HUMAN RESOURCE MANAGEMENT-I

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MODULE-1

Human resources mean the collection of people and their characteristics at work. They are distinct and unique to an organization in several ways.
Human Resources are" A whole consisting of inter-related, inter-dependent & interacting psychological, sociological & ethical components". ***Michael J. Jucius*** **.**

HR means Human resource consists of mutually dependent, related, and intermingling ethical, physiological, psychological, and sociological elements.

Sumantra Ghosal believes "human resources of the organization are the human capital. The expert has divided human capital into 3 important sections: intellectual, social, and emotional.

Intellectual capital comprises specialized knowledge, tacit knowledge and skills, cognitive complexity, and learning capacity.
Social capital comprises a network of relationships, sociability, and trustworthiness.
Emotional capital consists of self-confidence, ambition and courage, risk-bearing ability, and resilience."

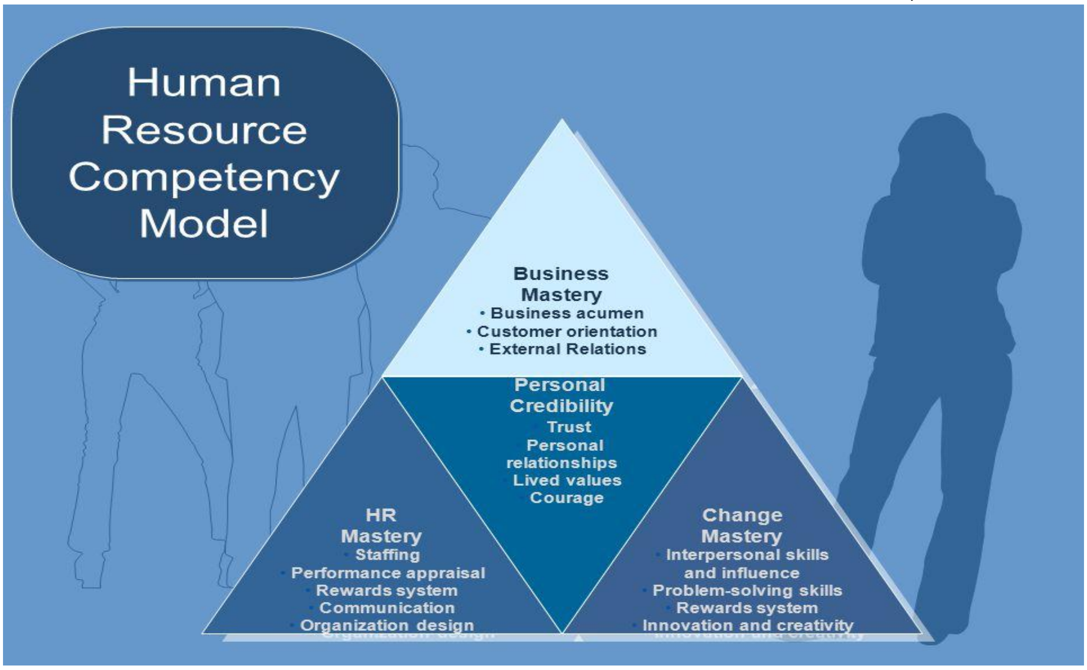
HRM can be defined as a process of procuring, developing and maintaining competent human resources in the organization so that the goals of an organization are achieved in an effective and efficient manner. (***Garry Dessler***)

