Methods
- 5.5 Orientation or Induction
- 5.6 Summary
- 5.7 Key words
- 5.8 Self Assessment Questions
- 5.9 Further Readings

**5.1 Introduction**

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

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

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

### 5.2 Selection Policy

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

#### Activity A :

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

.....

.....

.....

### 5.3 Selection Process

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

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

*The following are the steps in selection process.*

- a. **Initial screening or preliminary interview :** This is a storing process in which prospective applicants are given the necessary information about the nature of job and also, necessary information is elected from the candidates about their education, experience, skills, etc. If the candidate is found to be suitable, he is selected for further process. It is a process of reducing the applicants to a few who have better chance of selection than those screened out.
- b. **Application Scrutiny :** The applicant is asked to give details about age, mantal status, educational qualification, work experience and reference. Different types of application forms may be used by this same organisation for different types of employees e.g. one for clerks, the other for managers. An application form should be designed to serve as an effective preliminary screening device.
- c. **Selection Tests :** Tests attempt to measure certain characteristics of individual applicants some important tests are : knowledge tests, ability tests, aptitude tests and simulation tests.

- d. **Employment Interview** : An interview is a face to face observational and personal appraisal method of evaluating the applicant. An employment interview should serve three purposes 2) i) Obtaining information ii) giving information and iii) motivation.
- e. **Reference checks and Recommendations or Background information**. The applicant is asked to mention in his application the names and addresses of his previous employers, friends or professional colleagues. They are approached by mail or phone and requested to furnish their frank opinion about the candidate. These reference checks indicate past behavior and how well the applicant did at this last job.
- f. **Physical examination**: Certain jobs require unusual stamina, strength or tolerance of hard working conditions. A physical check-up reveals whether or not a candidate possess these qualities. The basic purpose of a physical examination is to place persons in jobs which they can handle without injury or damage to their health. Candidates are medically examined either by the company's physician or by a medical officer approved by the company for the purpose.
- g. **The Selection or final Decision** : Applicants who cross all the steps are finally considered by the organisation. If there are more persons than the number required for a job the best ones i.e, those with the highest scores are finally selected.

**Activity B :**

Give selection process of Four organisation.

.....

.....

.....

**5.4 Selection Methods :**

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

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

- I) Personal background information II) Educational qualification  
III) Work experience IV) References

**Activity C :**

Create an application Blank which suits to your organisation.

.....

.....

.....

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

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

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

- Selection of candidates for an organisation.
- study the human behaviour and personality
- guiding and counselling students seeking admission into schools and colleges.
- eliminating the possibility of prejudice on the part of the interviewer.
- measurement of jobs - related abilities and skills accurately and adequately.

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

- i) The selection and placement of new employees.
- ii) In appraising employees for promotional purpose and
- iii) For counselling employees.

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

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

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

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

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

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

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

- a) *Mental tests measure intelligence quotient of a candidate.* These tests measure capacity for comprehension, reasoning, word fluency, verbal comprehension, numbers, memory and space.
- b) *Mechanical Aptitude Tests :* These tests measure the capacities of spatial visualisation, perceptual speed, and knowledge. These tests are useful for selecting apprentices, skilled, mechanical employees, technicians, etc.,
- c) *Psychomotor tests :* These tests measure abilities like manual dexterity, motor ability and eye-hand coordination of candidates. These tests are useful to select semi-skilled workers.

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

- a) *Job knowledge Test :* These are administered to determine knowledge of typing short-hand and in operating computers, or simple mechanical equipment. Such tests are useful for office workers, supervisors, stenographers, sales girls etc.,
- b) *Work sample test :* Under this test a piece of actual work is given to the candidate as a test and the candidate is asked to do it. For example, a typing test would provide the material to be typed and note the time taken and mistakes committed.

iii) **Situational Test :** Situational test evaluates a candidate in a similar real life situation. In this test the candidate is asked either to cope with the situation or solve critical situations of the job.

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

v) **Personality Tests** : These tests measure a prospective employee's motivation in a particular working environment and strive to discover who is an individual's value system, his emotional reactions and motivation and his characteristic mood.

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

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

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

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

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

d) **Employment interviews** : The interview is a selection tool which enables the employer to view the total individual and directly appraise him and his behaviour. By 'interviewing' is meant deliberate, active testing with a purpose to draw the other person out, to discover what he really wants to say and to give a chance to express himself freely. According to Scoot and others an interview is a purposeful exchange of ideas, the answering of question and communication between two or more persons."

