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HUMAN RESOURCE MANAGEMENT-II

M.Com. (Accountancy/Banking) Semester-II

Paper-IV

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FOREWORD

Since its establishment in 1976, Acharya Nagarjuna University has been forging ahead in the path of progress and dynamism, offering a variety of courses and research contributions. I am extremely happy that by gaining 'A' grade from the NAAC in the year 2016, Acharya Nagarjuna University is offering educational opportunities at the UG, PG levels apart from research degrees to students from over 443 affiliated colleges spread over the two districts of Guntur and Prakasam.

The University has also started the Centre for Distance Education in 2003-04 with the aim of taking higher education to the door step of all the sectors of the society. The centre will be a great help to those who cannot join in colleges, those who cannot afford the exorbitant fees as regular students, and even to housewives desirous of pursuing higher studies. Acharya Nagarjuna University has started offering B.A., and B.Com courses at the Degree level and M.A., M.Com., M.Sc., M.B.A., and L.L.M., courses at the PG level from the academic year 2003-2004 onwards.

To facilitate easier understanding by students studying through the distance mode, these self-instruction materials have been prepared by eminent and experienced teachers. The lessons have been drafted with great care and expertise in the stipulated time by these teachers. Constructive ideas and scholarly suggestions are welcome from students and teachers involved respectively. Such ideas will be incorporated for the greater efficacy of this distance mode of education. For clarification of doubts and feedback, weekly classes and contact classes will be arranged at the UG and PG levels respectively.

It is my aim that students getting higher education through the Centre for Distance Education should improve their qualification, have better employment opportunities and in turn be part of country's progress. It is my fond desire that in the years to come, the Centre for Distance Education will go from strength to strength in the form of new courses and by catering to larger number of people. My congratulations to all the Directors, Academic Coordinators, Editors and Lesson- writers of the Centre who have helped in these endeavours.

Prof. P. Raja Sekhar
Vice-Chancellor
Acharya Nagarjuna University

204CO21: Human Resource Management-II

1. **Compensation**: Concept – Policies – Methods of wage payments and incentives – Employees benefits and service.

2. **Motivation**: Concept – Theories – Job satisfaction – Employees' participation and decision effectiveness.

3. **Conservative Concept**: Physical conservation Employees safety and health – Mental conservative Grievance settlement procedures – Discipline – Disciplinary proceedings Domestic enquiry – absenteeism – Turnover.

4. **Industrial relations at enterprise level**: Meaning of collective bargaining – Administering the contract – Union – Management cooperation.

5. **Human Resources Development**: Concept – Nature – Scope elements – Attitudes – Skills and skill development

6. **Methods of Human Resources development** : Potential appraisal – Individual and group coaching – Quality circles – lecture method – correspondence method – Programmed learning – binary storming – panel discussions – syndicate method – business games – Sensitivity training – T-Group training – Encounter groups – Behaviour modification – Role playing – Transactional analysis – 3.D Management.

7. **Human Resources Development Practices in India**: agencies / Institution involved in HRD – Programmes – Evaluation of HRD future and prospective of the HRD.

FURTHER READINGS:

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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.
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(204CO21)

Model Question Paper
M.Com. DEGREE EXAMINATION
First Year-: Semester-II
Paper–IV: Human Resource Management-II

Time : Three hours **Maximum : 70 marks**

SECTION A — (4 × 5 = 20 marks)
Answer any FOUR of the following

1. a. Pre-requisites of a good compensation system
   b. Incentives
   c. Modes of Employees' participation?
   d. Causes of Accidents
   e. Turnover
   f. Identify the different forms or discipline and its procedure
   g. Skills and Skill Developments
   h. Quality Circles

SECTION B — (5 × 10 = 50 marks)
Answer All of the following.

2. a. Discuss various Types of incentive plans?
   (or)
   b. Explain various Theories of Motivation?

3. a. What is meant by absenteeism ? What are its causes? Discuss in brief the steps to reduce absenteeism?
   (or)
   b. What is collective Bargaining ? Explain collective bargaining theories and strategies.

4. a. What is Human Resource Development? Explain the concept and objectives?
   (or)
   b. Explain the various methods of Human Resource development?

5. a. What is meant by Sensitivity Training? Discuss its merits and demerits?
   (or)
   b. Explain the various institutions involved in HRD programme by taking an analogy of a particular sector?

6. a. Examine the evolution of Human Resource Management?
   (or)
   b. Explain the 3-D Management

HUMAN RESOURCE MANAGEMENT-II

CONTENTS

LESSON-1

COMPENSATION

Objectives

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

- explain employer concerns in developing in compensation programme
- identify the various factors that influence the setting of compensation function.
- explain the purpose of wage survey.
- discuss the different types of compensation
- present various incentive plans
- discuss the wage policy
- examine the key considerations in fringe benefits.
- review the current approaches to fringe benefits

Structure

1.1.Introduction

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

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

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

1.2.Typesofcompensation

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

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

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

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

1.3.Pre-requisitesofagoodcompensationsystem

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

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

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

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

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

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

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

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

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

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

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

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

1.4.Typesofincentiveplans

The incentive wage systems are of the following types:

a) Halsey Premium Plan

b) Rowan Premium Plan.

c) Emerson Efficiency Premium Plan

d) Bedaux Point Premium Plan.

e) Merrick Piece Rate System

f) Taylor Differential Piece Rate System

g) Gantt Bonus Plan

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

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

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

Answer: Wags of 6hours = 6x2 = 12 Rs
Bonus = 50% (4x2) = Rs.4
Total wages = Rs 12 + Rs 4 = Rs. 16

Features of Halsey Premium Plan:

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

ii) Standard rate of wages is also determined

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

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

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

Pros of Halsey Premium Plan:

- Every worker gets a guarantee of minimum wage
- The workers are encouraged to do more and more work.
- This system helps in maximum utilisation of time.
- It is helpful to both the employers and workers
- In this system, the satisfaction levels will be high
- System is easy and convenient
- It encourages mutual co-operation and co-ordination among employees.

Cons of Halsey Premium Plan:

- This system can't be considered as scientific.
- The workers become ignorant of work due to the reason that they get minimum gurantee wages.
- Because there is minimum guarantee, it depends on the discretion of workers to do or not to do extra work.

b) Rowan Premium Plan:

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

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

Illustration : Standard time = 10 hours

Actual time = 6 hours

Rate of wages = Rs. 2 per hour

bonus = 50%

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

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

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

Features of the Roman plan :

i) Standard time of wage is decided.

ii) Standard time of work is decided.

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

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

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

Pros:

- This is based on scientific calculations.
- The workers get higher bonus under this system.
- It checks over speeding as workers will not get bonus more than 25% of the standard time.

Cons:

- The bonus is always in decreasing proportion.
- Due to decreasing proportion of bonus, the workers do not get due encouragement
- the bonus of the very efficient and less efficient worker are the same.
- It is difficult to understand.

c) Emerson Efficiency Plan:

This plan was introduced by Mr. Hemington Emerson. Here wages are paid at the standard rate and the amount of bonus paid to the workers depends on the individual efficiency of the workers. Under this plan, the tools and equipment are standardised and the standard time for completing the work is determined so that an average worker of average efficiency may also complete the work within that standard time. The efficiency of the worker is determined in the ratio of actual time taken by the worker with standard time of the work. The bonus is calculated on the basis that bonus must be 20% of his daily wages if the efficiency exceeds 10%. If efficiency exceeds by 10% over 100% bonus will be 20% + 10% =30%. In the same way, the rate of bonus will be 40%, 50% and 60% at 120%,130% and 140% level of efficiency respectively.

d) Bedaux Point Premium:

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

e) Merric Differential Wage Multiple Piece Rate Plan:

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

f) Taylor Differential Piece Rate System:

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

Features:

i) Two rates of wages are determined.

ii) standard time of the work in determined.

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

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

Pros:

- This system is based on scientific calculations, proper work and Job Standardisation.
- It rewards an efficient worker and penalises inefficient worker.

- It helps in eliminating the workers are quite inefficient.
- Very easy to understand.
- It helps in reducing the cost of production per unit.

Cons:

- The greatest demerit of this system is that it does not guarantee minimum wages.
- The system classifies the workers into two categories.
- It is not suitable for the unity of workers.
- It may cause great dissatisfaction among the workers.

Gantt Bonus Plan:

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

Pros:

It is easy to understand and calculate.

There is guarantee for minimum wages.

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

It is also useful for employer.

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

Cons:

Workers may not bother for more work.

This system also classifies workers into efficient and inefficient.

It is against to the interests of the unions.

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

1.5.WagePolicy:

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

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

(ii) To recognise value of all the Jobs.

(iii) To ensure stable earnings.

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

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

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

1.6.PrinciplesofWageandSalariesSystem:

(i) There should be flexible wage plans.

(ii) These plans must always be consistent.

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

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

1.7.Incentives

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

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

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

i) Status

ii) Promotion

iii) Responsibility

iv) Making Job pleasant and interesting.

v) Recognition of work.

vi) Job Security

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

Social Importance of work

Team spirit

Competition

Informal groups

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

Human Relations in Industry

Participation

Communication

Building Morate

Discipline.

Activity E : Listout suitable incentived plans for your organisations.

1.8.Summary

The aim of compensation administration is to bring cost – effective structure which attract, motivate and retain competent employees. It is usually composed of the base wage or salary, any incentive or bonuses. It also consists of an organisation's policies, procedures, rules determining the compensation system. Pay dissatisfaction can influence an individuals feelings about his Job. The question of fair pay involves both internal and external equity. The organisations pay incentives to its employees on the basis of the productivity. There are several incentive plans which can be classified as individual incentive plans and group incentive plans.

1.9.Keywords

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

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

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

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

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

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

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

1.10.SelfAssessmentQuestions

1. Review the current wage policy in India?
2. Discuss the major aspects influencing wage and salary Administration at company level?
3. Review the major behavioural considerations which influence the reward system in an organisation?
4. Write a short note on Fringe Benefits
5. What do you mean by incentives? Explain various types of incentives?
6. What do you mean by Financial and Non Financial incentives?
7. What are the basic principles of wage and salary Administration?

1.11.FurtherReadings

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J.J.L.R. Bharathi Devi

LESSON-2

MOTIVATION AND JOB SATISFACTION

Objectives

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

explain the Concept of Motivation.

describe the Motivating factors illustrate the theories of Motivation.

describe job satisfaction.

explain employee's participation and decision effectiveness.

Structure

2.1 Introduction:

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

2.2 Motivation

The word motivation is derived form "Motive" which means any idea, need or emotion that prompts a man into action. Whatever may be the behaviour of human being, there is some stimulus behind it. Stimulus is dependent upon the motive of the person concerned. Motivation represents a satisfied need which creates a state of tension or disequlibrium , causing the individual to move in a good - directed pattern towards restoring a state of equilibrium by satisfying the need.

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

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

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

(Deficiency)	(Deficiency with Direction)	Needs Drives Goals/Incentives (Reduction of drivers and fulfils deficiencies)

Fig 2.1 The basic Motivation process

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

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

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

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

2.3 Theories of Motivation:

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

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

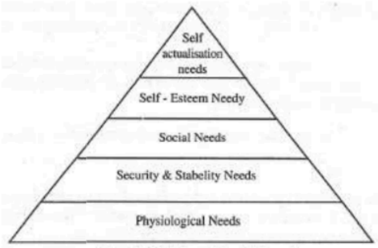

Fig : 10.2 Maslows Need Hierarchy

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

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

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

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

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

v. Self actualization needs:

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

b) Herzberg's Two- Factor Theory: -

A significant development in motivation research was by Frederick Herzberg (1959) and associates who distinguished between motivational and maintenance factors in job situation. On the basis of their research, two job factors were identified, namely, motivators and hygiene factors. That is why, Herzbergis theory is also called two factor theory.

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

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

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

c) MC Gregor's Theory X and Theory Y

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

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

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

d) Vroom's expectancy Theory of Motivation:

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

Motivation = Valence X Expectancy X Instrumentality.

Valence: Valence is the strength of an individual's preference for a particular reward; It can be take as equivalent of value, incentive, attitude, and expected utility.

Instrumentality: Instrumentality denotes an individual's estimate that performance will result in achieving the reward. Thus, if an individual has particular goal, some behaviour must be produced in order to achieve that goal. In this case, the person is motivated to achieve superior performance because he has the desire to be promoted.

Expectancy: Expectancy is the probability that a particular action will lead to a desired reward.

Motivation is the product of valence, expectancy and instrumentality. These three factors in the expectancy model may exist in an infinite number of combinations depending upon the range of valence and the degrees of expectancy and instrumentality. The combination that produces strongest motivation is high positive valence, high expectancy and high instrumentality. In essence, Vroom emphasized the importance of individual perception and assessment of organizational behaviour. His model attempts to explain how individualis goals influence his efforts.

e) Alderfer's ERG Theory:

Alderfer identifies three groups of needs, viz. Existence, Relatedness and Growth and that is why his theory is called ERG theory. The existence needs are concerned with survival or physiological well - being. The relatedness needs talk of the importance of interpersonal and social relationships. The growth needs are concerned with the individuals intrinsic desire for personal development. The ERG theory is more consistent with our knowledge of individual differences among people, such as education, age, family background, cultural environment etc.

Although, there is some evidence to counter the theory's predictive value, most contemporary analysis of work motivation tends to support Alderfer's theory over Maslow's and Herzberg's But unlike Maslow and Herzberg, he does not assert that a lower level need has to be satisfied before a higher level need, nor does he say that deprivation is the only way to activate a need.

2.4 Job Satisfaction:

The term job satisfaction was brought to limelight by Hoppock. He describes job satisfaction as 'any combination of psychological, physiological and environmental circumstances that cause any person truthfully to say that I am satisfied with my job'.

Factors of Job Satisfaction:

Hoppock identified six factors that contributed to job satisfaction among employees are as follows

a) The facility with which he adjusts himself to other persons.

b) The way individual reacts to unpleasant situations.

c) The nature of the work in relation to the abilities, interests and preparation of the worker.

d) His relative status in the social and economic group with which he identifies himself.

e) Security.

f) Loyalty,

What management can do to increase job satisfaction?

Factors controlled by the Management include job enlargement, job rotation, change of pace, scheduled rest periods, shorter hours, greater autonomy, Automation, wage rate, nature of supervision, kind of work group, promotional policy transfer policy etc.

A wide range of factors affects an individual's level of satisfaction. A high level of satisfactions leads to organizational commitment, while a low level, or dissatisfaction, results in a behaviour detrimental to the organisation. For example, employees who like their jobs, supervisors and factors related to the job will probably be loyal and devoted.

Activity B:

'Productivity is linked with job satisfaction" Justify with four personal experience.

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2.5 Employees? Participation and decision effectiveness:

The concept of employee's participation in Management is nothing new. It is considered as a mechanism where workers have say in the decision - making process of an institution formally.

In its narrow sense, Participative Management refers to the constitution of consultative councils and committees, comprising representatives of employees and employers, to recommend steps for improving productivity, machine utilisation, job loading, for effecting savings in power, light, for identifying lazy workers etc. In its broad sense, employee participation means associating representatives of employees at every stage of decision-making partcipative management is considered as a process by which the workers share in decision- making extends beyond the decisions that are implicit **in** the specific contents of the job they do.

According to Davis, 'it is a mental and emotional involvement of a person in a group situation which encourages him to contribute to goals and share responsibilities in them.'

2.6 Importance of Employees' participation

Employees' participation in management has assumed great importance these days because of the following benefits:

Reduced industrial unrest

Increased organisation balance
Reduced misunderstanding.

Improved communication.

Increased commitment.

Higher productivity

Development of individuals

Industrial democracy.

Less resistance to change.

2.7 Objectives of Employees' Participation:

The following are the main objectives of employee participation.

a) to increase the productivity for the general benefit of the enterprise.

b) to provide a better understanding to employees about their role in the working of organisation and the process of attainment of enterprise goals,

c) To satisfy the employee's needs.

d) To achieve industrial peace, better relations and increased co-operation in industry.

e) To develop the most dynamic human personality.

f) To promote the leadership qualities among the employee's

2.8 Modes of Employees' partcipation

The modes of employee's participation in management vary from Industry to industry and from country to country. The modes of employee's participation in management are:

a) Participation through works committees: A works committee consists of equal number representatives of both employers and workers. The Industrial Disputes Act, 1949, provides for setting up of work committees as a scheme of worker's participation in management. The Act provides for these bodies, in every undertaking employing 100 or more workmen. After discussion, joint decisions are taken and such decisions are binding on both the parties. Matters like wage payment, bonus, training, discipline, etc. are discussed in such meetings, works committees are extremely popular and effective in France and also in England. In India, the Bombay Industrial Relation Act, 1946, also provides for these bodies, but under the provisions of this Act, they can be setup only in units which have a recognised union and they are called joint committees.

b) Participation through joint Management councils: Joint councils of management scheme was started in the UK with formation of Whitley councils on the recommendations of the Whitley committee which was appointed by the British Government to 'recommend measures for the permanent settlement of differences between the workers and the management. In India, the' second Five year plan recommended the setting up of joint councils of management consisting of representatives of workers and the management. The Government of India deputed a study proup (1957) to study the schemes of worker's participation in management in countries like France, UK, Belgium and Yugoslavia. The subject matter of joint councils includes such problem areas as labour welfare, safety measures, grievance redressal, training, working houses etc.

c) Participation through Joint councils: The joint councils are for the whole unit and its membership remains confined to those who are actually engaged in the firm. The tenure of the joint councils is generally for two years. The CEO of the organisation becomes its Chairman. Worker's members of the council nominate the Vice-Chairman. The joint council appoints the secretary who is responsible for discharging the functions of the council. The joint councils will meet once in four months, but the periodicity of the meeting varies from unit to unit and periodicity may change i.e. once in a month or quarter. This scheme was implemented by the major units of the central and State governments.

d) Participation through collective Bargaining: Collective bargaining is an industrial relations process in which workers through their elected leaders participate on equal basis with management in negotiating labour agreements in administering the agreements and in redressing grievances of the employees. Collective bargaining is no - substitute for workers participation in management.

e) Participation through quality circles: Quality circle is a small group of employees in the same work area or doing similar type of work who voluntarily meet regularly for about an hour every week to identify, analyse and resolve work related problems not only to improve quality, productivity and the total performance of the organisation, but also to enrich the quality of work life of workers. The quality circles are voluntary associations of workers of the same work place. Quality circles involve people in solving problems and tap their brainpower effectively. During the groups initial meetings, members are trained in problem solving techniques borrowed from group dynamics, industrial engineering and quality control. These techniques include brainstorming, pareto analysis, cause and effect analyses, his to grams, control charts, stratification and scatter diagrams.