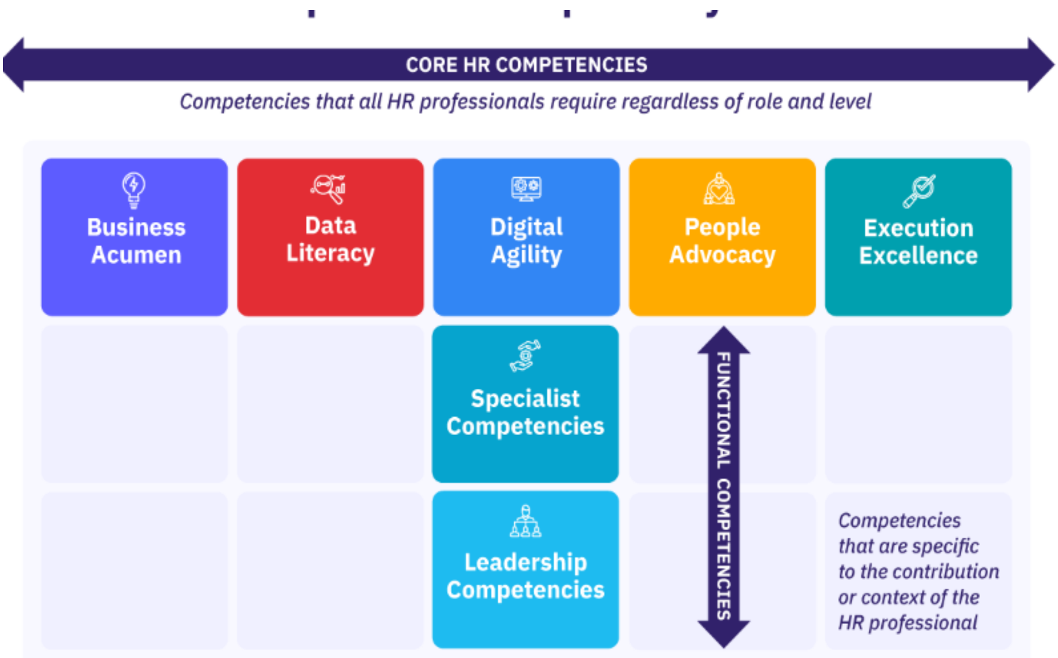
Human resource management is concerned with policies and practices that ensure the best use of the human resources for fulfilling the organizational and individual goals-(***Edwin B. Flippo***)

In simple words, HRM is the art of managing people at work in such a manner that they give their best to the organisation for achieving its goals.

Qualities of an HR manager:

- **Knowledge**
- **Intelligence**
- **Communication skills**
- **Objectivity and fairness**
- **Leadership and motivational qualities**
- **Emotional maturity and**
- **Empathy**





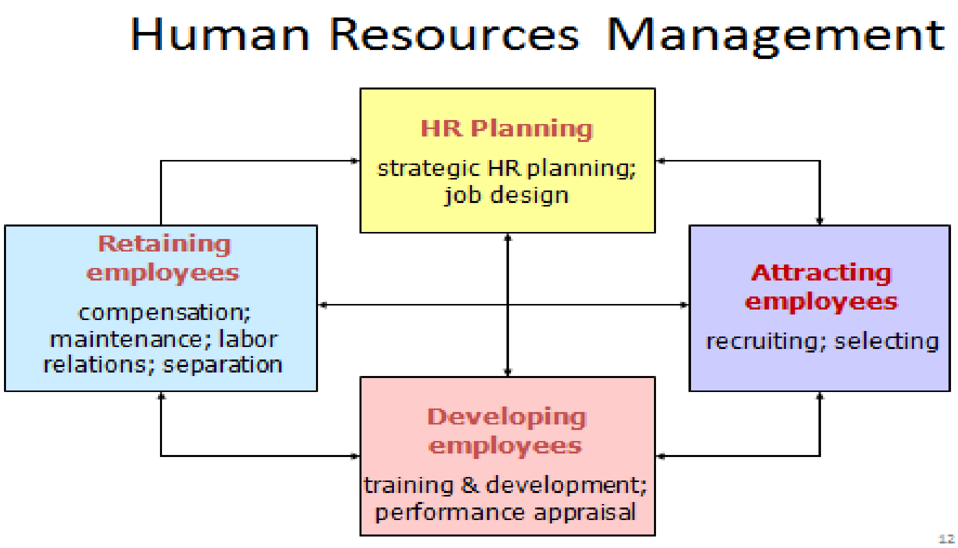
Objectives:
The primary objective of HRM is to ensure the availability of right people for right jobs so that the organizational goals can be achieved effectively.

This primary objective can further be divided into the following sub-objectives:

1. To help the organization to attain its goals effectively and efficiently by providing competent and motivated employees.
2. To utilize the available human resources effectively.
3. To increase to the fullest the employee's job satisfaction and self-actualization.
4. To develop and maintain the quality of work life (QWL)
5. To maintain ethical policies and behaviour inside and outside the organisation.
6. To establish and maintain cordial relations between employees and management.