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

#### Types of interviews :

The types of interviews are

- i) Informal interview
- ii) Formal interview
- iii) Planned interview
- iv) Patterned interview



- v) Non- directive interview
- vi) Depth interview
- vii) Stress interview
- viii) Group interview and
- ix) Panel interview.

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

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

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

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

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

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

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

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

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

**Activity D :**

Recall your selection process and Explain what types of interview you have seen. Give your opinion

.....

.....

.....

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

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

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

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

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

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

### 5.5 Orientation or Induction concept

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

#### a) Purposes of orientation

The following are the principal purposes of orientation.

1. To reduce the start-up costs for a new employee
2. To reduce the amount of anxiety i.e. fear of failure on the job
3. To reduce new employee turnover
4. To save time for superior and co-workers
5. To develop realistic job computation, positive attitudes towards the organisation.
6. To reduce grievances

#### b) Steps in Induction programme

A typical induction programme should consist of three steps:

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

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

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

A good induction programme should cover the following:

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

Structure of the organisation and function of various departments.

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

Personnel policy and sources of information

Terms of conditions of service, amenities and welfare activities

Rules and regulations

Grievance procedure and discipline handling

Social benefits and recreational services

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

**c) Advantages of Induction are**

First impression about organisation results in less turnover.

Reduces employee dissatisfaction and grievances

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

Develops a sense of belongingness and commitment.

**5.6 Summary :**

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

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

**5.7 Key words**

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

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

**Performance Tests:** In this test, the applicant is asked to demonstrate his ability to do the job.

**Aptitude tests:** An aptitude test measures the potential ability of a candidate to learn a new job.

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

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

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

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

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

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

### 5.8 Self Assessment Questions

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

### 5.9 Further Readings :

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

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

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

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

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

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

**Dr. T. Srinivas**

## LESSON - 6

**PERFORMANCE APPRAISAL AND COUNSELLING****Objectives**

After reading the lesson, you should be able to

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

**STRUCTURE**

- 6.1 Introduction
- 6.2. Performance Appraisal
- 6.3 Methods, Techniques for appraising Performance
- 6.4 Traditional Evaluation Methods
- 6.5 Modern Evaluation Methods
- 6.6 Problems in Appraisals
- 6.7 Performance Counselling
- 6.8 Summary
- 6.9 Key words
- 6.10 Self Assessment Questions
- 6.11 Further Readings

**6.1 Introduction**

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

**6.2 Performance Appraisal**

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

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

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

Objectives of employee performance appraisal are

- i) To enable an organisation to maintain an inventory of number and quality of all managers and to identify and meet their training needs and aspirations;
- ii) To determine increments, rewards provide a reliable index for promotions and transfer to positions of greater responsibility;
- iii) To maintain individual and group development by informing the employee of his performance standard;
- iv) To suggest ways of improving the employees' performance when he is not found to be up to the mark during the review period;
- v) To identify training and development needs and evaluate effectiveness of training and development programmes;
- vii) To plan career development, human resources planning based on potentialities.

**Functions:** Lennson has given three functions of performance appraisal

- i) It seeks to provide an adequate feedback to each individual for his or her performance.
- ii) It purports to serve as a basis for improving or changing behaviour toward some more effective working habits.
- iii) It aims at providing data to manager with which they may judge future job assignments and compensation.

### 6.3 Methods, Techniques for Appraising Performance

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

### 6.4 Traditional Evaluation Methods

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

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

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

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

*The advantages of this method are :*

- ☞ It can provide a good deal of information about the employee.
- ☞ It minimise supervisory bias and halo effect.

*The limitations of this method are :*

- ☞ It contains a subjective evaluation of the reported behaviour of an individual.
- ☞ The appraisal may be loaded with flowery language about the rater than with the evaluation of performance.
- ☞ A skill writer can present a beautiful case about an employee than a awkward writer or manager.
- ☞ The appraisal depends more on the appraiser's literary skills than on an employee's abilities and performance.

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

*Advantages are*

- & This method provides an objective basis for conducting a discussion of an individuals' performance.
- & Critical incidents focus on behaviour rather than on personalities.
- & It avoids recency of events occur.

*Limitations are*

- ☹ Since raters are required to write critical incidents for all their subordinates on regular basis it is time consuming and burdensome.
- ☹ Negative incidents are generally more noticeable than positive ones.