Quality circles benefit both the organisation and members. Benefits to the organisation include (a) solutions to the identified areas, (b) improvement in the job performance of members, (c) improvement in two way communication among members and the management. (d) generation of pride among the members in doing a purposeful job. (e) encouragement of participative management (f) increased managerial effectiveness. Benefits for members include: (a) improved job satisfaction (b) Satisfaction of social and psychological needs (c) self development in terms of knowledge, skills and sensitivity skills etc. (d) Satisfaction of self esteem are esteem from others.

2.9 Levels of Participation:

Participation is possible at all levels of management. The areas and degree would differ considerably at different levels of management. The levels of participation are as follows;

a) Information participation: It is the information sharing on such items as may be agreed to, like balance sheet, production, economic condition of the plants, etc.

b) Consultative participation; It is one under which the workers are consulted in such matters as welfare programme and methods of work and safety. Management may or may not accept the suggestions.

c) Associate participation: - The management is under a moral obligation to accept and implement the unanimous decision of council.

d) Administrative Participation: - Here a decision already taken, comes to the council for implementation with alternatives to select from. Matters covered here are welfare measures and safety operation of vocational training, schedule of working hours, breaks and holidays, payment of rewards for valuable suggestions received and any other matter.

e) **Decisive participation:-** Here decisions are jointly taken on matters relating to production, welfare etc.

2.10 Summary

Motivation means not only willingness to work but also willingness to work in a desired manner which may help to attain organisational objectives. The incentive can be meant to motivate employees to better performance. Every human problem has a motivational element. This is confirmed by, motivation theories indicate the factors including human needs, which influence employee motivation. Job satisfaction is the end state of feeling. Measures of job satisfaction focused on aspects directly or indirectly related to work. Workers participation is an essential step in the direction of industrial democracy. It is believed that worker is participation in management enhances productive efficiency, fosters industrial hormony, enriches human personality and renders workers participation a vehicle of industrial democracy. Participation is possible at all levels of management.

2.11 Key words:

Motivation: It means motivation is the act of stimulating someone to set on a desired course of action. It is a process of stimulating people to action to accomplish desired goals.

Morale: It is referred to "willingness to work". Job satisfaction is indicator of higher morale.

Job Satisfaction: It is mental pressure that a person derives from the job that he is employed.

Organizational Climate: It refers to those external and internal environment conditions in which an organization exists, grows and in which people of the organization work for achievement of goals.

Theory X, Theory Y: Mc Gregoris Theory that behind every management decision, there is a set of assumptions that a manager makes about human behaviour. The theory X manager assumes that people are lazy, dislike work, want no responsibility and prefer to be closely directed. The theory Y Manager assumes that people seek responsibility, like to work and are committed to doing good work if reward is received for achievement.

Trait theory: This theory attempts to specify which personal characteristics (physical, personality) are associated with leadership success. Trait theory relies on research that relates various traits o success criteria of a leader

Decision Effectiveness through Participation: It is considered as a mechanism where workers have to say in the decision making process of an institution formally.

Works Committees: These are set up where 100 or more workers employed. These consist of equal No. of workers and employers these committees try to settle day *to* day disputes.

Joint Management Councils: These are consultative bodies that are to be created where 500 or more employees. It is bipartite instructive, its jurisdiction is retrenchment, rationalization, closure etc.

Adhoc committee: A committee is formed for a specific purpose and disbanded upon completion of job.

2.12 Self Assessment Questions:

1.Define motivation. Explain Maslow's and Herzberg is theories of Motivation and their relevance to labour conditions in India.

2. Define job satisfaction and explain the factors influencing the job satisfaction.

3. Define the term employee participation in Management. Explain the objectives of worker's participation in management

4. What are the different models for employee's participation?

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LESSON-3

EMPLOYEES SAFETY AND HEALTH

Objectives

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

- explain the concept of Employee Safety and Health.
- identifying the role of Grievance Settlement and its Procedure.

  describe the concept of domestic Enquiry and disciplinary actions.
- to illustrate absenteeism and its causes.
- explain Labour turnover, causes of turnover and measures to control labour turnover.

Structure

3.1.Introduction

3.2.Types of Accidents

3.3.Causes of Accidents

3.4.Safety Programme

3.5.Industrial Health

3.6.Occupational Hazards and Risks

3.7.Occupational Diseases

3.8.Conceptof Discipline

3.9.Formsof Discipline

3.10.Causes of Indiscipline

3.11.Disciplinary Procedure

3.12.Domestic Enquiry

3.13.Absenteeism

3.14.Typesof Absenteeism

3.15.Computation of Absenteeism

3.16.Causes of Absenteeism.

3.17.Effects of Absenteeism.

3.1.Introduction

Working conditions have attracted a great deal of attention of management of business and other organisations in the recent. A revolutionary change in the attitude toward the prevention or reduction of industrial accidents and illness and toward alleviation of the undesirable results of such accidents and illness has occured. 'Every twenty seconds of every working minute of every hour throughout the world, someone dies as a result of an industrial accident'. This was how the seriousness of industrial accidents in the words of the Director General of the British Council.

Safety in simple terms, means freedom from the occurance or risk of injury or loss. Industrial safety or employee safety refers to the protection of workers from the danger of industrial accidents. Industrial safety and efficiency are directly related to a great extent. Safety measures not only relust in reduced industrial accidents but also raise industrial efficiency. Therefore, employees should lay emphasis on safety measures in their plants.

3.2.Types of Accidents

Major and Minor : Accidents may be classified as major and minor ones, depending upon the severity of the injury. An accidents which ends in a death, or prolonged diability to the injured is a major one. A scratch or a cut which does not seriously disable to worker is a minor accident, but an accident nevertheless.

Internal and External : Accident may be internal or external. If a worker falls, or an object falls on him or her, it is possible he or she may show external signs of injury, but he or she may have fractured a bone or strained a muscle or nerve - which is an internal injury.

According to T.W. Hawell, "Accident Proneness is the continuing tendency of a person to have accidents as a result of his stable and persisting characteristics".

Need for Safety : An accident - free plant enjoys certain benefits.

Cost Saving : Two types of costs are increased by the management when an accident occurs. The direct costs, in the form of compensation payable to the dependents of the victim if the accident is fatal , and medical expenses increased in treating the patient if the accident is non-fatal. The indirect costs or hidden costs are more serious than and direct cost, which the management can not avoid. In fact, the direct costs are three to four times higher than the direct costs. Hidden costs include loss on account of down-time of operations, slowed-up production rate of other workers, materials spoiled and labour for cleaning and damages to equipment.

Increased Productivity : To a large extent, safety promotes productivity. Workers in safe plants can devote more time to improving the quality and quantity of their output and spend less time worrying about their safety and well being.

Moral : An employee is a worker in the factory and the bread winner for his family. The hapiness of his family depend upon the health and well being of the worker. The management must undertake accident prevention measures to minimise the pain and suffering the injured worker and his family.

Legal : There are laws covering occupational health and safety and penalities foe non-compliance have become quite severe. The Supreme Court held :

"An enterprise which is ingaged in a hazardous or inherently dangerous industry which posses a potential threat to the health and safety of the persons working in the factory and industry in the surrounding areas, owes and absolute and non-delegate duty to the community to ensure that no harm results to any one on account of the hazardours or inherently dangerous nature. This implies unlimited liability.

3.3.Causes of Accidents

According to safety experts, there are three basic causes / factors that contribute to accidents in organisations.

- Unsafe conditions include (work related causes)
- Improperly guarded equipment.
- Defective equipment.
- Hazdous arrangement or procedure in and around, machines or equipment.
- Unsafe storage, congestion, overloading.

- In adequate safety devices.
- Wrong and faulty layout and bad location.
- Improper illumination - glare, insufficient light.
- Improper ventilation.
- Poor house keeping.

The other work related causes of accidents are

a) The job itself - some jobs are inherently more dangerous than others, such as the job of crane man in comparison to that of foreman. Similarly, work in personnel department is inherently safer than the production department.

b) Work schedules, accidents increase late in the day. They are more frequent during the night shift.

c) Psychological climate of the work place, also affects the accident rate. Psychlological, mental and emotional imbalances are at the root of several accidents.

Unsafe acts : These acts may be the result of lack of knowledge or skill on the part of employee, certain bodily defects and wrong attitudes.

- Operating without authority.
- Failing to secure equipment or warning other employees of possible danger.
- Failing to use safe attire or personal protective equipment.
- Throwing materials on the floor carelessly.
- Working at unsafe speeds, either too fast or too slow.
- Making safety devices in operative by removing, adjusting, dis connecting them.
- Using equipment unsafely.
- Using unsafe procedures in loading, placing, mixing, combining.
- Taking unsafe positions.
- Lifting improperly.
- Cleaning, adjusting, Oiling, repairing etc. moving a dangerous equipment.
- Distracting, teasing, abusing, startling, quarreling, day-dreaming, horseplany.

Other causes : These causes arise out of unsafe situational and climate conditions and variations - such as bad working conditions, rough and slippery floors, excessive glare, heat, humidity, dust and fume laden atmosphere, very long hours of work, unsatisfactory behaviours of domineering supervisors, excessive noise and carelessness in the handling of such inflammable materials such as gasoline, solvents, oil and grease, explosives, etc.

On the basis of experience and studies undertaken by psychologists other causes are

- Young, untrained new workers
- Those addicted to alcholism and drugs
- The way the management motivates employees affects the rate and frequency of accidents.
- Unmarried employees
- During night shift.
- Woman employees have a better safety record than their male counterparts.

3.4.Safety Programme

Safety programme deals with the prevention of accidents and with minimising the resulting loss and damage to persons and property. Five basic principles must govern the safety programme of an organisation.

i) Industrial accidents result from a multiplicity factors such as faulty management system arising from poor leadership from the top, inadequate supervision, insufficient attention to the safety design into the system, an unsystematic approach to the identification, analysis and elimination of hazards, and poor training facilities.

ii) The most important function of safety programmes is to identify potential hazards, provide effective safety facilities and equipment and to take prompt remedial action.

iii) The safety policies of the organisation should be determined by the top management who must be continuously involved in monitoring safety performance and in ensuring that corrective action is taken when necessary.

iv) Management and supervision must be made fully accountable for safety performance in the work places they control.

v) All employees should be given through training is safe methods of work and should recieve continuing education and guidance on elimination safety hazards and on the prevention of accidents.

3.5.Industrial Health

Concepts of Health : The term ‘health’ is a positive and dynamic concept and implies more than an absence of illness.

The World Health Organisation (WHO) has defined health as “a strate of complete physical, mental and social well being and not merely the absence of disease or infirmity”.

Industrial health refers to a system of public health and preventive medicine which is applicable to industrial concerns. According to the joint ILO and WHO committee on Organisational Health, industrial health is :

i) The prevention and maintenance of physical, mental and social well being of workers in all occupations.

ii) Prevention among workers of ill-health caused by the working conditions.

iii) Protection of workers in their employment from risks resulting from factors adverse to health; and

iv) Placing and maintenance of the worker in an occupational environment adapted to his physical and psychological equipment.

The basic objective of industrial health is the prevention of disease and injury rather than the cure of disease. The modern concept of industrial hygine differs from the traditional concept. Veil observes that the aim of industrial hygine is "the promotion and maintenance of the highest degree of the physical, mental and social well-being of workers; the prevention of factors which make for ill health in their working conditions; their protection in their occupations from risks arising from factors which are adverse to the maintenance of health, the placing and maintenance of the worker in an occupational environment which is adapted to his psychological and physiological equipment; and, to summarise, the adaptation of work to man and each man on his job."

Importance of Industrial Health : In 1959 I L O Recommendation No. 112 was envisages that:

Occupational health services should be established in or near a place of employment for the purpose of

i) protection the workers against any health hazard arising out of work or conditions in which it is carried on;

ii) contributing to establishment and maintenance of the highest possible degree of physical and mental well-being of the workers.

In India, the Royal Commission on Labour (1931),

the Labour Investigaiton Committee (1946),

the Health Survey and Development Committee (1943),

the Labour Welfare Committee (1969) and

the National Commission Labour (1969) all emphasised upon the "creation and maintenance of as health an environment as possible, in the homes of the people as well as in the places where they congregate for work, amusement or creation are essential."

3.6.Occupational Hazards and Risks

According to Ronald Blake, the normal occupational health hazards may be classified into chemical, biological, environment and psychological hazards.

Chemical substances, such as carbon monoxide, carbon dioxide, nitrogen oxide, sulphur dioxide, hydrocarbons, ozone, sulfuric acid, acetic acid, fumeric acid and tannic acid, limes and alkalies cause injury when they are absorbed by the skin or when they are ingested or inhaled. The results are often disastrous. Workers may suffer from respiratory diseases, skin deseases, allergy, heart disease, cancer and neurological disorders, all of which often shorten life expectancy.

Gases, fumes and dust raised by such processes as grinding and crushing of stones or minerals may be inhaled by workers and cause a serious injury, or even death. Coalminers often suffer from what is known as “black lung” disease.

Some of the deseases which caused by bacteria, fungi, viruses, insects, dietary dificiencies, excessive drinking, imbalances, allergies, brain fever, tetnaus, emotional stress and strains with their psychological comitants of fear, rage, worry and anxiety are called biological hazards.

Radiation, noise, vibrations, shocks and improper atmospheric conditions are included in environmental hazards.

Many manufacturing processes are accompained by big noise as is capable of impairing the hearing of a worker, making him irritable and inefficient and making it difficult if not impossible from him to hear any warning cries of an impending danger.

3.7.Occupational Diseases

Occupational diseases are the results of physical conditions and the presence of industrial poisonous and non-poisonous dust in the atmosphere. Raw materials, products, by products and waste productsmay, in the process of being extracted or manufactured, enter the body in such quantities as to endanger the health of the workers. For example, workers on lead are subject to “painter’s colic” or ‘wrist drop’ disease which may result in loss of appetite, nausea, vomiting, stomach pains, muscular and joint pains,. anaemia and intestinal disorders and it might even cause death.

Similarly manganese miners, ferro-manganese workers and dry cell battery makers are often affected by inhilation and absorption of manganese dust.

Protection Against Health Hazards : An industrial establishment should protect its employees against health hazards.

i) By substituting a less toxi substance for the hazardous chemical, by isolating the process, or by providing protective clothing, handling and warning devices, and by providing safety education.

ii) By ensuring the firms using radiation in their manufacturing process insist that thier employees wear badges which indicate the amount of radiation they have been exposed to;

iii) By devoting adequate attention to lighting, temperature and atmospheric conditions, by controlling dust, fumes and gases, and by providing protective devices, clothing, goggles and shields.

The National Commission on Labour's observation need be noted in regard to protection against health hazards. It says "There are two aspects of such protection : a) preventive and b) curative.

3.8.Concept of Discipline

Maintenance of harmonious human relations in an organisation depends upon the promotion and maintenance of descipline. Rules and regulations are essential to maintain peace, prevent anarchy, regulate behaviour of people and to hold the pieces together. Moreover, most of the employees prefer to work under disciplined environment as fair rules protect the individuals and the organisation and enable team work. Further, disciplinary measures ensure just and equal treatment to all employees, efficient two-way communication, encourages cooperation and builds team pride.

Discipline in the brodest sense means a strict and technical observance of rigid rules and regulations. It simply means working, cooperating and behaving in a normal and orderly way, as any responsible person would expect an employee to do.

According to Ordway Tead, discipline is "the orderly conduct of affairs by the members of an organisation, who adhere to do necessary regulations because they desire to cooperate harmoniously in forwarding the end which the group has in view, and willingly recognise that. To do this, their wishes must be brought into a reasonable union with the requirements of groups in action."

Discipline is said to be good when employees willingly follow company's rules and it is said to be bad when employees follow rules unwillingly or actually disobey regulations.

3.9.Forms of Discipline

These are two aspects of discipline, viz Positive and Negative aspects.

a) Positive Aspect : Employees believe in and support discipline and adhere to the rules regulations and desired standards of behaviours. Discipline takes the form of positive support and reinforcement for approved actions and its aim is to help to individual in moulding his behaviours and developing him in a corrective and supportive manner. This type of approach is called positive approach or constructive discipline or self discipline.

b) **Nagative Aspect :** Employees sometimes do not believe in and support discipline. As such they do not adhere to rules, regulations and desired standard of behaviours. As such, a disciplinary programme forces and constraints the employees to obey orders and function in accordance with set rules and regulations through warnings, penalities and other forms of punishment. This approach to discipline is called negative approach, corrective approach or punitive approach.

Objectives of Discipline : The objectives of Discipline

- To impart an element of certainty despite several differences in informal behaviour patterns and other related changes in an organisation.
- To develop among the employees a spirit of tolerance and a desire to make adjustments,
- To give and seek direction and responsibility.
- To obtain a willing acceptance of the rules, regulations and procedures of an organisation.
- To increase the working efficiency and morale of the employees, and
- To create and atmosphere of respect for the human personality and human relations.

3.10. Causes of Indiscipline

The main causes of indiscipline are as follows :

- Non-placement of the right person on the right job;
- Undesirable behaviour of senior officials and supervisors;
- Faulty evaluations of persons and situations by executives leads to favouritism and nepotism;
- Lack of upward communication;
- Leadership which is weak, flexible, incompetent, and distrustful of subordinates is often an instrument which makes for the creation of indiscipline among employees;
- Defective supervision and an absence of good supervisors.
- Lack of porperly drawn rules and regulations;
- The divide and rule policy of the management;
- Illiteracy and the low intellectual level of workers as well as their social background.
- Workers' reactions to the rigidity and multiplicity of rules and their inproper imterpretation;
- Workers' personal problems
- Intolerably bad working conditions.

- Absence of enlightened, sympathetic and scientific management.
- Discrimination based on caste, colour, creed, sex, language and place in matters of selection, promotion, transfer, placement and discrimination in imposing penalities and handling out rewards.
- Undesirable management practices, policies and activities aiming at and control of workers.
- Improper co-ordination, delegation of authority and fixing of responsibility, and
- psycholosical sociological reasons, including misunderstanding rivalry and distrust among workers and supervisors.