7. To reconcile individual/group goals with organizational goals.

Functional objectives – to maintain the department's contribution at a level appropriate to the organization's needs.
Personal objectives – to assist employees in achieving their personal goals, and enhancing the individual's contribution to the organization.
Societal objectives – to be ethically and socially responsible to the needs and challenges of the society.
Organizational objectives – to recognize the role of HRM in bringing about organizational effectiveness.



Human Resource Management: Nature

Human Resource Management is a process of bringing people and organization together so that the goals of each are met. The various features of HRM include:

- **People oriented**
- **Action- oriented**
- **Individual- oriented**
- **Development – oriented**
- **Pervasive Function**
- **Continuous Function**
- **Future- oriented**
- Integrated Mechanism

Human Resource Management: Scope

The scope of HRM is very wide:

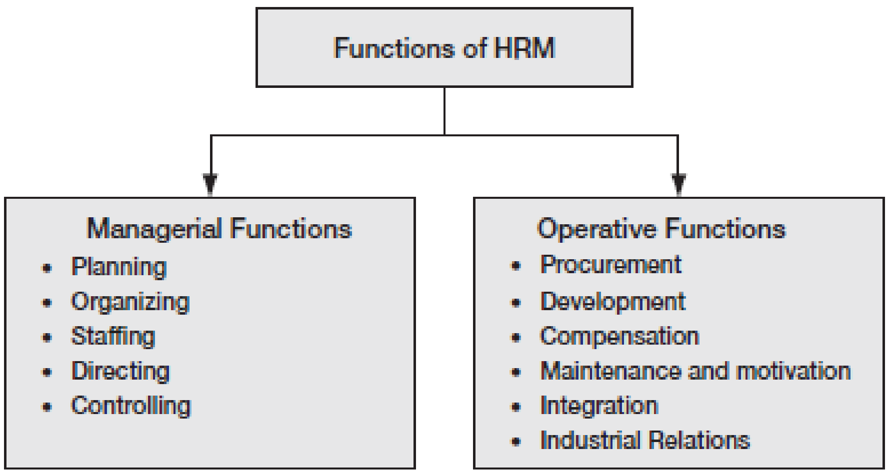
1. **Personnel aspect**-This is concerned with manpower planning, recruitment, selection, placement, transfer, promotion, training and development, layoff and retrenchment, remuneration, incentives, productivity etc.

2**. Welfare aspect**-It deals with working conditions and amenities such as canteens, crèches, rest and lunch rooms, housing, transport, medical assistance, education, health and safety, recreation facilities, etc.

3. **Industrial relations aspect**-This covers union-management relations, joint consultation, collective bargaining, grievance and disciplinary procedures, settlement of disputes, etc

Functions of HRM:

Functions of human resource management



1) Managerial Functions:

Planning:

Planning is a predetermined course of actions. It is a process of determining the organisational goals and formulation of policies and programmes for achieving them. Thus planning is future oriented concerned with clearly charting out the desired direction of business activities in future. Forecasting is one of the important elements in the planning process. Other functions of managers depend on planning function.

Organising:

Organising is a process by which the structure and allocation of jobs are determined. Thus organising involves giving each subordinate a specific task establishing departments, delegating authority to subordinates, establishing channels of authority and communication, coordinating the work of subordinates, and so on.

Staffing:

is a process by which managers select, train, promote and retire their subordinates This involves deciding what type of people should be hired, recruiting prospective employees, selecting employees, setting performance standard, compensating employees, evaluating performance, counseling employees, training and developing employees.

Directing/Leading:

Directing is the process of activating group efforts to achieve the desired goals. It includes activities like getting subordinates to get the job done, maintaining morale motivating subordinates etc. for achieving the goals of the organisation.

Controlling:

It is the process of setting standards for performance, checking to see how actual performance compares with these set standards, and taking corrective actions as needed.

2) Operative Functions:

The operative, also called, service functions are those which are relevant to specific department. These functions vary from department to department depending on the nature of the department. Viewed from this standpoint, the operative functions of HRM relate to ensuring right people for right jobs at right times. These functions include procurement, development, compensation, and maintenance functions of HRM.