☹ Comparison and ranking of subordinates is difficult.

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

**Activity A :**

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

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

There are three types of check list methods viz.,

- i) Simple Checklist
- ii) Weighted Check List and
- iii) Forced Choice Method.

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

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

**Weaknesses are :**

- ☹ It is expensive to design and time consuming.
- ☹ It is difficult to assemble, analyse, and weigh a member of statements about employee characteristics and contributions.
- ☹ A separate checklist must be developed for different class of jobs.

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

### Relative Methods of Appraisal

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

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

*Advantages are*

- ⊖ This is the simplest method of separating the most efficient from the least efficient
- ⊖ It is relatively easy to develop and use.

*Limitations are*

- ⊖ In practice it is very difficult to compare a single individual with other human being.
- ⊖ This method only tells us how a man stands in relation to others in the group but it does not indicate how better or worse he is than others.
- ⊖ The task of ranking individuals is difficult in case of large group.

### 2) Group Ranking or Forced Distribution Method

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

*Advantages are :*

- ⊖ This method eliminates central tendency and leniency biases.
- ⊖ The method is highly simple to understand and easy to apply.

### 3) Paired comparison

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

*Advantages are*

- ☺ This method is easier and more reliable.
- ☺ It is relatively simple to administer.

*Limitations :*

- ☺ This method is easier and more reliable.
- ☺ The employees are simply compared to each other on total performance rather than job criteria.

**6.5 Modern Methods**

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

**Procedure for BARS :**

- Step 1. People with knowledge of the job to be appraised are asked to describe specific examples of effective and ineffective behaviour relation to their job performance.
- Step 2. These people then cluster the individuals into a smaller set generally between 5 to 10 of performance dimensions.
- Step 3. Any other group who also know the job is asked to retranslate the critical incidents developed previously by the first group. They are given the cluster's definitions by critical incidents, and asked to redesign each incident to the dimension that it best describes.
- Step 4. The other group rates the behaviour described in each incident in terms of effectiveness and ineffectiveness on the appropriate dimension by using seven or nine - point scale. Average effectiveness ratings for each incident are then determined and a standard deviation criterion is set for determining which incidents will be included in the final anchored scale.
- Step 5. A subset of the incidents that meets both the retranslation and standard deviation criterion is used as a behavioral anchor for the final performance dimension.

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

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

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

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

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

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

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

*Benefits of MBO to organisation are :*

- focuses on managerial effectiveness
- focuses on objectives improves concentration and coordination of managerial effort.
- creates many centres of accountability as against one centralised unit/
- leads to greater decentralisation in terms of setting and achieving objectives.
- provides more objective appraisal criteria.
- reduces role clarity and ambiguity.
- identifies performance deficiencies and enables the management and the employees to set individualised self-goals.

#### c) Assessment Centres:

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

#### 4) 360° performance Appraisal

360 Degree feedback is a multi source feedback system. In this system the candidate is assessed by a number of assessors, which includes his seniors (including No.) direct reports (subordinates) colleagues, and internal and external customers. The assessment is made on the basis of a questionnaire, specifically designed to measure behaviours considered critical for performance.

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

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

**Activity B :**

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

.....

.....

.....

**6.6 Problems in Appraisals**

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

- i) **The leniency and Strictness problem :** The rater has his own value system which with as a standard against which he makes his appraisals. Some raters have a tendency to be liberal in their rating by assigning higher rates. Such ratings do not serve any purpose.
- ii) **The Central Tendency problem :** It is the most commonly found error. The rater assigns "average ratings" to all the employees and avoid rating the people at both the extremes of the scale. They follow a safe policy because of answerability to management or lack of knowledge about the behaviour of the employee.
- iii) **Similarity Error :** This type of error occurs when the rater rates other people in the same way he perceives himself.
- iv) **The Recency error :** The raters generally remember the recent actions/behaviour of the employee at the time of rating and rate their Subordinates on the basis of their recent actions rather than on the whole activities.
- v) **Halo Effect :** It is a tendency to rate high or low on all factors due to impression of a high or low rating on some specific factor.
- vi) **Personal Prejudice :** If the rater dislikes any employee or group, he may rate them at the lower end which may distort the rating purpose and affect the career of these employees.
- vii) **Raters effect :** It includes favouritism, stereotyping and hostility. Exclusively high or low scores are given only to certain individuals or groups based on the rater's attitude towards the ratee, not on the actual outcome or behaviour. Examples of such errors are sex, age, race, religion and friendship.
- viii) **Perceptual Set :** This occurs when the raters' assessment is influenced by his beliefs.