3.11.Disciplinary Procedure

Disciplinary procedure in industry comprise of the following steps :

a) Charge sheet is Framed and Issued : When the top management of the organisation comes to the conclusion that an act of misconduct committed by an employee warrants disciplinary action, the concerned employee should be issued a charge - sheet. The charge sheet should indicate the charges of indiscipline clearly and precisely and also the sufficient time should be given to the employee.

b) Consideration of the Explanation : When the delinquent employee admits in an unqualified manner, about his misconduct, there is no need for conducting any enquiry further. When the management is not satisfied with the employee's explanation, there is need for serving a show cause notice.

c) Show - Cause Notice : In the show-cause notice, the employer provides another change to the employee to explain his conduct and rebut the charges made against him. This notice is issued by the manager, who decides to punish the employee.

d) Issue of Notice of Enquiry : If the explanation received from the employee is found to be unsatisfactory, a notice of enquiry, mentioning the time, date and place, has to be given to him in which the name of the person or officer who would conduct the enquiry would also be mentioned.

e) The Holding of Enquiry : On the appointed day and at the appointed place and time, the enquiry is held by the enquiry officer in the presence of the employee. The details of the enquiry are recorded and the report is signed by the enquiry officer and the employee. All the supporting evidence and documents may be called by the enquiry officer and throughly examined.

f) The Findings : Once the enquiry is over, the enquiry officer has to give his findings, which should invariably contain the procedure which was followed, the parties statements, the documents produced and examined, the charges made and the explanations given and the evidence produced. He should specifically mention which charges have been proved and which have not been proved. He then submits his findings to the authorities empowered to take a disciplinary action against the employee.

g) Decision : On receiving the report, the executive authorised to take a decision thereon passes an order of punishment.

h) Communication of the order : A copy of the order is then handed over to the employee.

Activity A : Present grievance procedure of your organisation or the organisation you are familiar with.

3.12.Domestic Enquiry

Concept : There is no statutory regualtion of disciplinary actions or procedures. However, case law has been developed by the various courts such as the supreme court, the High courts, Labour Courts and Industrial Tribunals in India. Their various awards have indicated a detailed procedure for taking disciplinary action and made it compulsory on the part of the management to hold a domestic enquiry before the worker is punished for misconduct.

For holding enquiry, the management appoints the company officer / immediate superior / the personnel manage incharge of discipline may act as an enquiry officer. Sometimes, officer from other than the personnel department and the department to which the employee belongs, may be appointed as the enquiry officer. Domestic enquiry has to be held in the presence of the accused. The law does not permit a non-employee at the enquiry nor does it permit outside interference. Examination and cross examination should be free and proper and all documents are open to be seen by the parties. In case the accused does not turn up before the enquiry officer without any notice or reasonable cause or refuses to participate in the enquiry, then it could be conducted exparte. The findings of the enquiry officer then go to the management for proper action. Management implements the report, it is satisfied with the enquiry. Otherwise, management may order for an external enquiry.

Activity : A

Listout your comments on the process of holding Domestic Enquiry in your organisation.

Disciplinary Actions

a) Oral Warning

b) Written Warning

c) Suspension or lay off

d) Pay cut

e) Demotion

f) Dismissal or Termination

3.13.Absenteeism

Absenteeism is one of the image human problems in many organisations. Employee's presence at work place during the scheduled time is highly essential for the smoothly running of the production process in particular and the organisation in general. Despite the significance of their presence, employees sometimes fail to report at the work place during the scheduled time, which is known as 'absenteeism'.

Edwin B. Flippo defined the term absenteeism as "absenteeism is said to be there when an employee fails to come to work when he is scheduled to work".

According to Webster's Dictionary, "absenteeism is the practice or habit of being an absence and an absentee is one who habitually stays away."

Labour Bureau, Simla, defined the term absenteeism as "the failure of a worker to report for work when he is scheduled to work".

3.14.Types of Absenteeism

Absenteeism is of four types. They are :

a) Authorised Absenteeism : If an employee absents himself from work by taking prior permission from his superior.

b) Unauthorised Absenteeism : If an employee absents himself from work withou taking prior permission from his superior.

c) Wilful Absenteeism : If an employee absents himself from duty wilfully is called wilful absentecism.

d) Absenteeism caused by circumstances beyond one's control : If an employee absents himself from duty owing to the circumstances beyond his control like involvement in accidents or sudden sickness.

3.15.Computation of Absenteeism

The two rates are calculated by using the following methods :

$$\text{Absence Rate} = \frac{\text{authorised leave + Unauthorised leave}}{\text{man shifts actually worked}} \text{ x } 100$$

a) $$\text{Absenteeism Rate} = \frac{\text{Numberof Mandays lost through absence}}{\text{Number of Mandays Scheduled to work}} \text{ X } 100$$

b) $$\text{Absenteeism Rate} = \frac{\text{Total hours of absence}}{\text{Total hours Scheduled to work}} \times 100$$

It has been observed that the absenteeism rates may be calculated for all employees, monthly or annually, department and division wise, long term and shorterm absences may also be calculated.

Absenteeism is a universal problem in industry. It becomes a problem when it exceeds 10% as it distrurbs the production schedules and creates many problems. Personnel researches have found that generally a small percentage of employees account for a large percentage of absenteeism. Research studies have further revealed that :

a. The day before and after a holiday are liable to higher rate of absentecism.

b. Women are absent more often than men.

c. Bad weather increase rate of absenteeism, especially among employees who live at distant places.

d. Employees under the age of 25 years and above the age of 55 years are absent more often than those in the age group of 26 to 55 years.

e. Operative employees are absent more frequently than the suprevisors and managers.

3.16. Causes of Absenteeism

The main causes of absenteeism are :

i) Nature of work

ii) poor working conditions

iii) Absence of Regular Leave arrangement

iv) Accidents

v) poor control

vi) Social and Religious Ceremonies

vii) Irregular Transport facilities

viii) Unsatisfactory Housing

ix) Alcoholism and Gambling Habits

x) Attraction to village life

xi) Unsound personnel policies

3.17.Effects of Absenteeism

Absenteeism of labour is harmful to both the employers and the workers as follows :

a. Disturbance of Normal work-flow

b. Aggregate production in the factory goes down.

c. Difficulty is faced in executing the orders in time.

d. Casual workers any have to be employed to meet production schedules. Such employees are not trained properly.

e. Overtime allowance bill increases due to higher absenteeism.

f. Workers lose wages for the unauthorised absence from work.

g. Habitual absentees may be removed from service causing them great heldship

3.18Measures to control Absenteeism

Absenteeism affects the organisation from multiple angles. It severely affects the production process and the business process. The possible measures which an employer can adopt are as follows :

i) Proper selection

ii) Proper orientation

iii) Better working conditions

iv) Provision of Transport and housing facilities

v) Incentive bonus to regular employees

vi) Disciplinary action

vii) Prevention of accidents

viii) Effective supervision and counselling

Activity : C

What mechanism the top management adopt to control high absentecism rate.

3.19.Labour Turnover

Labour or employees who are not satisfied with their career in the present organisation may seek suitable employment in other organisations. It means movements, shifting or migration or workers from one unit to another or from one industry to another. Labour turnover may be defined as "the rate of change in the working staff of a concern during a definite period." Turnover is the net result of the exit of some employees and entrance of others to the organisation.

3.20.Computation of Turnover

The rate of labour turnover is generally computed in a number a different formulas which involves such forms as accessions i.e additionts of new canditdates separations i.e quits, deischarges, retirements, replacements i.e one accession plus separation, and average work force i.e the number at the beginning of a period plus the number at the end divided by 2.

$$\text{Accession Rate} = \frac{\text{Total Accessions per year}}{\text{Average number of Employees for the year}} \text{ X } 100$$

$$\text{Separation Rate} = \frac{\text{Total separations per year}}{\text{Average number Employees for the year}} \text{ X } 100$$

$$\text{Composite Rate} = \frac{\text{Total Accessions per year} + \text{Total separations per year}}{\text{Average number of Employees for the year}} \text{ X } 100$$

Example : In Sai Industries ltd, the average work force per month is 2000, and there are 40 accessions and 50 separations during that period.

i. $\text{Accession Rate} = \frac{40}{2000} \text{ X } 100 = 2$ Percent

ii. $\text{Separation Rate} = \frac{50}{2000} \text{ X } 100 = 2.5$ Percent

iii. $\text{Composite Rate} = \frac{(40+50)/2}{2000} \text{ X } 100 = \frac{45}{2000} \text{ X } 100 = 2.25$ Percent

Impact of Turnover : A small percentage of labour turnover is inevitable and is bound to exist in all industrial units including even those where wages and working conditions are extremely attractive and satisfactory. The heavy rate of turnover is a great handicap for workers and industry alike, for it implies a reduction in skill and efficiency on the part of the worker and reduced out put for the industry.

With in the reasonable level of labour turnover is inevitable and even natural, particularly when it stems from the retirement of old employees and the accession of new blood. Such turnover may not only be avoidable but is welcome to some extent. This turnover is harmful to the efficiency of the worker and impairs the quality of production. It is a serious obstacle to the full utilisation of a countrys' human and material resources. High labour turnover is not desirable as it affects both employers and workers adversely.

3.21.Costs of Labour Turnover

Turnover may prove to be a costly process. The following costs are involved when an employee leaves an organisation.

i) Procurement costs, involving time and facilities for recruitment, interviewing and placements.

ii) Training costs, involving the time of supervisor, personnel departmental and trainee.

iii) Loss of production in the internal between separation of old employee and replacement by the new.

iii) The pay of a learner is in excess of his productivity.

iv) The pay of a learner is in excess of his productivity.

v) Accident rates of new employees are often higher.

vi) Scrap and waste rates increase when new employees are involved.

vii) Overtime pay may result from an excessive number of separations causing trouble in meeting contract delivery dates.

viii) There may be low employee morale and team spirit due to labour instability.

3.22.Causes of Labour Turnover

Labour turnover is the outcome of resignations and dismissals. Resignations may be due to such causes as dissatisfaction with working conditions, insufficient wages, bad health, sickness, old age, family circumstances and exodus to the village for agricultural operations. All these causes are avoidable. The unavoidable causes are not due to the fault of management but are due to other factors which are not under its control. Employees may leave because of personal betterment, illness, accident, unsuitable for job or misconduct on his part, transport problem, housing problem, retirement, death, domestic affairs like marriage, pergnency in case of female employees etc.

3.23.Measures to Control Labour Turnover

Abnormal rate of labour turnover is bad both for the worker and the industry. Remedial measures should be taken after ascertaining the exact reasons for leaving. Labour turnover may be reduced by proper planning of manpower requirements so that it is not redundant. Other remedial measures are

i) Use of proper tests and interviews while selecting the personnel.

ii) Improvement in recruitment and practices.

iii) Adequate training to the as well as existing employees.

iv) Security of service in the organisation.

v) Impartial promotion and transfer policies.

vi) Introduction of a satisfactory wage plan.

vii) Reasonable amenities and welfare measures.

viii) Settingup of grievances and redressal machinary.

ix) Provision of retirement benefits.

x) Improved channels of communication.

3.24.Summary

Safety in simple terms, means freedom from the Occurance or risk of injury or loss. Employee safety refers to the protection of workers from the danger of industrial accidents. Every twenty seconds of every working minute of every hour throughout the world, someone dies as a result of an industrial accident. Safety programme deals with the prevention of accidents and with minimising the resulting loss and damage to persons and property. The basic objective of industrial health is the prevention of disease and injury rather than the cure of disease. Discipline is said to be good when employees willingly follow company's rules unwillingly or actually disobey regulations. Absentecism is one of the major human problems in many industrial organisations. Absenteeism is harmful to both the employers and the workers and it affects the organisation from multiple angles. Labour is a serious obstacle to the full utilisation of a country's human and material resources. High labour turnover is not desirable as it affects both employers and workers adversely.

3.25.Key words

Industrial Safety: It refers to the protection of workers from the danger of industrial accidents.

Industrial health: A state of complete physical, mental, and social well being and not merely the absence of disease.

Accident: It is occurrances in an industrial establishment causing bodily injury to a person, which make him, unfit to resume his duties in the next 48 hours.

Proneness: Some people may be more often involved in accidents than others. They are accident-prone. Causes: Muscular weakness, emotional instability, visual disability, recklessness, hostility and indifference etc.

Discipline: It is regarded as force that prompts the individual and the group to observe rules, regulations and procedures to attain the objectives of organization.

Industrial dispute: It is "any dispute or difference between employers and employers and employees and employees or between employers and employees which is connected with the employment or non-employment or with the conditions of work of any person.

Absenteeism: It is absence of the employee from work when he is scheduled to be at work. It is unauthorized, unexplained, avoidable and willful absence from work.

Turnover: It signifies the shifting of the work force into and out of an organization. It is a measure of extent to which old employees leave and new employees enter into a service in a given period of time.

3.26.SelfAssessment Questions

1) What is employee Safety ? Explain the steps in safety programme ?
2) What is industrial health ? Explain the importance of Industrial health in organisation ?
3) Eloborate occupational Hazards and Risks. What are the protections against Health Hazards in industries ?
4) What is discipline ? Identify the different forms or discipline and its procedure ?
5) How do you conduct domestic enquiry in an organisation ?
6) What is meant by absenteeism ? What are its causes? Discuss in brief the steps to reduce absenteeism?
7) Define labour turnover. How is it measured ? What are its effects on employers and employees ?

3.27.Further Readings

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Lesson-4

INDUSTRIAL RELATIONS

Objectives

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

- identify the role Industrial Relations at enterprise level
- understand the meaning of collective bargaining
- explain the contract and its administering
- describe union-Management cooperation

Structure

4.1.Introduction

4.2.Industrial Relation sat enterprise level

4.3.Meaning of Collective Bargaining.

4.4.Features of Collective Bargaining.

4.5.Purpose of Collective Bargaining

4.6.Functions of Collective Bargaining

4.7.Process of Collective Bargaining.

4.8.Prerequisites for Successful Collective Bargaining

4.9.Factors Responsible for limitedgrowth of Collective Bargaining

4.10.Union-Management Cooperation

4.11.Summary

4.12.Key words

4.13.Self Assessment Questions

4.14.Further Readings.

4.1Introduction

Human resources practices result in creation of relationship between the employer and employee in an industry or a firm. Where willing cooperation emanates from employees towards the achievement of organisational goals, that is said to be good industrial relations. A correct perspective of the industrial relations position is possible on an appreciation of the stages of development through which a country has passed over a period of time to the present moment.

The Concept : The concept of industrial relations has generally developed as a consequence of the Industrial Revolution as, prior to this, the master and servant relationship which existed was simple and of a personal nature, with acceleration in industrialisation, the relations aspect became complex and impersonal. Under the early factory system, the worker was looked upon as a commodity which could not only be easily secured but also replaced. The attitude was that of considering the supply and demand position as in case of a commodity.

Definition : According to Dale Yoder, industrial relations is a "whole field of relationship that exists because of the necessary collaboration of men and women in the employment process of an industry."

According to the International Labour Organisation (ILO)

"Industrial Relations deal with either the relationship between the state and employer's and worker's organisations or the relation between the occupational organisations themselves."

The concept of industrial relations has been extended to denote the relations of the state with employers, workers and their organisations.

The importance of industrial relations in the words of Pandit Jawaharlal Nehru, "The alternative (to industrialisation) is to remain in a backward, under developed, poverty stricken and a weak country, we cannot even to retain our freedom without industrial growth."

4.2.Industrial Relationsat Enterprise Level

The industrial relations function was not given the importance it deserved, both in terms of manpower as well as in terms of continuity of action or thought. The managerial response was quite often adhoc in dealing with a problem - a patch up job rather than a detailed understanding of the symptoms and subsequent formulation of both long-term and short term strategies. As the employer was in a domination situation, he dictated both the wages as well as the conditions of service of the workers resulting in many industrial and social ills such as low wages, unduly long hours of work, poor working conditions and persecution of trade union activity. The flight of workers was miserable, not only in India but in other countries such as the United Kingdom and other European countries.

A new awakening among the working class was brought about after the First World War and the industrial relations position took a new turn. Employees began to take retaliatory action to help themselves get a new deal . They began to strike. In their turn, the employers retaliated by declaring lock-outs and industrial war began. In the beginning, the government did not intervene to settle disputes or ensure good industrial relations except in case of prolonged strikes where it appointed committees of in enquiry.

Causes of Poor Industrial Relations at Enterprise Level : The major source of poor industrial relations resulting in inefficiency and labour unrest is mental laziness on the part of both management and labour. Management is not sufficiently concerned to ascertain the causes of inefficiency and unrest following the laissez - faire policy, until it is faced with strikes and more serious unrest. The following are the causes of poor industrial relations.

i) mental inertia on the part of management and lobour.

ii) an intolerant attitude of contempt towards the workers on the part of management.

iii) inadequate fixation of wage and wage structure.

iv) Unhealthy working conditions

v) indicipline

vi) lack of human relations skill on the part of supervisors and other managers.

vii) desire on the part of the workers for higher bonus and DA;

viii) inappropriate introduction of automation without providing the right climate;

ix) Unduly heavy workloads.

x) inadequate welfare activities.

xi) dispute on sharing the gains of productivity.

xii) unfair labour practices, like victimisation and undue dismissal.

xiii) retrenchment, dismissals and lockouts on the part of management and strikes on the part of the workers.

xiv) inter-union rivalries.

Conditions for Good Industrial Relations at Organisational Level : Every organisation should strive to induce good industrial relations, thus ensuring industrial peace and avoiding lobour unrest such as strikes, work stoppages, demonstrations, gheraos and slogan shouting. Importance of good industrial relations and concern for welfare of the labour is best expressed in the words of J R D Tata “ The welfare of the labouring classes must be one of the first cares of every employer. Any betterment of their conditions must proceed more from the employers downward rather than be forced up by demands from below, since labour, contented well housed, well fed and generally well looked after, is not only an asset and advantage to the employer, but serves to raise the standard of industry and labour in the country."

The following are the conditions for good industrial relations :

i) Recognition by the employer that the workers are a part of a team working towards common objectives;

ii) An attitude on the part of the employee of delivering the goods, that is, giving their money's worth;

iii) Fair redressal of the employee's grievances such as regarding working conditions, facilities, attitude of superiors and other rights.

iv) Avoidance by workers of being unduly influenced by political leaders staging strikes as a protest or a publicity for their own political gains.

v) Payment of fair wages and adequate wage structure.

vi) Adoption of a policy which ensures to the workers an equitable share of gains of increased productivity

vii) Introduction of a suitable system of employee's education at all levels.

viii) Training in industrial relations and human relations to workers; technical staff and at all managerial levels.

ix) Sufficient communication network system.

x) Establishment of an atmosphere of participation whether through joint committees or other methods.

4.3.Collective Bargaining

The word collective bargaining is coined by Sydney and Beatice Webb. According to them it is a method by which trade unions protect and improve the conditions of their members. In the broadest sense, collective bargaining about wages and salaries and other conditions of work.

According to the Encyclopaedia of Social Sciences, "Collective bargaining is a process of discussion and negotiation between two parties, one or both of whom is a group of persons acting in consent. The resulting bargain is an understanding as to the terms and conditions under which a continuing service is to be performed.. More specifically, collective bargaining is a procedure by which employers and a group of employees agree upon the conditions of work."

In the words of Edwin B-Flippo, "collective bargaining is a process in which the representatives of a labour organisation and the representatives of business organisation meet and attempt to negotiate a contract or agreement, which specifies the nature of employees - employer - union relationship."

According to Dale Yoder, "collective bargaining is the term used to describe a situation in which the essential conditions of employment are determined by a bargaining process undertaken by representatives of a group of workers on the one hand and of one or more employers on the other."

Collective bargaining may be classified into two major categories

a) Single - employer bargaining and

b) multi - employer bargaining.

Single employer bargaining takes place between one organisation and either one union, or more than one unions where there are several unions at different plants. Multi - employer bargaining signifies collective bargaining between the employee's federation and the workers of an industry represented by the federation of all the trade unions

4.4.Featuresof Collective Bargaining

The main features of collective bargaining are as under

i) It is a group process of representatives of both the management and the workers.

ii) It is a collective action as opposed to individual action and is initiated through the representative of employees.

ii) It is a flexible, mobile and dynamic process.

iv) It is a continuous process between the management and trade unions.

v) It is based on give and take approach.

vi) It is a method of participation of employers in management.

vii) It is an attempt in achieving and maintaining discipline in industry.

viii) It is an attempt in achieving and maintaining good human relations.

4.5.Purposeof Collective Bargaining

The purpose of collective bargaining is very wide and it covers a variety of issues affecting employment relationships between the workers and the management.

The Indian Institute of Personal Management, Culcutta suggested the following purposes.

i) purpose of agreement, its scope and the definition of important terms;

ii) Rights and responsibilities of the management and of trade union;

iii) Wages, bonus, production norms, leave, retirement benefits and terms and conditions of service;

iv) Grievance redressal procedure;

v) Methods and machinary for the settlement of possible future disputes, and

vi) Termination clause.

4.6.Functions of Collective Bargaining

Over the past few decades, collective bargaining plays an important role in preventing industrial disputes, settling these disputes and maintaining industrial peace by performing the following important functions.

i) Establish uniform conditions of employment;

ii) Increase the economic strength of employees and management;

iii) Promote the stability and prosperity of the company.

iv) Lay down fair rates of wages and other norms of working conditions.

v) Secure a prompt and fair redressal of grievances.

vi) It provides a solution to the problem of sickness in the industry and ensures old age pension benefits and other fringe - benefits.

vii) It creates new and varied procedures for the solution of the problems as and when they arise.

viii) As a vehicle of industrial peace, collective bargaining is the most important and significant aspect of labour, management relations, and extends the democratic principle from the political to the industrial field.

Administering of Collective Bargaining Contract : The administering of collective bargaining has been suggested by Indian Institute of Personal Management in the following stages.

--- Composition of the Negotiating team.

--- Make a good beginning.

--- Maintain continuity of talks.

--- Develop a problem - solving attitude

--- Encourage leadership

--- Bringing in other managers.

4.7.Process of Collective Bargaining

There are three stage in collective bargaining, viz i) Negotiation of Agreement, ii) Implementation of Agreement and iii) Renewal and Revision of Agreement.

Negotiation of Agreement : After careful advance preparations by employers and employees are necessary because of the complexity of the issue and the points to be discussed during negotiations. The negotiating phase with each side presenting its initial demands. The negotiation goes on for days until the final agreement is reached. Agreements,, when possible, reflect a sense of compromise in a give and take spirit and also manipulation power equilibrium between the parties. The success of negotiation depends on skills and abilities of the negotiations. The signed agreement becomes a contract between the parties.

Implementation of Agreement : After an initial agreement has been made, the two sides usually return to their respective constituencies to determine whether what they have informally agreed upon is acceptable. Agreements are also to be made for implementation and for attending to complaints arising out of interpretation of the agreement. Infact, it may specify the modus operandi to resolve disputes arising out of the agreement.

Renewal and Revision of Agreement : At times agreements mention the period of their operation after which they can be determined, renewed or revised. Some times provision is made for revising the agreements during the period of its operation to meet the contingencies arising from changes in economic and other conditions. Management may sincerly have to start informal consultations for its revision during its operation, or when it is about to expire. Generally unions start demanding the revision of the agreement before its expiry.

Activity A : Explain the collective Bargaining procedure with respect to your organisation.

4.8.Prerequisites for successful Collective Bargaining

Collective bargaining is an institutionalised representative process. The following are prerequisites for the success of collective bargaining.

a) Freedom of association.

b) Mutual trust and confidance.

c) Strong and Stable Union.

d) Permanent Bargaining Machinery.

e) Political environment

f) Bargainer's Authority

g) Government encouragement

h) Right of employees and employers to strike and lockout.

4.9.Factors responsible for the Limited growth of Collective Bargaining

Though it is fact still remains that in India Collective bargaining has not made that much of headway as in developed and some developing countries and its influence on industrial relations in general and determination of wages and other conditions of employment is only marginal. The causes for the limited development of collective bargaining in India are

a) Lack of mutual acceptance.

b) The Unions are too weak to bargain.

c) Excessive regulation by Government.

d) Restriction on the rights of employees and employers.

e) Unfavourable political and economic climate

f) Lack of mutual trust and goodwill.

g) Attitude of management.

h) Reduced area of collective bargaining due to encouragement of other institutions like wage boards, statutory fixation of minimum wages and payment of bonus, hours of working, overtime payments, holidays, leaves etc.

Recommendations of National Labour Commission for successful functioning of collective bargaining : Aspects relating to the factors responsible for the limited growth of collective bargaining were examined by the National Commission on labour in 1969 and recommended the following steps for considering the problem.

a) Government intervention in industrial relations particulary in the settlement of industrial disputes should be reduced gradually to the minimum possible compulsory adjudication of disputes should be used only as a last resort.

b) Trade unions should be strengthened both organisationally and financially by amending the Trade union Act of 1926 to make registration of unions compulsory, enhance the union membership fee, reduce percentage of outsiders in the union executive and among the office - bearers, and increase the minimum number of members of union applying for registration.

c) Legal provision may be made either by a separate legislation or by amending an existing enactment for :

--- compulsory recognition of trade unions and certification of unions as bargaining agents.

--- prohibition and penalisation of unfair labour practices.

--- Bargaining in good faith by both employers and unions.

--- Conferring legal validity and legitimacy on collective agreements.

4.10.Union-Management Cooperation

Trade Union represents a challenge thrown by modern industry which has been accepted by workers by organising themselves. The term trade union has been defined variously by different authors . A trade union may be defined as an organisation of employees formed or a continuous basis for the purpose of securing diverse range of benefits. Sec 2 (h) of the Indian Trade Unions Act, 1926 defined trade union as "any combination whether temporary or permanent, formed primarily for the purpose of regulating the relations between workmen and employers or between workmen and workmen, between employees and employers or for imposing restrictive conditions on the conduct of any trade or business and include any federation of two or more trade unions."

Dale Yoder defined a trade union as "a continuing long term association of employees, formed and maintained for the specific purpose of advancing and protecting the interest of the members in their working relationship."

According to G.D.H. Cole, a trade union means "an association of workers in one or more professors - an association carried on mainly for the purpose of protecting and advancing the member's economic interests in connection with their daily work."

Edwin B. Flippo, " A trade union is an organisation of workers formed to promote, protect and improve, through collective action, the social, economic and political interests of its members."

Trade unions are also seens as moral institutions which will uplift the weak and downtrodden and render them the place, the dignity, and justice they deserve.

Activity B : Please Describe below you experiences in union Management relations in your organisation and the organisation you are familian with.

Why do employees join Trade Unions : In earlier days, employees used to join trade unions to protect themselves against exploitation by management with different practices viz,. Hire and fire policiess, inhuman working conditions, niggardly wage payments and long hours of work. Specially, employees join trade unions due to the following reasons :

i) Securing permanent employment with higher salary and benefits.

ii) Improving their bargaining power and balance it with that of the management. Employees would like to resist the management's irrational, illogical and discriminatory actions.

iii) Informing employee's views aims, ideas and dissatisfaction to the management.

iv) Securing protection from unexpected economic needs like illness, accidents, injury etc.

v) Satisfying their social needs, psychological needs and belongingness and

vi) Securing power

Functions of Trade Unions : The basic function of unions is to protect and promote the interest of the employes and conditions of their employment. The other functions are as follows :

i) Collective bargaining with the management to settle terms and conditions of employment.

ii) Advise the management on personal policies and practices.

iii) Taking up the individual and collective grievances of the workers with management.

4.11Summary

With the presence of recognised unions, unionism, collective bargaining has its importance in regulating employment relations and securing harmony in industrial relations through bipartite agreements. The process of negotiation, the preparation and skills required for effective bargaining have also been cosidered. Administration of collective bargaining agreement is as important contract. Mainly there are two approaches to industrial relations - conflict and cooperation.

4.12.Key words

Industrial Relations: It is the creation of relationship between employer and employee in an industry.

Collective Bargaining: Process of negotiations between two or more parties or group of persons acting in consent with a view arriving at mutually acceptable labour agreement.

Discharge or dismissal: It involves separation of an employee from the pay roll of the organization for violation of organization rules or for inadequate performance or for misconduct.

Lay off: It is a situation where employer is unable to provide the employment to workman whose name is on the muster roll. The purpose of lay off is to reduce the financial burden on the organization.

Redeployment: Reallocation and retraining of labour as changes the technology and business situation call for labour mobility between skills.

Trade Union: A trade union is any combination of persons whether temporary or permanent, primarily for the purpose of regulating relations between workers and so on.

Arbitration: Settlement of disputes between two parties by binding decision of impartial outsider.

Adjudication: It is compulsory reference of disputes to agency set up by state for settlement of disputes.

4.13SelfAssessment Questions

1. Explain the importance of 1R. What are the major reasons for the poor I R in India.
2. What is collective Bargaining ? Explain collective bargaining theories and strategies.
3. Discuss the process of C B and prerequisites for successful collective bargaining.
4. What is the significance of union - management cooperation ?

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LESSON - 5

HUMAN RESOURCE DEVELOPMENT

Objectives

After reading this lesson, you should be able to :

- explain the concept and nature of human resource development.
- identify the various elements involved in human resource development.
- spell out the attitudes of human resources in the organisation.
- outline the skills and skill development human resource.

Structure

5.1. Introduction

Human Resource Development (HRD) is a newly emerging field of study. Although development of human beings has been in existence in some form or the other since the beginning of civilisation, a planned and systematic approach to HRD in the corporate sector emerged in the later half of the 20th century. In the past training was the only planned way of development human resources. But now HRD has emerged as an inter-disciplinary and integrated approach to the development of human resources.

Of all the resources, the 'human resource' is the most significant and the active factor of production. All other factors like capital, materials, buildings, plant and machinary, etc. remain inactive unless there are competent people to utilise them for production of goods and services desired by the society. Human brain which is the creation of nature has limitless energy to 'think and act'. The goal of achieving greater quality and higher productivity depends on the skills of people. Developing human resources, upgrading their skills and extending their knowledge and competencies would lead to organisational development. Therefore, human resource development is the key to enhancing and effective utilisation of intellectual, technological and entreoreneurial skills of human resources.

Human Resource Development is a process concerned with an organised series of learning activities designed to produce behavioural changes in the human resources in such a way that they acquire desired level of competence for present and future role.

5.2. Concept of H R D

In simple words, HRD is an organised learning experience aimed at matching the organisational need for human resource with the individual need for career growth and development. It is a system and process involving organised series of learning activities designed to produce behavioural changes in human beings in such a way that they acquire desired level of competence for present or future role.

According to Prof.T.V. Rao the best known Indian HRD expert: HRD is a process in which the employees of an organisation are continually helped in a planned way to:

- acquire or sharpen capabilities required to perform various functions associated with their present or expected future roles.
- Develop their general capabilities so that they may be able to discover their own inner potentialities and exploit them to full for their own and organisational development purpose. And
- To develop an organisational culture where superior-subordinate relationship, teamwork and collaboration among different sub-units are strong and contribute to organisational wealth (or professional well-being) and motivation and pride of the employees".

On the basis of these definitions the following features of HRD may be identified:

i) Human resource development is a planned and systematic approach to the development of people. It is not a fragmented or piece-meal approach but a total system of interacting elements designed to improve the total personality.

ii) Human resource development is a continuous process of developing the competencies, motivation, dynamism and effectiveness of employees. It is based on the belief that there is no end to the development of an individual and learning continues throughout life.

iii) Human resource development is an interdisciplinary concept. Ex—perts belonging to different disciplines tend to adopt a compartmentalised approach to HRD. But HRD involves confluence of ideas from many sciences. Sociology provides new insights in the growth and development of human systems through the study of families, communities and other groups. Psychology provides explanation of human behaviour in terms of perception. Motivation, morale, etc. It provides instruments for use in selection, introduction, training, counselling, etc. of employees. Anthropology focuses on traditions, kinship, culture etc., which is helpful in conflict management, intercultural relationships etc. Political science provides conceptual base for power, status, politics etc. Economics and management also contribute to HRD in their own ways.

iv) Human resource development has both micro and macro aspects. At the micro level, HRD is concerned with improving the skills, attitudes and behaviour of employees in organisational settings for the benefit of both the individual and the organisation. At the macro level, HRD involves improving the quality of life of people in a country. Development of people is done by providing the right environment wherein the individual may grow to his fullest stature and realise his fullest potential. HRD is a part of educational and developmental planning for nation's welfare.

v) HRD is a process not merely a set of mechanisms and techniques. The techniques like performance appraisal, counselling, training and organisation development are used to initiate, facilitate and promote this proposes. The process has no limit and, therefore, the techniques have to be reviewed and revised periodically.

5.3. Nature and Scope of H R D

i) System perspective. HRD is said to be core of a larger system known as Human Resource System. It is concerned with providing learning experience for the organisational members to develop their competencies. HRD is only a sub-system of the organisation which is integrated with all other sub systems such as production, finance, marketing, etc.

HRD is viewed as a system consisting of several interdependent and interrelated sub-systems. These include performance appraisal, potential, appraisal, role analysis, training, job enrichment, communication, etc. In designing a human resource development system, enough attention should be paid to building linkages between the various sub-systems. These linkages can be established in number of ways depending upon the components of the system.

ii) Behavioural Science Knowledge. Human Resource Development makes use of principles and concepts of behavioural sciences for the development of people. It uses knowledge drawn from psychology, sociology and anthropology for planning and implementing various programmes for the development of individuals, groups and the organisation.

iii) Continuous Process. As a dynamic and pro-active, HRD believes in and emphasises the need for 'continuous development' of personal to face the innumerable challenges in the functioning of an organisation. However, HRD mechanisms, processes, policies, etc. differ from organisation to organisation to suit the need of the situation. HRD sub-systems are deeply interlinked with the social, cultural, economic and political factors.

iv) Quality of Life. In general, HRD has its relevance to the "quality of human life improvement". At the organisation level, it is concerned with improving the quality of work life so as to achieve greater satisfaction of employees and higher level of productivity.

HRD as stated earlier, is mainly concerned with developing the competencies of people. When we call it as a people-oriented concept then several questions come to mind like should the people be developed in the larger and national context or in the smaller institutional context? Is it different a t the macro level and micro level? As things stand now, HRD applies to both institutional (micro) as well as national (macro)issues. The main objective, however, is to develop the newer capabilities in people so as to enable them to tackle both present and future challenges while realising organisational goals. However, it is useful both at macro and micro levels.

a) Macro Level : At the macro level HRD is concerned with the development of people for the nation's well being. It takes health, capabilities, skills, attitudes of people which are more useful to the development of the nation as a whole. While calculating the national income and economic growth, the prospective HRD concept examines the individuals potentialities, their attitudes, aspirations, skills, knowledge, etc. and establishes a concrete base for economic planning. However, HRD's contribution at macro level has bot gained popularity as yet.

b) Micro level : HRD has concern for grass root development in the organisations. It is small wonder, HRD is well received by companies 'management's as they realised its importance and foresaw its future contribution for the individual and organisational development. Generally, HRD at micro talks of the organisations' manpower planning, selection, training, performance appraisal, development, potential appraisal, compensation, organisational development etc. HRD's involvement in all these areas is mainly with as objective to develop certain new capabilities in people concerned to equip them to meet the present job challenges and to accept future job requirements.

5.4. Elements

As per as Elements/components /sub-systems of HRD are concerned, various tinkers and professionals have given divergent views and designed the mechanisms of HRD in different ways. T.V. Rao is of the opinion that HRD sub-systems comprise performance appraisal, potential appraisal, career planning, training, performance coaching organisation development, employee welfare, rewards, quality of work life and human resource information system. Udai Pareek refers to performance appraisal, feedback, counselling, potential appraisal, career advancement, career planning and training as dimensions of HRD. Though there is diversity among these views, but one can trace out that on some of the dimension there is unanimity of opinion among various HRD practitioners.