- ix) **Spill over effect:** This refers to allowing past performance ratings whether they are good or bad to influence current ratings.
- x) **Status effect:** It refers to overrating of employees in higher - level held in high esteem, and underestimating employees in lower-level jobs held in low esteem.

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

#### 6.7 Performance Counselling:

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

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

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

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

*They are*

- i) General climate of openness and mutuality
- ii) General helpful and empathetic attitude of management
- iii) Sense of uninhibited participation by the subordinates in the performance review process
- iv) Dialogic relationship in goal setting and performance review
- v) Focus on work oriented behaviour
- vi) Focus on work - related problems and difficulties
- vii) Avoidance of discussion of salary and other rewards

#### 6.8 Summary

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

### 6.9 Key words :

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

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

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

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

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

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

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

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

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

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

**Management by Objectives (MBO)**

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

**6.10 Self Assessment Questions :**

1. What is performance appraisal and explain its purposes?
2. Evaluate Traditional Appraisal methods?
3. Explain Modern Methods of Performance Appraisal ?
4. What is Performance counselling ? Explain its Significance.
5. Briefly examine the BARS and its applicability in modern enterprise.
6. List out the advantages of management by objectives as part of performance appraisal methods.
7. What is meant by merit rating? Discuss its importance.
8. Outline the important pre requisites or rules of an effective appraisal plans.
9. State the limitations of personnel Appraisals.
10. Explain the process of performance appraisal.
11. What are the essentials of Good performance appraisal?

**6.11 Further Readings :**

Rudrabasva Raj MN. personnel administration. UMN Institute of Management, Pune, 1990.  
Flippo EB Principles of personnel management, Mc Graw Hill, New York, 1976.  
Dawar Rs, Personnel management and industrial relations, Vikas publishers, Delhi, 1976.  
Bhagoliwala TN, Personnel management and industrial relations, Sahitya Bhavan, Agla, 1991  
Mamoria CB, Personnel management, Himalaya Publishing Company : Mumbai, 1998  
Chhabra TN, Human Resource Management, Dhanpat Rao Company, New Delhi, 2000  
Sharma AM, Personnel and Human Resource management, Himalaya Publishing House, Mumbai, 1996.

**Dr. T. Srinivas**



## Lesson - 7

# TRAINING AND DEVELOPMENT

## OBJECTIVES

After reading this lesson, the student should be able to

- ☆ present the need for training and development in pursuit of organisational objectives
- ☆ review the steps involved in designing Training programmes.
- ☆ describe the training process.
- ☆ discuss the what management development is and why it is important.
- ☆ identify on - the - Job and off - the - Job training methods

## STRUCTURE

- 7.1 Introduction
- 7.2 Training and Development
- 7.3 Importance of Training
- 7.4 Need for Training
- 7.5 Objectives of Training
- 7.6 Benefits of Training
- 7.7 Kinds of Training
- 7.8 Training Policy
- 7.9 Training Methods
- 7.10 Management Development
- 7.11 Methods of Management Development
- 7.12 Career Planning
- 7.13 Summary
- 7.14 Key words
- 7.15 Self Assessment Questions
- 7.16 Further Readings

### 7.1 Introduction

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

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

### 7.2 Training and Development

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

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

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

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

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

### 7.3 Importance of Training

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

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

### 7.4 Need for Training

- (i) Training renders better service to the customer.
- (ii) It reduces the wastage.
- (iii) Helps in filling higher level posts.
- (iv) Helps in promoting safety measures.
- (v) It helps in updating the employees in new methods and procedures.
- (vi) Training tries to fill the gaps between employee specifications, job requirements and organisational needs.
- (vii) Effective training helps to increase.

#### Activity A

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

.....

.....

.....

**Activity B**

How training needs are determined in your organisation ?

.....

.....

.....

**7.5 Objectives of Training**

- To enhance effectiveness in the present position.
- To establish the feelings of loyalty among the workers, and employees towards the enterprise and its management.
- To increase the morale of the employees.
- To update the developments in Technical and Management fields.
- To develop Capabilities and competencies of employees in order to assume higher responsibilities
- To enable the workers to do their work in the best possible manner
- To make them efficient to do their work in the changed circumstance.