A well designed HRD programme should have the following elements :

a) **Performance Appraisal :** Performance appraisal is the process of determining how well a worker is performing his job. It provides a mechanism for identification of qualities and deficiencies observed in an employee in relation to his job performance. The object of appraisal is to determine the present state of efficiency of a worker in order to establish the actual need for training. The process of performance appraisal consists of:

- Setting standards for performance.
- Communicating the standards to the employees.
- Measuring the performance.
- Comparing the actual performance with the standards set.

b) **Potential Appraisal :** Potential provides necessary data which helps in preparing career plans for individuals. It aims as development of latent abilities of individuals. When organisation is diversifying its operations or introducing changes, capacities to perform new roles and responsibilities must continually be developed among employees. The HRD function has a long way to go in introducing a streamlined potential appraisal system which ensures a good match between the employees and the job.

c) **Feedback Counselling :** Feedback of performance data can be used to monitor individual development and for identifying training needs. Career counselling and verbal rewards care integral parts of review discussions between the superior and the subordinate.

Counselling serves several purposes in any organisation. IT helps in strengthening the superior and subordinate relationship, helps the executives to understand the limitation of his seniors and problems of his juniors, improves communications thereby facilitating quality decision, helps employees in recognising their strengths and weaknesses and also help evaluate the impact of their dec9isions and soon. This would help the employees in overcoming the barriers emanating from either ignorance or poor knowledge in the field. It would also help the employees in designing their action plans for their overall development and acquiring greater competencies.

d) **Training :** The success of any development programme depends on the quality of training facilities. Training is a process that involves the acquisition of skills, concepts and attitudes in order to increase the effectiveness of employees in doing particular jobs. Training is expected to provide the needful stimulus to initiate impulses of changes in management and improve efficiency, productivity and administrative effectiveness.

e) **Role Analysis :** Role analysis is a participatory process which aims at defining the work content of a role in relation to all those with whom the role occupant has significant interaction in the performance of his job.

Jobs have to be analysed for proper planning of work which is necessary for improving efficiency. Such an analysis is known as job/task analysis. It is very useful for semi-skilled and skilled jobs. However, the nature of managerial/supervisory job is more complex and interdependent on the performance and expectations of all those who are concerned with the accomplishment of the tasks in a work situation and thus one is judged not only on individual contribution but also on his 'role' in channellising the willing co-operation and efforts of those who are concerned.

f) **Career Planning :** Career planning means helping the employees to plan their career in terms of their capacities within the context of organisational needs. It is the planning of one's career and implementation of career plans by means of education, training, job search and acquisition of work experiences. It is aimed at generating among employees an awareness of their strengths and weaknesses and at helping them to match their skills and abilities to the needs of the o organisation. Without development of people in the organisation, the organisation cannot prosper. Individual career development is considered to be a three step process:

- Identifying and organising skills, interests, work-related needs and values;
- Converting these inventories into general careers, fields and specific job-goals; and
- Testing the possibilities against the realities of the organisation or the job market.

g) **Job Rotation :** The work-tasks should be rated among employees so as to broaden their field of specialisation as well as their knowledge about the organisation's operation as a whole. The work-tasks, therefore, should be rotated once a year among the various employees depending upon their qualifications and suitability to perform new roles.

h) **Quality Circle :** A quality circle is a small group of employees doing similar or related work who meet regularly to identify, analyse and solve product-quality problems and to improve general operation. The quality circles are relatively autonomous units (ideally about 10 workers), usually led by a supervisor or a senior worker and organised as work units. The workers, who have a shared area of responsibility, meet periodically to discuss, analyse, and propose solutions to ongoing problems.

The objectives of quality circles are :

- to develop, enhance and utilise human resource effectively;
- to satisfy the workers psychological needs to motivate them;
- to improve supervisory skills of employees like leadership, inter-personal and conflict resolution; and
- to utilise the skills through participation, creating and work interest inculcating problem-solving techniques etc.

i) **Reward system :** Rewarding employees performance over and above their normal wages and salaries is considered to be an important task of the HRD. In any organisation, the managers and workers have similar motivations, although the manager controls the means of achieving need-satisfaction at work and each employee seeks self-development to go as far as possible on his own ability. But frustration, slow and depression come in the way of need satisfaction. One way of overcoming of such frustration is rewarding the efficient workers for their work which may be termed as incentive. It will lead to better utilisation of human resources at all levels, which is the cheapest, quickest and surest means of increasing productivity.

j) **Organisation Development(OD) :** Organisation Development is an organisation-wide, planned effort managed from the top, placing emphasis on making appropriate intervention in the ongoing activities of the organisation. OD provides a normative framework with in which changes in the climate and culture of the organisation towards harnessing the human potential for realisation of organisational objectives is brought out. Thus, OD is a planned change strategy aimed at developing and revitalising the adaptive capacities of organisations so as to enable them respond to their internal and external environments in a pre-active manner. OD exercises include team-building programme, interpersonal sensitivity, role clarity, management by objectives and stress management.

k) **Quality of working Life(QWL) :** The conditions under which the workers work and live, assume the form of another important factor contributing to workers satisfaction or otherwise and consequently the job satisfaction. In order of priorities, it comes next to the earnings of a worker in the Indian context. For an employee to be able to work at his best, it is necessary to understand that inadequate working and living conditions produce adverse mental and physical effect on the employee, ultimately causing decline in the efficiency. The HRD system takes care of employees health and well-being of their families by providing them with better working and living conditions which generally promote a healthy atmosphere of development and motivation among employees.

l) **Human Resource Planning :** It is the process aimed at ensuring that the organisation will have adequate number of qualified persons, available at proper time, performing jobs which would meet the needs of the organisation and also provide satisfaction for the individuals involved. It is an endeavour to match demand and supply for various types of human skills in the organisation.

m) **Recruitment, Selection and Placement :** Recruitment is generation of applications for specific positions for anticipated vacancies. The ideal recruitment efforts will be to generate adequate number of suitable applicants. Selection is the process of ascertaining the qualifications, experience, skills, knowledge, etc. of applicants with a view to appraising their candidate with the most suitable job. It underlies the need for placing right men at the right job so that the best results could be obtained.

5.5. Attitudes

The HRD philosophy is based on the following Attitudes :

i) Human resource is the most important asset in the organisation.

ii) Unlike other resources, human resource can be developed and increased to an unlimited extent.

iii) A healthy climate, characterised by the values of openness, enthusiasm, trust, mutuality and collaboration is essential for developing human resource.

iv) HRD can be planned and monitored in ways that are beneficial both to the individuals and the organisation.

v) Employees feel committed to their work and the organisation, if the organisation perpetuates a feeling of belonging.

vi) Employees feel highly motivated if the organisation provides for satisfaction of their basic and higher level needs.

vii) Employees commitment is increased with the opportunity to discover and use one's capabilities and potential in one's work.

viii) It is very manager's responsibility to ensure the development and utilisation of the capabilities of subordinates to create a healthy and motivating work climate and to set examples for subordinates to follow.

ix) The higher the level of manager, the more attention should be paid to the HRD function in order to ensure its effectiveness.

x) The maintenance of a healthy organisational climate and the development of its human resource are the responsibility of every organisation.

5.6. Skills and Skill Developments

According to Rao, a successful HRD manager requires the following skills and skill developments:

a) Essential Qualities :

- Positive thinking and positive attitudes towards people.
- A high desire to learn.
- Interest in people
- Helpful attitude.
- Initiative taking or proactivity.
- Practice and perseverance.
- Communication skills.
- Objectivity in approach.
- Personal example and sense of discipline.

b) Functional Competencies :

- Knowledge of appraisal system and their functioning in various organisations.
- Knowledge of potential appraisal, assessment centres, inbasket exercises and such other potential development mechanisms.

- Knowledge of various tests, questionnaires and other measures of human and organisational processes.
- Ability to design and co-ordinate training programmes for managers, supervisors and workers.
- Professional knowledge of personnel management and basic understanding of the industrial relations.
- Knowledge of organisational culture and organisational diagnosis and development skills.
- Knowledge of career planning practices and skills to develop systems.
- Knowledge and skills in behavioural science research.
- Knowledge of role analysis methods, team building interventions, job rotation, etc.
- Knowledge of learning theories and personality development.

c) Managerial Competencies :

- Organising ability—the ability to identify talent and organise work, maintenance and monitoring and feedback of information.
- System design and development skills.
- Implementation skills.
- Change agentry skills
- Leadership abilities.

5.7. Summary

Of all the resources, the 'human resource' is the most significant and the active factor of production. All other factors like capital, materials, buildings, plant and machinery etc., remain in active unless there are competent people to utilise them for production of goods and services desired by the society. Developing human resource, up grading their skills and extending their knowledge and competencies would lead to organisational development. Therefore human resource development in a system and process involving organised series of learning activities designed to produce behavioural changes in human beings in such a way that they acquire desired level of competence for present or future role. HRD applies to both institutional (micro) as well as natural (macro) issues. Udai Pareek refers to performance appraisal, feed back, counselling, potential appraisal, career advancement, career planning and training as dimensions of HRD is important for the welfare of both the employees and employers. Therefore, an HRD manager must posses behavioural, functional and managerial skills. In Indian Industry, more and more organisations are practising HRD.

5.8. Key words

Performance Appraisal : Performance appraisal is the process by which organisations evaluate employees performance.

Organisation Development (OD) : DD is an intervention strategy that uses group process to Focus on the whole organisation to bring about planned changes.

Quality of work life : Quality of work life means having good supervision, good working conditions, good play and benefits and an interesting, challenging, and newarding job.

Job rotation : Job rotation is the process of moving employees from one job to another to allow them move veriety in their jobs and provide the opportunity to learn new skills.

5.9. Self Assessment Questions

1. What is Human Resource Development? Explain the concept and objectives?
2. Recall your understanding of the concept of HRD, and discuss its nature and scope?
3. Identify the elements involved in HRD in the light of growing need of the organisation?
4. Specify the various skills required to an HRD Manager?
5. Based on the philosophy of HRD, list out its attitudes?

5.10. Further Readings

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D. Nirmala

LESSON - 6

METHODS OF HUMAN RESOURCE DEVELOPMENT

Objectives

After reading this lesson, you should be able to :

- identify the various methods of Human Resource Development.
- discuss the uses and abuse of each method of HRD.
- distinguish between various methods of HRD
- interpret the suitability method to the organisation concerned.

Structure

6.13. Encounter groups

6.6. Behaviour modification

6.15. Role playing

6.16. Transactional analysis

6.16. 3-D Management

6.18. Summary

6.19. Keywords

6.20. Self-Assessment Questions

6.21. Further Readings

6.1. Introduction

The Development of Human Resource has become one of the most important and complex tasks. Tremendous emphasis has been given to it since the end of the Second World War and it has been named as the "Management Revolution" because a sudden dramatic change took place in the area of management development. There is a recognition that qualified executives needed throughout the industry do not just emerge from labour-force without consciously planned action on the part of the organisations. Good organisations select the talented employees and develop an inventory of management skills for use in future. Management development also looks for development of present managers. Thus everyone who is in a managerial position or is expected to be in one in the future should be developed. All potential managers or anyone below the top executive level in the organisation who may be transferred or promoted to another job should be prepared for more through the process of human resource development. A large variety of methods of human resource development came into prominence. These methods are clearly explained in this unit.

6.2. Potential Appraisal

In most Indian organisations, people earn promotions on the basis of their past performance. The past performance is considered a good indicator of future jobs success. This could be true, if the job to be played by the promote are similar. However, in actual practice, the roles that a role holder played in the past may not be the same he is expected to play if he assumes a different job after his transfer or promotion to a new position. Past performance, therefore, may be a good indicator of the suitability of an indicator for a higher role.

To overcome this inadequacy, organisations must think of a new system called potential appraisal. This objective of potential appraisal is to identify the potential of a given employee to occupy higher positions in the organisational hierarchy and undertake higher responsibilities.

Potential appraisal are required to :

- inform employees about their future prospects;
- help the organisation chalk out of a suitable succession plan;
- update training efforts from time to time;
- advise employees about what they must do to improve their career prospects.

The following are some of the steps required to be followed while introducing a potential appraisal system:

a) **Role Descriptions :** Organisational roles and functions must be defined clearly. To this end, job descriptions must be prepared for each job.

b) **Qualities Needed To Perform The Roles :** Based on job descriptions, the role to be played by people must be prepared(i.e.,technical, managerial jobs and behavioural dimensions).

c) **Rating Mechanisms :** Based listing the functions and qualities, the potential appraisal system must list mechanisms of judging the qualities of employees such as:

i) **Rating by others:** This potential of a candidate could be rated by the immediate supervisor who is acquainted with the candidate's work in the [past, especially his technical capabilities.

ii) **Tests:** Managerial and behavioural dimensions can be measured through a battery of psychological tests.

iii) **Games:** Simulation games and exercises (assessment centre, business games, in-basket, role play, etc.) could be used to uncover the potential of a candidate.

iv) **Records:** Performance records and ratings of a candidate on his previous jobs could be examined carefully on various dimensions such as initiative, creativity, risk taking ability, etc., which might play a key role in discharging his duties in a new job.

a) **Organising The System :** After covering the above preliminaries, he must set up a system that will allow the introduction of the scheme smoothly giving answers to some puzzling questions:

How much weightage to merit in place of seniority in promotions?

How much weightage to each of the performance dimensions—technical, managerial, behavioural qualities?

What are the mechanisms of assessing the individual on different indicators of his potential and with what reliability?

e) **Feed Back :** The system must provide an opportunity for every employee to know the results of his assessment. "He should be helped to understand the qualities actually required for performing the role for which he thinks he has the potential, the mechanisms used by the organisations to appraise his potential and the results of such an appraisal".

6.3. Individual And Group Coaching

Coaching is regarded as one of the thrust areas and responsibility of organisational leaders or managers. They generally have formal and informal conversations to help employees to become more effective on job and better achievers. Individual and group coaching are the two modes to improve the performance in the organisation.

a) **On – the - Job Coaching :** Coaching is instructing or tutoring while an individual is personally on the job in action. The term coaching is commonly used in sports or games. Coaching a manager or executive is the process of developing him on the job by enabling him to undertake and carry out tasks or critical tasks under the direct supervision, instruction and guidance of a superior. This is a way how executives are prepared to perform jobs and tasks in future. The superior helps in this process, his subordinates develop the judgement required, the competence needed and the commitment essential for effectively holding the responsibility and carrying out the tasks.

A superior who knows the strengths and weaknesses of his subordinates is in a better position to be his coach provided the subordinate accepts him. Being a superior, he is in a position to assign tasks to his subordinates. If the subordinate accepts the superior's role as coach, he will involve himself in the work and put his heart and mind in it to develop himself on the job. If he does not recognise the role of a coach in his superior he may still perform the task in a mechanical way. In the former case the development process is effective. Under any condition, the learning process is related to a concrete working situation.

A manager or a superior who supervises effectively the work of his subordinate practically coaches, teaches and vouches the developmental process in his subordinates. There are at least ten elements in this coaching process viz., entrusting the responsibility, creating a team, delegating authority directing, instilling confidence, setting standards, motivating to accomplish in accordance with standards, counselling, encouraging, and correcting and keeping the proper track wherever the trainee happens to go wrong.

The coaching process is fulfilling for the superior who is committed to developing his people, particularly when the subordinates are talented, potential and committed, but when the superior lacks faith and confidence in his subordinates, (whatever be the reason) the superior has to make efforts in changing the performance of the subordinates. Thus, the superior's job as a coach is very important.

b) Coaching method offers several advantages :

- It is learning by doing
- Every executive can coach his subordinate even if no executive development programme exists.
- Periodic feedback and evaluation are a part of coaching.
- It is very useful for orientation of new executives and for developing operative skills.
- It involves close interactions between the trainee and his boss.

c) Coaching method, however, suffers from certain disadvantages :

- It tends to perpetuate current managerial styles and practices in the organisation.
- It requires that the superior is a good teacher and guide.
- The training atmosphere is not free from the worries of daily, routine.
- The trainee may not get sufficient time to make mistakes and learn from experience.

Coaching can be effective if the coach is a good communicator, anable motivator and a patient listener. Coaching will work well if the coach provides a good model with whom the trainee can identify; if both can be open with each other, if the coach accepts his responsibility fully, and if he provides the trainee with recognition of his improvement and suitable rewards.

6.4. Quality Circles

The concept of Quality Circle emerged from quality control. Quality circles are quite popular in Japan. Looking at their success, many organisations in U.S.A. and India have also attempted to implement quality circles. It should be noted that quality circles provide a future-oriented approach. They seek high quality products in the current production run and in the future.

A quality circle is a small group of employees doing similar or related work who meet regularly to identify, analyse and solve product-quality problems and to improve general operations.

The quality circles are relatively autonomous units (ideally about 10 workers), usually led by a supervisor or a senior worker and organised as work units. The workers, who have a shared area of responsibility, meet periodically to discus, analyse, and propose solutions to ongoing problems.

6.4.1. Features Of Quality Circle

The key features of Quality Circle (QC) are as under :

A Quality Circle is a voluntary group.

It represents a collective effort.

It intends to improve the quality of output

It co-ordinates the activities of members towards improving the quality of work in the workshop.

It facilitates frequent meetings and discussions of members for improving quality.

It has no discrimination against age, sex and position.

6.4.2. Purpose Of Quality Circle : Some typical efforts in improving production methods and quality involve reducing defects, scrap, rework, and downtime, which are expected to lead to cost reduction as well as increased productivity. In addition, the circles intend to focus attention on the self-development of workers and the improvement of working conditions. Through this process, there is improvement of workers morale and motivation, stimulation of teamwork, and recognition to their achievements.

The technique of quality circle has been refined over the years. It is now followed to achieve the following objectives:

Overall improvement of quality of products manufactured by the enterprise.

Improvement of production methods and productivity of the enterprise.

Self-development of the employees who take part in quality circles.

Encouragement of innovative ideas among the employees.

Building high morale of employees by developing team-work in the organisation.

6.4.3. Benefits Of Quality Circles :

Quality circles are supposed to bring the following benefits for the organisation :

Formation of quality circles in Japan and other countries has helped in bringing out several innovations and changes in work methods and products.

Quality circles have proved to be a valuable tool for increasing productivity, improving quality and increasing workers job satisfaction.

Membership in a quality circle means a participative environment that provides identification with the work-group. Participation encourages commitment of the employees in producing quality products. Through quality circles, every one becomes involved with the operation of the company. Everyone from top to bottom works towards a single goal, i.e., success through quality.