**7.6 Benefits of Training****a) To the organisation**

- Leads to improved profitability and more positive attitudes toward profit orientation.
- Improves the job knowledge and skills at all levels of the organisation
- Improves morale
- Helps the people in identifying the organisational goals
- Helps in creating better corporate image.
- Fosters authenticity, openness and trust.
- Improves the relationship between boss and subordinate.
- Eliminate suboptimal behaviour
- Creates an appropriate climate for growth and communication.
- Aids in handling conflict, there by helping to prevent stress and tension.

**b) To the Individual :**

- Helps in making better decisions and effective problem solving.
- Aids in encouraging and achieving self development and self confidence.
- Helps a person handle stress, tension, frustration and conflict.
- Moves a person toward personal goals while improving interaction skills.
- Develops a sense of Growth in learning

**c) Benefits to the personnel :**

- Improves communication between groups and individuals.
- Provides information on governmental laws
- Improves inter personal skills
- Improves morale.
- Builds cohesiveness in groups.
- Provides a good climate for learning, growth, and co. ordination
- Makes the organisation a better place to work and live.

**Activity C**

What do you think are the aspects of your development that are being emphasised and those which you would, in addition, like be emphasised.

.....

.....

.....

**7.7 Kinds of Training :**

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

- ii) **Job Training :** Training for a Job is the most common of formal in plant training programme. It is necessary for new employees to acquaint them with the jobs they are expected to perform. Various on- the - job and off - the - job training techniques are adopted to educate the employees.
- iii) **Refresher Training :** It is meant for the old employees of the enterprise. The basic purpose of refresher Training is to acquaint the existing work force with the latest methods of performing their jobs and improve their efficiency further.
- iv) **Internship Training :** Under this method, the vocational or professional institute enters into an arrangement with a big business enterprise for providing practical knowledge to its students by gaining actual work experience. The period of such training varies from 6 months to two years.
- v) **Remedial training :** It intends to refresh the skills and knowledge which are being used. It is tailored to individual needs.
- vi) **Craft Training :** Training for craftmanship involves preparation, not for a single job but for the many types of related jobs which can be assigned to a competent craftsman. The intensity differs from issue to issue. Apprenticeship Training is the major method adopted for the type of training.
- vii) **Safety Training :** It involves imparting workers as to how various equipments can be handled safely precautions that must be undertaken to ensure safety, action to be taken when an accident occurs.

#### 7.7.1 Recognition of Training Requirements :

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

- i) By analysis the typical behaviour of an employee one can determine training need.
- ii) Based on job requirements training needs can be determined.
- iii) Organisational weaknesses act as clues for individual as well as group training needs.
- iv) Conduct of Brain storming sessions determine the training needs.
- v) One way of identifying training needs is conduct of conferences.
- vi) Outside consultants are the best judges to identify organisational gaps which in turn act as basis for training.
- vii) Identification of special problem of the job and analysis of any particular skill needed to meet the problem.



**7.7.2 Training objectives :**

- i) To train the employees on transfer, or on promotion in order to impart required skill and knowledge.
- ii) To Motivate the employees towards their betterment and to function more effectively in their present positions.
- iii) To build line authorities in order to occupy more responsible positions.

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

- i). Motivation level of the learner is one important issue that one has to consider.
- ii). Mental set refers to the preparation for an action. With out mental set. Learning cannot go smoothly and easily
- iii). Environment affects learning
- iv). Practice affects all types of learning

**Principles of learning includes**

- i) Every human being is capable
- ii) Learning is active and not passive.
- iii) People learn more by doing them by learning alone.
- iv) Time must be provided to practise what has been learnt.
- v) The rate of learning decreases when complex skills are involved.
- vi) Learning is closely related to attention and concentration.

**7.8 Training policy :**

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

**Activity D**

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

.....

.....

.....

**7.8.1 Training Evaluation :**

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

- i) A Comprehensive evaluation and assessment of training plans as related to the defined needs should be undertaken.
- ii) Measures must be evolved to evaluate the effectiveness with which the methods procedures, training aids and materials are used by the training instructors.
- iii) There should be some effective means by which the progress of the trainees during the training programme, y be assessed and evaluated.
- iv) Finally, the achievements of those who have received training must be followed up over a period of time to assess whether performance has improved.