Quality circles help in the development of the participants as they are encouraged to produce innovative ideas and find new ways to improve product quality.

Quality circles provide opportunities for better understanding among the members.

Quality circles create awareness of the potential of the workers.

6.4.4. Introducing Quality Circle In An Organisation : Quality circle is a participative concept and its introduction may cause some resistance on the part of the employees. Therefore, before introducing quality circle, all precautions must be taken as in case of any change. The steps in the introduction of quality circle are briefly discussed below:

a) **Selling the Idea of Quality Circle :** The workers must be educated the need and significance of quality circle from the point of view of the organisation and the workers. The scope of quality circle should also be adequately publicised. The workers should be allowed to clear their doubts about quality circle. Attempts should be made to seek their voluntary co-operation in implementing quality circles in the organisation. The management may also arrange for some kind of training of the employees who want to form quality circles.

b) **Constitution of Quality Circles :** The employees should be encouraged to form quality circles by drawing members doing the same kind of work. The membership of a quality circle should bot exceed ten to twelve members. The information about the constitution of quality circle should be made available to the top management.

c) **Analysis of Quality Problems :** The members of a quality circle are supposed to meet periodically, say once a month. They would collect data and analyse the same. Past records, employees suggestions, customers suggestions are very important in this regard. This will lead to identification of the problems that hinder quality.

d) Problem Solving : The members of a quality circle will discuss the problems thoroughly and make a list of possible solutions. The merits and demerits of each alternative will be evaluated. The final decision about the solution to the problem will be taken by the consensus of all members.

e) Presentation of suggestions to the Management: The suggestions for improving the quality are put in writing and forwarded to the management. Top management may form a committee to evaluate the suggestions of different quality circles in the organisation. The committee may also meet the members of the quality circles, if it has any doubt. The final report will beprepared by the committee. It will list the suggestions which must be implemented for improving the quality of goods and services.

f) Implementations : Proper publicity should be given to the suggestions of quality circles which are being put into practice. This will motivate the employees as they will feel the importance of having contributed to the well-being of the organisatilon. The implementation of the suggestions should be properly monitored by the management so that the change-over to new methods is smooth.

6.4.5. Problems In Implementation Of Quality Ciracles : There are several pitfalls in quality circles. Despite their merits, they have failed in many companies. The common hurdles in initiating quality circles in India are as under:

a) Negative Attitude : The employees and even managers may have negative attitude towards the quality circle. Naturally, they will resists its implementation. The wrong notions of the people about quality circles should be cleared. They should be properly informed about the concept of quality circle and its utility.

b) Lack of Ability : The workers in India have a low level of education and also lack initiative. To overcome this hurdle, Workers' Education Programme should be initiated. It must educate the workers about quality circle.

c) Lack of Management Commitment : The top management may not be committed to the concept of quality circle. The employees may bot be allowed to hold meetings of quality circles during the working hours. The employees will be least interested in devoting their personal time to the quality circle. Therefore, the management should allow the workers to hold quality circle meetings periodically during the working hours. It should extend the assistance required by the quality circles for their smooth working.

d) Non-implimentation of Suggestions : The workers will feel disheartened if their suggestions are turned down by the top management without any reason. The suggestions of each quality circle should be given due weightage. If they are likely to improve quality of products, they must be implemented. This will enthuse the members of the quality circle.

6.4.6. Requirement Of Effective Qality Circle : For increasing the effectiveness of quality circles, the following guidelines should be followed :

The employees who are concerned with quality should be encouraged to come forward on their own to suggest ways and means to improve upon it.

The QC members must be given full training in the areas of statistical analysis (graphs and table reading, histograms, scatter diagrams, stratification, etc.) to facilitate information processing.

Since the members of quality circles have to work in groups, an understanding of group dynamics is also necessary. Additionally, they should develop a problem solving approach.

The members should feel independent to choose any problem which they feel is most crucial. In addition, they should be free to implement and monitor the results.

Each quality circle should have a number of meetings and discussions. Hence facilities for such meetings should be provided without any hindrance. In other words, quality circles must have the support of top management.

6.5. Lecture Method

Lecture method has been the most popular method to train and develop people traditionally. There has bot been any other method used as extensively as lecture for educating the people. Even in learning the profession of management, this method has a pivotal role. The trainer or the lecturer has the greatest degree of control in a lecturing session. Though one way communication is generally the crux of a lecture session skillful lectures keep the session interesting to the learners by ensuring their participation. Instructors, who are skillfull enough to stimulate the session through new ideas, humorous anecdotes and illustrations, would be able to make the lecture sessions very effective. An effective lecture provides a means of transmitting information, ideas know-how and knowledge. Persuasive quality of an instructor is very useful to gain attentive audience from his students.

However, there are occasions when lecture sessions may not produce the expected response, reaction or result. There are some barriers which may stand on the way of lecturing effectiveness viz.:

Instructors' beating about the bush;

Lack of clarity on the part of the lecture,

Language barrier;

Casual approach of the lecturer;

Poor audibility (These are mainly on the part of the lecturer);

Allness and a closed mind;

Status barrier;

Halo effect;

Complexes;

Lack of interest;

Emotional excess (These barriers are on the part of the student);

Unconducive situation;

Poor venue; and

Poor public addressing system (the last three factors are related to the venue of lecture). A lecture, which overcomes these barriers and is supplemented by necessary illustrations and examples, can be interesting.

In effectively using lecture for management development, the following conditions have been suggested by Willard E. Bennett :

It should be used appallingly – two or three times a year.

It will more readily be accepted by people who have several years of conventional training.

The subject-matter should be carefully chosen as applying to the specific area.

The appriacg can be largely theoretical, but with the help of visual aids – specially slapboard, chart, and black board.

The in-plant leader should take care bot to create the impression that the material is his own. The author or authors from whose writing the lecture is drawn should be introduced very much as though they were actually present. Where possible, the books and documents should be on display.

The leader should stress that the application of the ideas should be at the option of the individuals based on their respective situations.

6.6. Conference Method

A conference is a group meeting conducted according to an organised plan in which the members seek to develop knowledge and understanding by obtaining a considerable participation. It is an effective training device for persons in the positions of both conference member and conference leader. As a member, a person can learn from others by comparing his opinions with those of others. He learns to respect the viewpoints of others and to realise that there is more than one workable approach to any problem. As a conference leader, a person can develop his skill to motivate people through his direction of discussion. He learns the effects of closely controlling and dominating the discussion as compared to adopting a more permissive type of direction.

Conference method overcomes certain disadvantages of the lecture method because here the participants play very active roles. They are not passive. Learning is facilitated through building upon the ideas contributed by the conference members. In fact, people learn from each other. Interest of the participants tends to be high. The conference is ideally suited to learning problems and issues and examining them from different angles. It is considered to be the best method for reducing dogmatism employed in supervisory and executive development programmes.

A conference is a formal meeting conducted in accordance with an organised plan. Problems of common interest are discussed. The participants pool their ideas and experience to deal with the problems effectively. A conference may be divided into small groups (buzz sessions) for intensive discussions. These small groups report back to the conference. This method stresses upon small group interactions and active participation of the trainees. It is ideally suited for analysing problems and issues and examining them from different viewpoints. It helps in developing conceptual knowledge, reducing dogmatism and modifying attitudes. The trainee actively participates and his interest in learning is maintained.

The conference method is suitable only for a small group of 15 to 20 persons because a larger group often discourages active participation of all the learners. The progress is usually slow because everyone is allowed to speak and irrelevant issues easily creep in. the method can be effective provided;

The learners have some knowledge of the subject to be discussed at the conference;

Conference leader is good and stimulating so that he can summarise material at appropriate times during a discussion, encourage members to express themselves without fear, control more verbose members a d ensure a general consensus without forcing agreement;

The size of the group is small enough to allow everyone to participate in the discussion;

The discussion is relevant to the problems of the participants.

6.6. Programmed Learning / Instruction (PI)

It is based on certain behavioural laws, particularly dealing with reinforcement. Reinforcement means rewarding a correct response and punishing a wrong one. A major feature of PI is that it offers immediate feedback on whether the trainee has answered questions correctly or not.

PI is a learner-oriented technique which presents subject matter to the trainees in small, sequential steps, requiring frequent responses from the trainee tand immediately offering him of their accuracy or otherwise. If the response is accurate, he takes up the next level; if not, he is asked to go back and start again. The instructions are carefully planned moving from the simple to complex ones in a smooth way.

A major plus point of the method is that it allows the trainee to learn in small steps at a pace and rate suitable to him. He takes active part throughout the programme. Printed instructions could be offered by experts, keeping individual differences in mind. Regular feedback helps the trainer to improve material continuously. A computer-aided format can be placed in the hands of trainers with an instruction manual for getting excellent results. On the negative side, the impersonal atmosphere may not be very stimulating. The cost of designing such programmes is generally high. It is not suitable too bring about behavioural changes.

6.8. Brainstorming

It is helpful way to determine training needs specially of a group. The technique consists of involving professionals with different backgrounds, assigning them a task (generally phased as 'how to') and fixing a time limit. At the end of the time limit, the ideas generated are closely scrutinised to see what kind of training would help them in performing tasks. The variety of backgrounds in brainstorming sessions is of significance because it facilitiates different views.

6.9. Panel Discussions

Conferences, projects, panels and "buzz sessions" involve group participation. Conference method is suitable for a group consisting of 12 to 25 members who are required to discuss and share a problem common to them. Although it provides little information, it may encourage analytical thinking. A conference may be of two types – guided and unguided. Both types of conferences necessitate the role of a leader and should not exceed two hours in duration. The conference provides a pooling of ideas to solve problems. The conference leader should encourage discussion, stimulate competition, enhance ego and reflect the feelings of participants. The project method forms a variant of the conference method and requires trainees to learn by "doing and talking". Projects are akin to small research projects. The trainees discover the facts of a problem raised, discuss them and reach a solution. For instance, there may be a problem as, "How can minimise accidents?" The project method differs from case study. While in the former, participants have to discover the facts, in the latter facts are already provides a substitute for the conference method where the group is large. The efficacy of this method lies with the panel leader whose role consists in moderating, clarifying points, controlling, questioning and summarising the discussion. "Buzz session" involve a break-up of a conference group in several small group of four to five participants. Each small group discusses the problem and reports its views to the entire group subsequently.

6.10. Syndicate Method

Training and development of executives who are already in positions of responsibility and are marked out for assuming a place at the top or near the top of business or public services has to provide for suitable opportunities such as:

Critical reflection on their own work and the manner of doing it;

Updating their knowledge of new concepts and advanced techniques in the field of management;

Further improving executives skills under suitable simulated conditions; and

Developing better insights and sounder judgement on their part in respect of human resources.

The process of learning on the part of an experienced executive is essentially a self imposed or willingly accepted discipline of self education. Syndicate method issued in management development programmes for executives whose age ranges between 30—40 years, who have 9—12 years experience in some special area of management to be fit for taking up higher responsibilities. The participants are men of mature judgement and prove ability. They are known to the director of the programme before actually joining it.

6.11. Business Games

It is a more improved version of the role play. Instead of one decision at a particular point of time, the participants are required to take a series of decisions at different time periods. They are divided into groups, each group representing an independent firm in the same industry. A game is played representing different situations, each situation covering a particular operation and a strategic decision. The "O" period situation provides all the basic information, as in the role play, and also the economic forecast for the next period. Other situations throw up the capabilities and limitations of the company and a set of alternative course of action.

The participants evaluate all the available alternatives, take appropriate decisions and cast proforma financial statement for the next year, wherever necessary. The instructor works out the performance of the enterprise in accordance with the decisions, which form part of the information for the next period in which a new set of alternatives are provided for the participants to select from. At the end of the discussion on all the situations, the group that shows the best performance is adjudged the best decision-maker.

Generally speaking, during the course of the game, the participants are exposed to a number of strategic and operational decisions, covering all the functional areas. In a business game, the discussions are confined to the members of each group, and no group presentation is made in the classroom. The need to evaluate the likely performance, as a result of the decision, provides the additional exercise for the participants. The participants can get a feel of the continuity of the effects of their decisions upon the enterprise in the long run. They can watch the progress of the enterprise over a number of years, assess its direction, and initiate corrective measures with their counter decisions, allowances for which are provided in subsequent situations.

The case method creates immense excitement among the participants, and a sense of competition is developed among the groups and individuals who actively participate. It offers the participants enough scope to acquaint themselves with the problems and intricacies that arise in the real business world, to conclude, it can be remarked that case discussion in general and the role play or business game in particular provide facilities for participative learning, which enlarge the executive vision and decision-making skill. All such development techniques which are employed under the two titles viz., on-the- job training and off-the-job training contribute substantially for management development in an organisation.

6.12. Sensitivity Training

Sensitivity training or T group or Laboratory training has its origin in the group dynamics concept developed by Kurt Lewin. The first specific sensitivity training session was held in 1946 on the campus of the State Teachers College in New Britain, Connecticut, USA. However, a more systematic start was given to the technique at the National Training Laboratory in Bethel in 1946. Besides Lewin, K.Benne, L.Bradford and R.Lipptt played important roles in the early sensitivity training effort. Since the beginning at Bethel, sensitivity training has been widely used as an educational device by a variety of professional people.

Sensitivity training is an educational technique for the training of individuals in group activity through discussions in a conference with special emphasis on the development of self-insight, interpersonal skills and the ability to face criticisms of one's one self in a group.

It takes place under laboratory conditions, i.e., conditions immune from the distraction of the day-to-day problems of the individual's occupation. It is off-the-job training. A small number of participants, generally 12 to 15, along with a trainer, participate in the programme. It is unstructured and informal kind of training. Members are brought together in a free and open environment in which participants discuss themselves and their interactive processes, loosely directed by behavioural expert. The expert is essentially a helper, a catalyst rather than a teacher. The expert then creates the opportunity for participants to express their ideals, beliefs and attitudes.

Traditional sensitivity training is process-oriented rather than task-oriented and has the following objectives :

to make participants increasingly aware of, and sensitivity to the emotional reactions and expressions in themselves and others.

To increase the ability of participants to perceive and to learn from, the consequences of their actions through attention to their own and others' feelings;

To stimulate the clarification and development of personal values and goals consonant with a democratic and scientific approach to problems of social and personal decision and action.

To develop concepts and theoretical insights which will serve as tools in linking personal values, goals and intentions to action consistent with these inner factors and with the requirements of the situation.

To foster the achievement of behavioural effectiveness in transactions with the participants' environments.

Compbell and Dunnette have described the goals of sensitivity training as follows:

Goal—1: To increase, self-insight concerning one's behaviour in a social context, to learn how others see and interpret one's own behaviour and to gain insight into why one acts the way one does in different inter-personal situations.

Goal—2: To increase sensitivity to the behaviour of others i.e., to increase awareness of the stimuli emitted by other persons and the development of the ability to infer accurately the emotional bases for interpersonal communications.

Goal—3: To increase awareness of the processes that facilitate or inhibit group functioning, For Example, why do some members participate actively while others do not? Why do sub-groups form and wage war against each other? Why do different groups who may actually share the same goals, sometimes create seemingly insoluble conflict situations?

Goal—4: To increase diagnostic and action-oriented skills in social, interpersonal and intergroup situations.

Goal—5: To teach a person to learn how to learn, i.e., to teach him how to continually analyse his own interpersonal behaviour in order to reach and engage in more effective interpersonal interactions with others.

The assumptions of the sensitivity training procedure are that, if these goals are achieved, one will become less defensive about himself, less fearful of the intentions of others, more responsive to others and their needs and less likely to misinterpret other's behaviours in a negative fashion. The result will be greater creativity, less hostility towards others and greater sensitivity to social and psychological influences on work behaviour.

Very briefly sensitivity training aims at:

Making an individual participant understand :

How others perceive his behaviour.

How he reacts to the behaviour of others.

Under what condition a group can act in a better way.

Increasing his personal satisfaction through relationship with others.

6.12. 1. Features:

It is process-oriented, rather than content-oriented. Members learn by feeling and behaving rather than by being told and dictated.

It is off-the-job training.

It is unstructured and informal kind of training.

Both discussion and action have a here and now approach.

A permissive atmosphere is maintained so that members can freely talk.

The trainer is essentially a helper, a catalyst rather than a teacher.

T-group may consists of strangers(people coming from different organisations). A stranger group is generally much more open than what is known as Cousin Group' (participants coming from the same organisation but from the different department) or a 'Family Group' (composed of intact work group, a supervisor and the men he supervises).

The participants in T-group learn by sharing their experience—it is a process-oriented learning. In contrast to traditional learning methods used in educational institutions which emphasise on content in learning, T-group training focuses on the process i.e., the ways in which a group handles a problem, a subject, a person, a thing etc. There is an assumption that efficiency and productivity of group depends more often in the manner in which people work together rather than their technological skills.

Conditions for the Success of Sensitivity Training :

Key people in the organisation must support the legitimacy of the planned change.

Employment security of the change agent must be guaranteed.

Legitimacy of interpersonal influence must be accepted in the organisation.

Opportunity must be provided for practising the skills learned in T-group

Groups should focus on a particular goal e.g., skill, training or interpersonal competence. There should not be a mixture of goals in a particular programme; the goals and programmes should be specific.

The programme should be voluntary.

There should be careful screening of the candidates for participation. Those who are emotionally weak should be excluded.

6.12. 2. Criticisms :

Some of the criticisms of T-group and Ms Howard's comments on them are given below :

T-group can be run by charlatans who are corrupt, mediocre or both.

Undoubtedly this can happen; on the other hand, it should bot serve as an excuse deprecating the entire approach. What needs to be done is to recognise and get rid of the charlatan.

T-group invade privacy.

This is true but it is not certain whether it is a criticism. Openness is one of the goals of the sensitivity training programme.

T-group can do psychological damage to participants.

T-group can be guilty of the same failings they are designed to overcome; they may generate superficial, non-meaningful interactions, cheapen real emotion, cultivate an 'in' jargon, and encourage participants to think of themselves as an elitist cult.

There is little doubt that this occurs; however, this problem is tied up with the charlatan question and will not be resolved until this latter question is resolved.

The emphasis on the group is wrong; it is the individual who is important.

This is a pseudo criticism made only by those adopting a dogmatic, non-functional approach. Both groups and individuals are important; we can study and understand both.

T-group have the effects predicted but the effects are not valid because they do not last.

While it may be true that effects do not effects do not last, this may not be because of invalidity but because the world and the organisation discourage the perpetuation of the values and behaviours learned in sensitivity training group.

6.12. 3. Sources of T-Group Training :

There are at least seven sources from which T- group training comes from :

i) There was the influence of Kurt Lewin and his principle of contemporaraneity which states that behaviour choice and direction is a function of both the characteristics of the person and the concurrent environmental demands and pressures. Change either one of these (the person or the environment) and the behaviour would be changed. Lewin's basic principle has by now been so firmly established in psychology that its position as an influence on T-group training provides considerable indirect support to the utilisation of that method.

ii) Secondly, ego psychology provides a major influence on T-group training. Ego psychology is based on the belief in man's ability to grow and his ability to cope. Maslow's hierarchy of motives and his concept of self-actualisation fit in neatly. Such an approach assumes that the individuals have the capacity to change their own lives, if the environment is appropriate. T-group training is designed to provide such an environment.

iii) Thirdly, J.R.Moreno's utilisation of psychodrama as an approach to change has influences on T-group Moreno established a theatre that used spontaneity and role playing in order to afford the person insight into how he feels towards others and how others feel towards him by assuming their roles. In general, the great the number of different roles played, the more open the person would be about himself and other.

iv) Fourthly, existentialist philosophy has influenced T-group training. Existentialist philosophy propose that life is essentially, choices and decisions that are made and the responsibilities that are assumed. There are no inherent values or truths except the choices and decisions one makes. The T-group is a microcosm of life, nothing will happen to the leaderless, structure-less unorganised T-group unless the members do it themselves. Related to this is the existentialist proposal that one comes to know others only by sharing experiences with them. T-group training provides these shared experiences and thus helps one to know others.

v) Fifthly, the growth of technology and bureaucracy has influences on T-group learning. As a result of the growth of technology and bureaucracy, there has grown a pervasive belief that people have over-emphasised the rational, cognitive and logical aspects of human behaviour. Hence, there is an increasing desire for greater emotional experience.

vi) Sixthly, the growth of an affluent society has influences on t-group learning. As a result of the growth of affluence, there has been a desire to break loose from traditional restraints and an increasing alienation from traditional institutions. This has led to an interest in exploring new ways of relating to others and the development of desires for individualisation and great freedom from constraint.

vii) Lastly, the growth of specialisation in organisations. The growth of specialisation and accompanying inter group conflict has led to an increasing realisation of the need for developing more effective ways for helping groups to work with one another.

6.13. Encounter Groups

Involve unstructured small-group interaction under stress in situations that require people to become sensitive to one another's feelings in order to develop co-ordinated group activity. The consultant creates an environment wherein the participants are encouraged to examine their own attitudes and perceptions and to become more receptive to what others say and feel. In addition, they begin to perceive how groups interact, how culture affects them, and how general behavioural skills can be developed.

6.6. Behaviour Modification

Organisational behaviour modification (OB Mod) is yet another technique of influencing behaviour of people in organisations. OB Mod uses the reinforcement principle of B.F. Skinner to provide managers with powerful and proven means for changing employee behaviour. Figure 15.4 summarises the application of OB Mod.

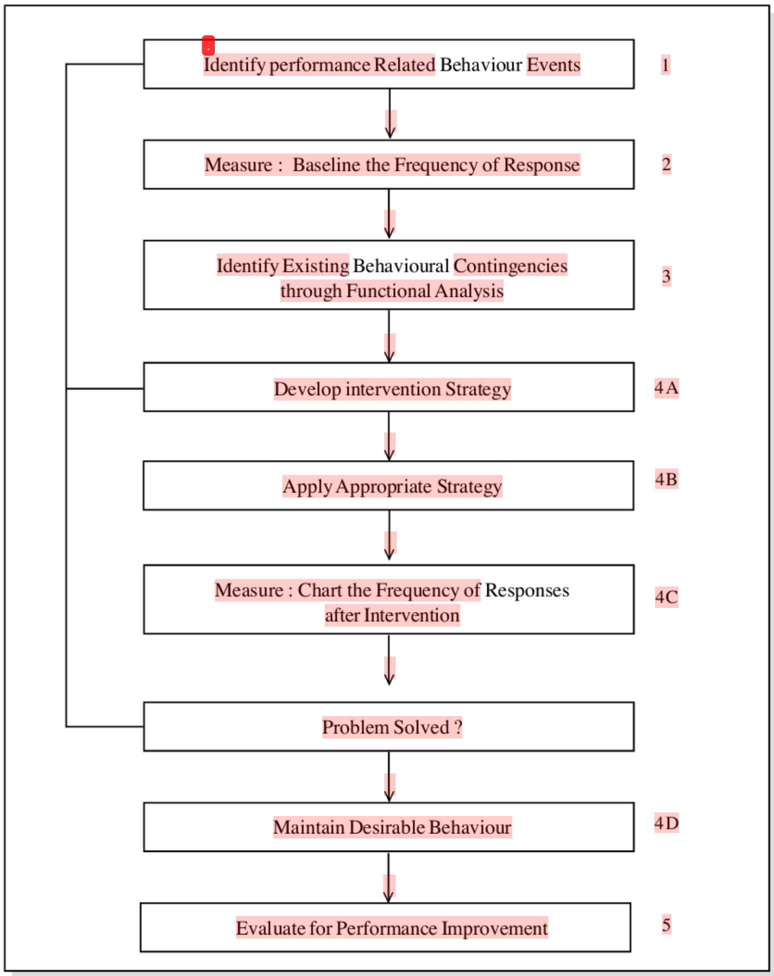

Fig 6.1. Steps in OB Mod

a) Identification of Critical Behaviours : The first step is to identify the critical behaviours that make a significant impact on the employee's job performance. These are those 5 to 10 per cent of the behaviours that may account for up to 60 to 80 per cent of each employee's performance.

b) Measurement of the Behaviours : After the behaviours have been identified, they are measured. A base-line frequency is obtained by determining the number of times that the identified behaviour occurs under present conditions. The purpose of the baseline measurement is to provide objective frequency data on the critical behaviour.

c) Functional Analysis of the behaviour : The goal of an OB Mod programme is to increase the likelihood that people will in fact engage in the behaviours which are critical to the successful performance of their jobs. Once these critical behaviours have been identified and measured, it is necessary to determine what the cause and consequences of these behaviours are. This involves analysing: (a) the antecedent cues—the factors which seem to instigate the behaviour; and (b) the consequences—the results which accrue to the person as a result of engaging in the behaviour. This process of analysing the antecedent cues and the consequences of behaviour is referred to as functional analysis in OB Mod.

A →	**B** →	**C**
Antecedent Cues	Behaviours	Consequence
Illness /accident	Getting up late	Discipline programme
Hangover	Sleeping in	Verbal reprimands
Lack of tranporation	Staying home	Written reprimands
Traffic	Drinking	Pay docks
No day - care facilities	Fishing / hunting,	Layoffs,
Family problems	Working at home	Dismissals
Company policies	Visiting	Social consequences
Group / personal norms,	Caring for risk	from co - workers
Seniority / age	child.	Escape from and
Awareness / observation		avoidance of
Of any consequence		working
		Nothing

Fig 6.2. : Functional Analysis of Absenteeism Behaviours

d) **Development of an Intervention Strategy :** The term intervention refers to the actions that will be taken by the manager or organisation in order to increase the frequency of desirable critical behaviour and to decrease the frequency of undesirable behaviour. This is the critical step in the process, since it is here that the manger uses the results of the first three steps to design and implement techniques, in order to change the behaviour of his subordinates. The emphasis here is on identifying rewards that can serve as positive reinforces, and establishing methods of providing these reinforces contingent upon subordinates engaging in the desirable critical behaviours. Positive reinforcement is employed to increase the likelihood of desirable behaviour. Negative reinforcement is used as little as possible.

e) **Evaluation to Ensure Performance Improvement :** In order to determine whether an OB Mod programme has achieved its desired results, it is necessary to evaluate the effects of the programme in a systematic and objective fashion. The results of such evaluation can be used both to determine whether the programme should be continued or not, and to "fine tune" the interventions to increase their value and their ability to increase effective performance.

f) **OB Mod in Practice :** OB Mod has been used by a number of organisations to reduce cost, increase attendance, improve productivity, improve safety, increase satisfaction, reduce labour cost, and increase profit. The organisations, which benefitted include General Electric, Standard Oil, B.F. Goodrich Chemical Co., Emery Air Freight, Michigan Bell, etc—all in the United States.

Despite the positive results that OB Mod has demonstrated, it is has to counter adverse criticism. Is it a technique for manipulating people? Does it decrease an employee's freedom? If so, is such an action on the part of managers unethical? And do non-monetary reinforces like feedback, praise,and recognition get old after a while? Will employees begin to see these as ways for the management to increase productivity without providing commensurate increase in their pay? There are no easy answers to questions such as these.

6.15. Role Playing

This method was developed by Moreno, a Venetian psychiatrist. He coined the terms "role-playing," "role-reversal," "psychodrama," and a variety of specialised terms, with emphasis on learning human relation skills through practice and insigth into one's own behaviour and its effect upon others. It has been defined as "a method of human interaction which involves realistic behaviour in the imaginary situations." As Norman Major has pointed out, a "role-playing experience soon demonstrates the gap between 'thinking' and 'doing'. The idea of role-playing involves action, doing and practice.

In role-playing, trainees act out a given role as they would in a stage play. Two or more trainees are assigned parts to play before the rest of the class. These parts do not involve any memorisation of lines or any rehearsals. The role-players are simply informed of a situation and of the respective roles they have to play. Sometime after the preliminary planning, the situation is acted out by the role-players.

Role-playing primarily involves employee-employer relationship—Hiring, firing, discussing a grievance procedure, conducting a post-appraisal interview or disciplining a subordinate or a salesman making a representation to a customer.

6.15. 1. The merits of the role-playing methods are :

Learning by doing is emphasised;

Human sensitivity and interactions are stressed;

The knowledge of results is immediate;

Trainee interest and involvement tend to be high;

It is useful method to project the living conditions between learning in the classroom and working on a job and creating a live business situation in the classroom;

It develops skills and ability to apply knowledge, particularly in areas like human relations; and

It brings about desired changes in behaviour and attitudes.

Thus, role playing is especially useful in providing new insight and in presenting the trainee with opportunities to develop interactional skills. Unless the trainer engages in coaching or unless someone states the criteria for behaviour, however, role playing may not adhere to the objectives of the training programme and the reinforcement of the desired behaviour may be somewhat lacking. In other words, it is conceivable that the practice the trainee gets in interpersonal relations could be faulty.

6.16. Transactional Analysis

Introduced over two decades ago by Berne and further populariese by Haris and Jongewald, Transactional Analysis(TA) provides an individual with a practical and useful method for analysis and understanding of human behaviour. In act, it is a method of analysing a transaction. A transaction is nothing but a social intercourse between two or more people who encounter each other. In every social intercourse there is a stimulus provided by one individual and a response to that stimulus given by another individual. This stimulus-response relationship between two individuals is a transaction.

Analysis of any transaction can be done by analysing the personality of an individual. Berne says that every normal individual functions from three ego states—parent, adult and child. An ego state is a system of feelings accompanied by a related set of behaviour patterns. Each ego state can be described as under:

a) **Parent :** The parent ego is nothing but a huge collection of recordings in the brain of an individual of attitudes and behaviours impose on him in his early years(roughly first five years) from various external sources, primarily his parents. The characteristics of this ego are to be overprotective, officious, distant, dogmatic, etc. Verbal clues that a person is operating from the parent ego state are his use of such words as 'always', 'never', 'ought', etc.,when he uses language of threat or tries to resolve conflict by force. There are physical clues also like raised eyebrows, pointing an accusing finger at somebody, and so on.

b) Child : The child ego is also a collection of recordings in the brain of an individual of attitudes, behaviours and impulses which come to him naturally from his own seeing, hearing, feeling and understanding as child. Characteristics of a person acting in the child state include being curious, impulsive, sensuous, affectionate, dependent, fearful and depressed, Verbal clues that the person is operating from the child ego state are the use of words like "I guess", "I do not care", and so on. There are physical clues also like temper tantrums, attention seeking, giggling, coyness, silent compliance, etc. The child in us is likely to lead us to behave as dependants, as competitive and to approach, conflict resolution through avoidance or smoothing.

c) Adult : This ego state consists of reality testing, rational behaviour and decision-making or problem-solving analysis. An individual in this state processes, verifies and updates the data which he has received from the other two states. In other word, this state is a shift from the "taught and felt concept" to "tested concepts". Adult data is gathered as a result of an individual's ability to find out for himself as to what is the difference between life as it was taught and demonstrated to him (parent), life as he felt, wished or fantasised child) and life as he figures out by testing (adult).

The functioning of the Adult-ego State does not try to do away with parent and child data. Rather it examines these data and tries to update them in the reality of the external world. The adult in an individual shows itself in a variety of ways. Phrases like "I see", "I think", "It is my opinion", words with an emphasis on data collection, e.g., why, where, when ,who , how, what, and an emphasis on data processing and problem-solving are the indicators of the adult-ego state in an individual.

All of us evoke behaviour from one ego state, which is responded to by the other individual from any one of these three ego states. This gives rise to three types of transaction : complementary, crossed and ulterior. A complementary transaction is one in which the stimulus and response ego states are complementary to each other so that the communication between any two individuals runs along parallel lines between them (Fig.1). thus, the parent in one individual is responded to by the child in the other or the adult in one is responded to by the adult in the other. In this type of transaction both parties feel satisfied

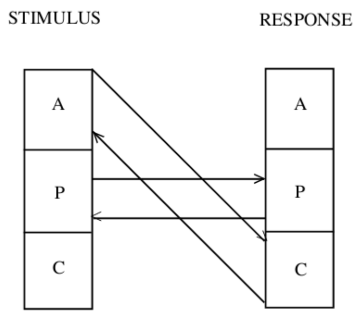

Fig. 1 Transactional Analysis

Examples :

a)	**worker**	**:**	I cannot do this job myself. Please help me. Will you do? (Child-Parent)
	Foreman	**:**	Sure, I am coming just now. (Parent-Child)
b)	**Foreman**	**:**	Have you finished the job? (Adult-Adult)
	Worker	**:**	Yes, I finished it long back and it has already been delivered to the assembly line . (Adult-Adult).

When communication runs along crossed lines between individuals, the transactions are crossed. In this communication further transactions stop.

Example:

a)	**Foreman to Worker**	**:**	How many pieces have you made by now? (A-A)
b)	**Worker to Foreman**	**:**	Do not disturb me. When I complete the whole work I will let you know. (P-C)

Ulterior transaction has double meaning. On the surface level it is a clear adult message but it also carries hidden message. For example, husband while sitting on the dining table may find the table dirty. If we writes on the table "I love you" to be read by his wife he is on the surface using his child ego state but his ulterior motive is to hint her that she has not cleaned the table. In other words, his message is proceeding from the parent state and his wife must respond to it from her child state by cleaning the table

Thus TA gives an insight into the fundamentals of human psychology and helps to improve interpersonal relations.

6.16. 3-D Management

However effectiveness is measured, managers are only likely to be effective if they adopt the most appropriate style of behaviour.

A development of the Blake and Mouton Managerial Grid, discussed earlier, is the three-dimensional (3-D) model of managerial behaviour suggested by Reddin. By adding a

Third dimension of managerial effectiveness to task orientation and relationship orientation, the 3-D model identifies eight possible styles of managerial behaviour.

Task orientation (TO) is the extent to which the manager directs both personal and subordinates' efforts through planning, organisation and control.

Relationship orientation (RO) is dependent upon the manager's personal job relationships. This is characterised by consideration for subordinates' feelings, mutual trust and encouragement.

The combination of TO and RO determines the manager's basic style of behaviour. The four possible basic style (see Fig .6.4. are similar to those identified by Blake and Mouton in the Managerial Grid.

Each of these dour basic styles of management can be effective or ineffective depending on the situation in which they are applied. Effectiveness is defined by Reddin as 'the extent to which a manager achieves the output requirements of his position… managerial effectiveness has to be defined in terms of output rather than input, by what a manager achieves rather than by what he does.

Reddin distinguishes managerial effectiveness from

apparent effectiveness and from

personal effectiveness.

Apparent effectiveness is the extent to which the behaviour of the manager – for example punctuality, giving prompt answers, tidiness, making quick decisions and good public relations – gives the appearance of effectiveness. Such qualities may or may not be relevant to effectiveness. Personal effectiveness is the extent to which the manager achieves personal objectives – for example power and prestige – rather than the objectives of the organisation.

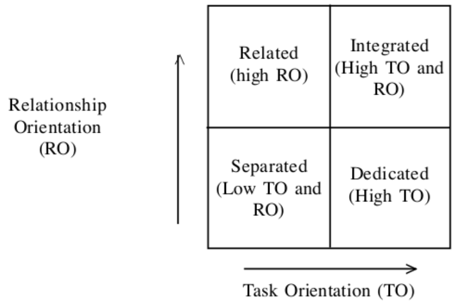

Fig. 6.4. Four basic styles of management behaviour

Applying the third dimension of managerial effectiveness provides eight styles of managerial behavior – four effective styles, which achieve output requirements, and four ineffective styles (see Fig. .5. For each of the basic styles – separated, dedicated, related or integrated – there is amore effective or less effective version. Effectiveness results from the appropriateness of a particular style of management to the demands of the situation in which it is applied. When one of the basic styles (for example 'separated') is adopted in an appropriate situation, a more effective style ('bureaucrat") results. When the basic style is adopted in an inappropriate situation, the result is a less effective style ('deserter').