**7.9 Training Methods :**

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

**7.9.1 On-the-job training methods :**

- a) **Coaching :** It is a procedure by which a superior teaches job knowledge and skills to a subordinate. The emphasis in this method, will be learning by doing.
- b) **Under study :** Here a superior gives training to a subordinate as his understudy. This training helps the Management in developing second line of authrity.
- c) **Position Rotation :** It is intended to broaden the back ground of the trainee in various positions. The trainee is periodically rotated from job to job instead of sticking to one job so that he acquires a general back ground or .erent jobs.
- d) **Demonstration :** It is applicable where some physical process is to be learnt, particularly one that involves the use of equipment of some type. A demonstration in which the instructor actually shows the trainees how to do some thing has wide applications. Eg : A sales manager may show sales trainees how to deal with a potential customer.



- e) **Vestibule training :** Vestibule training is an attempt to duplicate the actual material equipment and conditions found in real work. Here the training area is usually away from the work place in vestibule training. Vestibule training permits the instructor to arrange other kinds of learning conditions as may be necessary such as immediate reinforcement, accurate feedback of knowledge and results etc. There is ample opportunity for practice and repetition. Learning sequence can progressively be arranged in order of difficulty.
- f) **Simulation :** It is an extension to vestibule training. The trainee works in closely duplicated real job conditions. This is essential in cases in which actual process in expensive might result in serious injury.
- g) **Apprentice ship :** Each trainee is given a programme of assignments according to a predetermined schedule which provides for efficient training in trade skills. It is relatively long training.

#### 7.9.2 Off-the-job training methods :

- a) **Lecture method :** As the name implies, it provided to the employee away from his job. It is generally theoretical in nature and is imparted in a class room type atmosphere. It is associated with knowledge than with skills.
- b) **Conference Method :** It is directed discussion on a specific topic conducted with a relatively small group of trainees. Trainees have a large degree of verbal interaction with the discussion leader and with other. This method is useful for teaching and exploring difficult conceptual material and for changing attitudes and opinions.
- c) **Role play :** It teaches interpersonal skills by having two or more trainees interact with in the context of a realistic situation. The situation is defined in a case format so that each trainee receives the same information. Each trainee plays a role of specific person in the situation.
- d) **T - Group Training :** It is also called as Sensitivity Training. They meet with a passive trainer and gain insight into their own and others behavior. Meetings will have no formal agenda. T-groups are highly involving and give participants some opportunity to practise new behaviours, but material to be learned is very unstructured.
- e) **Inbasket technique :** This Method places the trainee in the role of a person who must suddenly replace a manager. Here trainee receives back ground information about the organisation and the person he is replacing, the trainee also receives letters, Memos and phone messages. He has to organise the information, make decisions, and prepare memos and letters to handle problems that present themselves. This method represents the major features of managerial jobs.

**Activity E**

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

.....

.....

.....

**7.10 Management Development :**

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

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

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

**7.10.1 Objectives of Management Development :**

- (i) It is to establish harmony and co. ordination in the changed circumstances
- (ii) To implement effective communication system in the organisation.
- (iii) To bring stability in the organisation
- (iv) To establish friendly human relations in the enterprise.
- (v) To assure the organisation of availability of required numbers of managers with the required skills to meet the present and anticipated future needs of the business.
- (vi) To improve perform mance of managers at all levels.

**7. 11 Methods of Management Development :**

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

b)

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

- c) **Special projects :** It is highly useful device. The trainee is assigned a project that is closely related to the work of his department. The trainee will study the problem and make the recommendations upon it. Here the trainee would acquire knowledge of the assigned project and also would learn to work.
- d) **Multiple Management :** Here the Junior boards may be setup in a company. The Junior board is given the power to discuss any problem which the seniors should discuss. Membership of the Junior board becomes a prerequisite to the membership of the senior board.
- e) **Temporary promotions :** The candidates may be moved upto the next rung of managerial hierarchy and tested for his performance and made accountable during the period of temporary tenure.
- f) **Business Games :** It revises trainees to take sequential decisions here trainees work by themselves in teams in which team member takes the role of the manages of a functional area. These games are high motivative because the score is kept and trainees develop. Though these games involve expenditure, well run business games provide a unique method of teaching.

#### Activity F

What Management Development programmes have you attended so you.

.....

.....

.....

#### 7.12 Career Planning

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

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

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

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

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

#### 7.12.1 Objectives of Career Planning :

The objectives of the Career planning include :-

- (i) To attract talented people and retain them in the organisation.
- (ii) To enable the employees to develop and make them ready to meet the future challenges.
- (iii) To correct employee placement
- (iv) To improve motivation and Morale of the employees.

#### 7.12.2 Steps in Career Planning

- (i) Analysis of individual skills, knowledge, abilities, aptitude etc.
- (ii) Analysis of Career opportunities both with in and outside the organisation.
- (iii) Analysis of career demands on the incumbent in terms of skills ; knowledge, abilities, aptitude etc. in terms of qualifications, experience, Training received etc.
- (iv) Relating to specific jobs to different career opportunities.
- (v) Establishing realistic goals both short term and long term
- (vi) Formulating career strategy covering areas of change and adjustment.
- (vii) Preparing and implementing action plan including acquiring resources for achieving goals.



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

### 7.13 Summary :

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

### 7.14 Key words

**Training:** Systematic development of an individual's ability to perform a specific task or a job.

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

**Education:** It is concerned with general knowledge and understanding of the employee's total environment.

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

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

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

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

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

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

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

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

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

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

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

#### 7.15 Self Assessment Questions

1. "A well thought out orientation programme is necessary for employees who have no work Experience - Explain
2. Explain the importance of principles of Learning.
3. Explain different on the job methods
4. What all the problems involved in off the job methods in Training.
5. Describe the need for Training and Development ? How do you asses the Training needs.
6. Outline the Training objectives and Methods.
7. What is meant by Executive Development ? What are its Objectives ? How is it planned ?

**7.16 Further Readings.**

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

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

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

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

**J.J.R.L Barathi Devi**

## LESSON : 8

**PROMOTIONS, DEMOTION, TRANSFERS AND  
SEPERATION****Objectives**

*After studying this lesson, the student is able to :*

- understand the meaning of the terms - Promotions, Demotion, Transfers and Separation.
- present the Promotion and training policies
- familiarise the problems and prospects of Promotions, Transfers
- discuss the key issues relating to Demotion.
- present the conceptual back-ground of Separations

**STRUCTURE**

- 8.1 Introduction**
- 8.2 Promotions**
- 8.3 Demotions**
- 8.4 Transfers**
- 8.5 Separations**
- 8.6 Summary**
- 8.7 Key words**
- 8.8 Self Assessment Questions**
- 8.9 Further Readings**

**8.1 Introduction :**

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

**8.2 Promotions**

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



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

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

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

### 8.2.1 Bases for Promotion:

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

### 8.2.2 Promotion policy :

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

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

**Activity A :**

List out the bases on which your organisation gives promotions.

.....

.....

.....

**8.3 Demotions :**

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

**8.4 Transfers :**

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

**8.4.1 Types of Transfers:**

- a) **Production Transfers:** This type of transfer is effected to meet the company requirements and at times, to forestall lay-offs. When production is declining in one department, where additional help is needed, some employees from the former may be transferred to the latter.
- b) **Replacement Transfers:** This takes place to replace a new employee who has been in the organisation for a sufficiently long time, the purpose being to give some relief to an old employee from the heavy pressure of work.

- c) **Remedial Transfers:** In case an employee does not feel comfortable on his Job, he may be transferred to some other Job. His initial placement might be faulty, his health might have gone down, he may not be getting along with his supervisor or workers i.e. he might have developed personal friction with his boss or fellow employees. Remedial transfer is made to rectify the situation caused by faulty selection and placement procedures.
- d) **Job Rotation Transfers:** It is used to train the employees in different jobs with the aim of increasing their versatility and improving their chances of promotion.
- e) **Shift Transfers:** In case industrial concerns, there are normally three shifts. Usually these shifts are rotating. In case shifts are not rotating, some employees may be transferred from one shift to another.
- f) **Interplant Transfers:** If a transfer is from one plant to another, it is known as interplant transfer. This may be done to oblige a good worker by moving him to the plant of his choice or to punish worker by moving him to the plant which may far away from his residence.

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

#### 8.4.3 Benefits of transfer

- Transfers reduce the employees monotony boxdom and causes the morale.
- Transfers correct the erroneous placement and interpersonal conflicts.
- Transfers prepare the employee to meet the organisational changes and meet the fluctuations in business and organisational requirements.

#### 8.4.4 Disadvantages :

- It causes and cost to the employee.
- There will be in loss to mandates.
- Reduction in employee contributions.
- Adjustment problems arises.