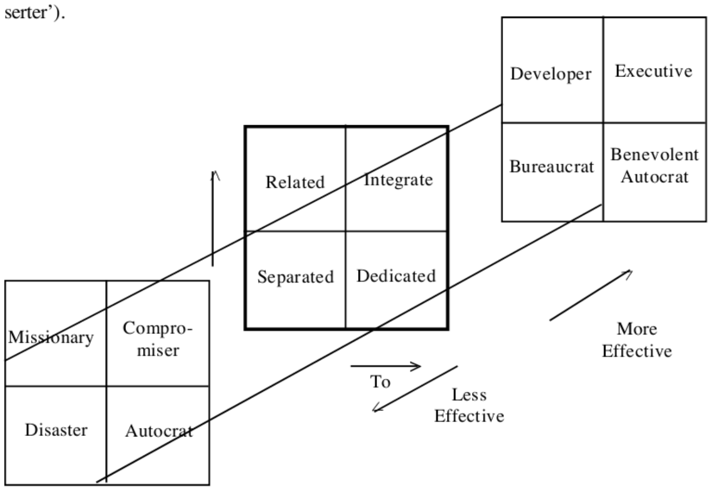

Figure 6.5. 3-D model of managerial effectiveness

The eight styles of management may be described briefly as follows :

i) Bureaucrat – a low concern for both task and relationships. The manager adopting this style is seen as being interested mainly in rules and procedures to control the situation, and as conscientious.

ii) Benevolent autocrat – a high concern for task and a low concern for relationships. Managers adopting this style know what they want and how to achieve it without causing resentment.

iii) Developer – a high concern for relationships and a low concern for task. The manager adopting this style is seen as having implicit trust in people and concerned mainly with developing them as individuals.

iv) Executive – a high concern for both task and relationships. The manager adopting this style is seen as a good motivator, sets high standards, treats people as individuals, and favours team management.

v) Deserter – low concern for both task and relationships in s situation where such behaviour is inappropriate. The manager lacks involvement and is passive or negative.

vi) Autocrat – a high concern for task and a low concern for relationships in a situation where such behaviour is not appropriate. The manager is seen as lacking confidence in others, unpleasant, and interested only in the task in hand.

vii) Missionary – a high concern for relationships and a low concern for task where such behaviour is inappropriate. The manager is seen as interested mainly in preserving harmony.

viii) Compromiser – a high concern for both task and relationships in a situation requiring high concern for neither, or for only one orientation. The manager is seen as a poor decision-maker, too easily influenced by the pressures of the situation, and as a avoiding immediate pressures and problems at the expense of maximising long-term output.

According to Reddin's 3-D theory, managerial effectiveness cannot be measured simply in terms of achieving production or relationships with other people. The manager must also be adaptable in adopting the appropriate style of behaviour which will determine effectiveness in achieving the output requirements of the job. Reddin has developed a 'management-style diagnosis' test to identify styles of management and of organisations. The test comprises 64 paired statements which compare one style of management with another. From each pair of statements is selected the one statement which describes best the manager's behaviour in his or her present job. Analysis of the answers can help the manager to evaluate his or her own perceived style of management.

GENERAL CRITERIA OF MANAGERIAL EFFECTIVENESS

From a review of the work of a number of writers, Langford identifies four broad groups of criteria of managerial effectiveness, and a single overall criterion of effectiveness.

The manager's work – decision making, problem solving, innovation, management of time and handling information.

The manager himself/herself – motivation, role perception, coping with stress/ambiguity, seniority, and average salary grade for age.

The manager's relationship with other people – subordinates, superiors, peers and clients; handling conflict and leadership/power

The manager as part of the organisation – maintenance of the organisation, and technical and financial control.

Criterion of general effectiveness – allocation of resources, achieving purpose, goal attainment, planning, organising, co-ordinating, controlling.

Langford found that the most frequently mentioned criterion was overall effectiveness, followed by relationships with subordinates. Next in order of importance were the criteria of decision making, problem solving, self-development of the manager and maintenance of the organisation. Coping with ambiguity and the handling of conflict were seen as relatively un-important criteria, although Langford suggests this might be related to the circumstances at the time when the various works were written.

6.18. Summary

Human Resource Development has become one of the most important and complex tasks now a days. It enables the individuals to gain their best human potential by attaining a total all-round development it promotes dignity of employment of every employee of an organisation. There are various methods for human resource development. The success of HRD programme is largely depends on the selection of the method. The objectives of the programme should be kept in mind while choosing a particular method. However, no single method may prove to be sufficient, but only suitable combination of the methods may yield good results.

6.19. Keywords

Quality circles : Quality circles are small groups of employees who meet regularly with a common leader to identify and solve work - related problems.

Brainstorming : Brainstorming is a process by which participants provide their ideas on a stated problem during a few wheeling group session.

Role playing : Role playing is a training technique that requires the trainee to assume different identities to learn how other feel under different circumstances.

Sensitivity Training : An early personal growth technique, at one tiem fairly wide spread in organisational deveopment efforts, that emphasis increased sensitivity in interpersonal relationships.

6.20. Self - Assessment Test

1. Explain the various methods of Human Resource development?
2. Write a Short Note on:
   a. Brain Storming
   b. Lecture Method
   c. Business Games
   d. Role Playing
3. Explain the superiority of conference method over Lecture Method?
4. Compare and contrast sensitivity training and role Playing? How role playing is useful in Human Resource Development?
5. What is meant by Sensitivity Training? Discuss its merits and demerits?

6.21. Further Readings

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Lesson-7

HUMAN RESOURCE DEVELOPMENT PRACTICES IN INDIA

Objectives

After reading this lesson, you should be able to :

Know the HRD institutions involved in different sectors.

obtain an idea over the origin of HRD.

assess the growth of HRD in future Structure

Structure

7.1._Introduction

The Government has a critical role to play in the development of the country. It acts as a planner, regulator, catalyst, controller and investor. Its policies and practices directly determine the nature and direction o[HRD activities in institutions and organisations under the direct control of government such as the administrative machinery and public sector organisations. Indirectly, the government's policies and practices set the tone and create an environment, which may discourage or encourage the HRD activities of their organisations in the non-governmental sectors as well. Thus, HRD in government has a strategic role. That is; its own policies and practices have a ripple effect with wide ranging impact on *other sectors of society. This is* especially so in a partially controlled economy like India's where the government regulates the activities of even private sector organisations.

Broadly, HRD in government can be given two interpretations. The first can be that it refers to the HRD activities in the various ministries, departments and government agencies. The second interpretation is that it refers to role of government at the macro environmental level, policies and conditions that affect HRD in various other organisations.

7.2. Agencies / Institutions Involved In HRD Programme

The aim of HRD has to be to develop the administrators not just for the needs of tomorrow but even for those of the days after. The HRD programmes can reduce the consciousness gap between the leaders of society and the masses of people by training development administrators. A number of departments and agencies were created on the lines of bureaucratic structure. These agencies or institutions in different sectors are studies as under:

a) Defense Service Sector

The Institute of Defense Management (IDM), which was started in Secunderabad in December 1970, has augmented the process of development of the officers of the defence services. It's maintain is to prepare the officers to meet emerging personnel and technological needs of the defence services and thereby enhances the operational preparedness of the Services. IDM is an inter-service organization where senior officers (Lt. Cols, and above) of the Army, Navy, and Air Force, and civilians of equalent ranks, come for management training. The Institute has a department of HRD as a part of the factory of Organisational Behaviour. During the last 14 years, this department has developed to a greatest structurally as well as functionally. It's terminal objectives are:

Create self-awareness in participants through introspection /retrospection and self-day

Improve their knowledge of individual differences relating to the affective side of personality like values, attitudes and motives, as well as cognitive side of personality like reasoning ability, judgment, conceptualization and problem solving.

Improve their understanding of the process of communication especially its transactional nature involved in personal and organizational communication

Improve their skill of making better use of human resource for increasing organizational effectiveness.

In addition to covering a wide range of topics pertaining to HRD, the department uses almost all the modem methods of imparting training including role playing exercises, case studies, films, diagnostic instruments, syndicate and panel discussions, brain storming, visits to service and industrial organizations, and conduct projects, etc. It lays special emphasis on experiential learning, which has proved very effective with the service officers.

The department of HRD has conducted certain very important and useful projects in the services. The recommendations of some of these have already been accepted and implemented by the respective service organisations. For example, Progressive Leadership Training in the Army is now an integral part of the training curriculum of Army Cadet Corps, Officers Training School, India Military Academy, Young School, Young Officers' Course, Junior Commanders' Course and soon. Similarly, the HRD department has contributed substantially in revising the appraisal system of the officers in the Navy as well as the Army. It has also helped the Army and the Air Force in looking into certain aspects of motivation of their officers and men.

b) Police Service Sector: The Indian police system was conceived as early as in 1861. It was remodelled in 1902. Over the years, social commissions were instituted to examine the problems effecting the police services. A study of police administration recently revealed that while there were some strengths like loyalty, dedication, job security and espirit de corps in the police service, It also suffered from severe weaknesses due to excessive political interference, corruption, and lack of open interaction among members. Among the recommendations made for improving police administration were the restructuring of salaries and benefits, proper recruitment and training procedures, improved performance appraisal system, better control and communication within the administration, and measures to improve police community relations.

The absence of proper and integrated human resource systems, particularly training and personnel administration are seen to be major impediments in the way of the proper functioning of the police services. Although training centres for many of the state police *forces* do exist, these are often treated as dumping grounds for unwanted staff'. A working paper at a national seminar In 1986 at the Sardar Vallabhai Patel National Police Academy in Hyderabad pointed out to many problems with respect to recruitment, training, placement, promotion and other human resources related functions. The paper suggested the need for developing a systems approach to these problems to ensure the planed growth, development and better utilization of police personnel.

To implement these suggestions, the paper recommended the setting up of a Department of Personnel for Police forces of the Central and State Government. In order to ensure 'maximum utilization of human resources to help attain organisational objectives,' an integrated system was recommended to provide and develop:

Objective recruitment methods based on manpower planning and forecasts.

Induction and training systems to better orient policemen to the demands and changing needs of society and technology.

Career management.

A uniform promotion policy based on more objective appraisal system.

Policies and systems for individual and collective grievance handling. and

Comprehensive welfare policies.

For many years the police administration was neglected and taken for granted. It is clear nos. that given the current circumstances operating in the country much greater attention requires to be p: id o this vital sector of the country's administration.

e) **Rural Sector:** The rural situation in the country is still plagued with social and economic problems. Several years of development efforts have not succeeded in eliminating age-old problems Large sections of our small population still suffer from non-satisfaction of minimum needs in tems of health, nutrition, education and other subsistence facilities. They are vulnerable both to natural calamities like floods and drought as well as to the exploitation of vested interests and moneylenders. Their level of economic productivity is low and they lack adequate delivery systems for employment and industrialization.

Very early in the stage of India's development as an independent country, it was recognized by visionary leaders like Mahatma Gandhi and Jawaharlal Nehru, that the development of the rural areas needs to be vested largely in the hands of the people by the setting up of appropriate socio-political institutional mechanisms. Such main institution is the village panchayat: According to the directive Principles of the Constitution: "The state shall take steps to organise village panchayats and endow them with such powers and authority as may be necessary to enable them to function as units of self government."The Balvantarai Mehta Committee of 1958 had attempted to translate these principles into action by recommending the introduction of the panchayati raj system which was expected to establish a linkage between local leadership enjoying the confidence of local people and the government, and translate the policies of the government into action. The structure of panchayati raj was envisioned in three tiers from the bottom of rural society upwards: directly selected village pinheads at the village level, indirectly elected panchayat samitis at the block level and zilla parishads composed of ex-office's members at the district level. Unfortunately, although boldly conceived, panchayati raj went into stagnation and decline.

The proposed Sixty-fourth Constitution Amendment Bill introduced in the Parliament in 1989 was an attempt to resolve some of the macro-level problems facing panchayati raj institutions. However, apart from macro-level policy changes, changes in the structure and functioning of local bodies and in their managerial and human resource capabilities are also required. From the HRD point of view the major priorities for the success of panahayati raj and rural development institutions are:

Clarifying purposes and ensuring that these are reflected in pertinent strategies, policies and programmes.

Developing people as change agents and as culture builders to bring about necessary transformation in dysfunctional cultures existing in the rural areas.

Training and development in order to enable people develop their capacities and potential for productive employment.

Strengthening panchayati raj and other organisations engaged in development.

Increasing administrative accountability through task clarity and appropriate monitoring and appraisal mechanisms.

Developing role clarity and task or results orientation on the part of functionaries.

Motivation of functionaries through attitude change and motivation development programmes.

Developing and implementing appropriate reward systems for those involved in the routine administration and implementation of tasks.

7.3. Evaluation of HRD

We have been discussing the evaluation of specific training programs, but increasingly the HRD function is coming under pressure to measure and justify the total impact of what they do against the costs involved in doing it and against what other companies are doing. The trend toward benchmarking means that HRD groups are being asked to assess themselves against the best practice in the industry or in the HRD field. Figure 7.1 shows some measures that might be used to benchmark HRD activities across companies or divisions, or from year to year in the same unit. These merits fall into three classes:

a) training activities (percent of employees trained, hours of training per employee; etc.),

b) training results in terms of Kirkpatrick's four outcome levels, and

c) training efficiency measures, such as costs per student hour. These measures were developed by **the** manager of HRD at Magnavox Electronic systems Company, who used them to compare his training function with those of three Malcolm Baldrige National Quality Award winners.

Metric Name	Metric Type	How to Calculate	Example
Percent of payroll Spent on training	Training Activity	Total training expenditures + total payroll	U.S. average 1.4 % of payroll spent on training per year.
Training dollars Spent per employee	Training Activity	Total training expenditures + employees served	Three Baldrige winners spent $1,100 Per employee on Training in 1990.
Average training hours per employee	Training Activity	Total number of training hours (hours x participants) + total employees served	U.S. average for large firms (100+employees)= 33 hours per employee in 1990.
Percent of employees trained per year	Training Activity	Total number of received training + total employes.	Three Baldrige winners trained an average of 92.5 % of their Workforces in 1990.
HRD staff per 1,000 Employees.	Training Activity	Number of HRD staff + total Employee Population	Three Baldrige winners had an average of 4.1 HRD staff members per 1,000 employees
Average percent of Positive participant	Training Results: Reactions	Total number of employees rating courses "good or Effective" + total Number of employees Who completed course Surveys per year	Three Baldrige winners averaged 93 % positive participant course rating in 1990.
Average percent of Satisfied HRD	Training Results : Reactions	Total number of customers rating HRD services "good or effective" + Total number of customers Who completed customer Satisfaction survey.	Three baldrige winners averaged 84 % positive HRD customer-service rating in 1990.
Average percent Gain in learning Per course	Training Result: Learning	Average percent of learning gain (difference between per-and posttest for each class, average over all classes tested.	Three Baldrige winners averaged 70 % learning gain in more than 50 technical classes in 1990.
Average percent Of improvement In on-the-job	Training Result: Behaviour	Average Job performance gain (difference between pre-and post-training Behaviour) for each class, averaged over all classes measured.	An electronic firm reported 49 % improvement in management training's after supervisor training in 1990.

Metric Name	Metric Type	How to Calculate	Example
Cost savings as A ratio of Training expenses	Training Result: Bottom-Line	Total savings in scrap or waste + dollars invested in training.	A Baldrige winner reported saving $30 for every $2 spent on TOM training (for an RIO of 30:1)
Revenues per Employee per year	Training Result: Bottom-Line	Total yearly revenues or sales + total number of employees	Two baldrige winners reported average revenues per employee of $94,000 in 1990.
Profit per Employee per year	Training Result: Bottom-Line	Total yearly gross profits+ total number of employees.	An electronics firm earned average profits per Employee of $21,000 In 1990.
Training costs Per student hour	Training Efficiency	Total costs of training + total number of hours of training.	Three Baldrige winners reported $27 in average training costs per hour of training in 1990.
Billable rate (time on task)	Training Efficiency	HRD staff time spent on billable or key tasks + total HRD staff time.	An electronics firm reported an HRD billable Rate of .82 in 1991(82 % of staff time spent on billable tasks).

7.4. Future and prospective of HRD

Experts seem to agree that HRD in the future may be significantly different from the way it is practiced at present. These changes will derive in part from the revolution in technology (e.g., performance support system) and in part from the changes in organisational structure and the increasing demands to be quick, innovative, and flexible in order to remain competitive. Changes will occur both in training content and in delivery. Training will become more responsive and individualized, and more of it will be conducted by outside providers or by managers or team leaders rather than professional in-house trainers. A survey of HRD professionals resulted in this rank-ordering of trends that are expected to affect the profession through the year 2000:

The increasing rate of redesigning and re-engineering jobs and organisations for higher performance.

New organisational forms and structures, and the need to manage change.

Changes in the extent to which the training function is centralized or decentralized, with many organisation moving towards decentralization.

Change in emphasis from raining for specific skills to performance improvement and support.

More training to be on-the-job and just-in-time

Increased emphasis on the team as the unit that accomplishes work and that must be trained.

Training & Development magazine recently interviewed leading HRD professionals and management scholars to speculate about the future shape of HRD. Most of them stated the Learning would be more and more important for organisational success, but that the learning will increasingly occur on the job as employees are empowered to find problems and experiment with solutions. Learning how to learn from experience will be critical. According to Rosabeth Moss Kanter,

There is indeed a growing emphasis on Learning in the workplace – but not necessarily on training. "Training signifies a one-way transfer of established wisdom or skill from the trainer to the unformed trainee, who is expected to become more like the established model as a result of the training experience. It focuses on the teacher, not the student. But "Learning" reverses this in important ways. Learning involves not only absorbing existing information, but also creating new solutions to not-yet- fully-understood problems. And while we could not conceive of training without students, learning can take place in the absence of teachers. It is an ability of the person, the group, and the organisation.

7.5. Summary

A major contributing factor to national development is the development of human resources in sectors responsible for strategic functions. This unit examined the agencies involved in defence, police, and panchayati raj institutions. In all these sectors the emphasis of HRD needs to be on developing commitment, motivation and morale among people to enable them function under difficult circumstances, developing appropriate work cultures and providing for augmentation of necessary attitudes and competencies through training. The training phase includes developing training materials and procedures and actually conducting the training. The design of a training program must consider issues such as conditions of practice, knowledge of results, interference, transfer of training and adult learning principles. Finally the utility of a training program can be calculated by assessing its costs and putting a rupee value on its benefits to the organization.

Evaluation of **HRD:** The evaluation of HRD aims to measure and justify the total impact of what they do against the cost involved in doing it and against what other companies are doing.

7.7. Self - assessment Questions

1. Explain the various institutions involved in HRD programme by taking an analogy of a particular sector?

2. Examine the evolution of Human Resource Management?

3. What do you think about the further growth and prospects of HRD?

7.8. Further Readings

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