**Activity B :**

Think of various types of transfers implemented in your organisation.

.....

.....

.....

**8.5 Separations:**

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

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

**8.6 Summary**

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

**8.7 Key words :**

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

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

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

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

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

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

### 8.8 Self Assessment Questions :

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

### 8.9 Further Readings :

Pigors P. and Mayor C.A. Personnel Administration, 1951.  
Robbins, Stephens, P. The Administrative procers, Printice Hall of India, New Delhi, 1978.  
Rudra Basavaraj MN, Dynamics of Personnel Administration, Bomaby, 1985.  
Davis Keith, William G. Human Relations and organisational Behaviour, Mc Graw Hill, New York, 1975.

J.J.R.L. Bharathi Devi

**M.Com –ACCOUNTANCY/BANKING**

**I Semester**

**Paper V: HUMAN RESOURCE MANAGEMENT**

**Time: 3 hours**

**maximum: 70 marks**

**SECTION –A (5X3=15 marks)**

**Answer any FIVE of the following**

1. (a) Scope
- (b) Job design
- (c) Replacement Chart
- (d) Recruitment
- (e) Induction
- (f) Counselling
- (g) Career Planning
- (h) Management Inventory

**SECTION – B (4x10 =40 marks)**

**Answer any Four of the following questions**

2. Explain Objectives & Principles of Human Resource Management
3. Discuss briefly about Job description and Job specification
4. Define Human Resource Planning. Explain its forecasting techniques.
5. What is Recruitment? Explain the sources of recruitment.
6. Define Selection. Discuss various steps in selection process.
7. Discuss briefly various performance evaluation techniques.

8. Explain about evaluation of training programmes.

9. Discuss the concept of promotion and demotion.

**SECTION C(1x15 =15 marks)**

**Answer the following questions**

10. Discuss briefly regarding various selection tools.

OR

11. Explain about Internal and External Environment that effect HRM Programmes.

105CO21

---

ORIGINALITY REPORT

---

57%

SIMILARITY INDEX

54%

INTERNET SOURCES

15%

PUBLICATIONS

33%

STUDENT PAPERS

---

MATCH ALL SOURCES (ONLY SELECTED SOURCE PRINTED)

---

25%

★ [www.coursehero.com](http://www.coursehero.com)

Internet Source

---

---

Exclude quotes Off

Exclude bibliography Off

Exclude matches Off



FINAL GRADE

/0

GENERAL COMMENTS

PAGE 1

PAGE 2

PAGE 3

PAGE 4

PAGE 5

PAGE 6

PAGE 7

PAGE 8

PAGE 9

PAGE 10

PAGE 11

PAGE 12

PAGE 13

PAGE 14

PAGE 15

PAGE 16

PAGE 17

PAGE 18

PAGE 19

PAGE 20

PAGE 21

PAGE 22

PAGE 23

PAGE 24

PAGE 25

PAGE 26

PAGE 27

PAGE 28

PAGE 29

PAGE 30

---

PAGE 31

---

PAGE 32

---

PAGE 33

---

PAGE 34

---

PAGE 35

---

PAGE 36

---

PAGE 37

---

PAGE 38

---

PAGE 39

---

PAGE 40

---

PAGE 41

---

PAGE 42

---

PAGE 43

---

PAGE 44

---

PAGE 45

---

PAGE 46

---

PAGE 47

---

PAGE 48

---

PAGE 49

---

PAGE 50

---

PAGE 51

---

PAGE 52

---

PAGE 53

---

PAGE 54

---

PAGE 55

---

PAGE 56

---

PAGE 57

---

PAGE 58

---

PAGE 59

---

PAGE 60

---

PAGE 61

---

PAGE 62

---

PAGE 63

---

PAGE 64

---

PAGE 65

---

PAGE 66

---

PAGE 67

---

PAGE 68

---

PAGE 69

---

PAGE 70

---

PAGE 71

---

PAGE 72

---

PAGE 73

---

PAGE 74

---

PAGE 75

---

PAGE 76

---

PAGE 77

---

PAGE 78

---

PAGE 79

---

PAGE 80

---

PAGE 81

---

PAGE 82

---

PAGE 83

---

PAGE 84

---

PAGE 85

---

PAGE 86

---

PAGE 87

---

PAGE 88

---

PAGE 89

---

PAGE 90

---