The first operative function of HRM is **procurement.** It is concerned with procuring and employing people who possess necessary skill, knowledge and aptitude.

Procurement Function

It is concerned with securing and employing the right kind and proper number of people required to accomplish the organizational objectives. It consists of the following activities:

Under its purview it includes job analysis, manpower planning, recruitment, selection, placement, induction and internal mobility.

Job analysis*:* It is the process of collecting information relating to the operations and responsibilities pertaining to a specific job.

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

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

Selection: It is the process of ascertaining qualifications, experience, skill and knowledge of an applicant with a view to appraising his/her suitability to the job in question.

Placement: It is the process that ensures a 360º fit, matching the employee’s qualifications, experience, skills and interest with the job on offer. It is the personnel manager’s responsibility to position the right candidate at the right level.

Induction and orientation: Induction and orientation are techniques by which a new employee is rehabilitated in his new surroundings and introduced to the practices, policies, and people. He must be acquainted with the principles which define and drive the organisation, its mission statement and values which form its backbone.

Internal Mobility*:* The movement of employees from one job to another through transfers and promotions is called internal mobility. Some employees leave an organisation due to various reasons leading to resignation, retirement and even termination. These movements are known as external mobility. In the best interest of an organisation and its employees, such job changes should be guided by well-conceived principles and policies.

Development Function

Human resource development is the process of improving the knowledge, skills, aptitudes and values of employees so that they can perform the present and future jobs more effectively. This function compromises the following activities:

a.Performance and Potential Appraisal :- It implies systematic evaluation of employees with respect to their performance on the job and their potential for development.

b.Training : It is the process by which employees learn knowledge, skills and attitudes to further organizational and personal goals.

c.Executive Development : It is the process of developing managerial talent through appropriate programmes.

d.Career Planning and Development :- It involves planning the career of employees and implementing career plans so as to fulfill the career aspirations of people.

Compensation Functions- It refers to providing equitable and fair remuneration to employees for their contribution to the attainment of organizational objectives. It consists of the following activities:

a.Job Evaluation :-It is the process of determining the relative worth of a job.

b.Wage and Salary Administration :- It implies developing and operating a suitable wage and salary programme.

c.Bonus :- It involves payment of bonus under the Payment of Bonus Act,1965 as well as non-statutory bonus and other incentives

Integration Function- It is the process of reconciling the goals of the organization with those of its members. Integration involves motivating employees through various financial and non-financial incentives, providing job satisfaction, handling employee grievances through formal grievance procedures, collective bargaining, worker's participation in management, conflict resolution, developing sound human relation, employee counseling, improving quality of work life, etc.

Maintenance Function- It is concerned with protecting and promoting and promoting the physical and mental health of employees for this purpose several types of fringe benefit such as housing, medical aid, educational facilities, conveyance facilities, etc. are provided to employees. Social security measures like provident fund, pension, gratuity, maternity benefits, injury/disablement allowance, group insurance, etc. are also arranged.

Motivation becomes important to sustain the number of employees in the company. It is the job of the Human Resource department to look into the different methods of motivation. People generally work to a certain level with full efficiency. After some time, they need to be provided with some new incentives to work. Here comes the concept of motivation. This function states that the HR manager should motivate the workers with both financial and non-financial incentives. Apart from this certain health and safety regulations have to be followed for the benefits of the employees.

Personnel Record Keeping

This function states that an HR manager keeps records of the personnel working in different departments under different heads.Moreover, he keeps the record of their work and the level of improvement. This record keeping helps them to build motivational techniques, staffing function, etc

Industrial relations: - Another important area of Human Resource Management is maintaining co-ordinal relations with the union members. This will help the organization to prevent strikes lockouts and ensure smooth working in the company.

Evolution of HRM

1. **The Industrial Revolution**
2. **Trade unionism**
3. **Scientific Management**
4. **Human Relation Movement Era**
5. **Behavioural Science**
6. **The Contemporary HRM Era/ HRD (1990 onwards)**

The Industrial Revolution

The systematic development of HRM started with industrial revolution that started during 1850s in Western Europe and USA. The industrial revolution consisted, essentially, the development of machinery, the use of mechanical energy in production processes, and consequently the emergence of the concept of factory with large number of workforce working together.Managing People at Work began at the time of the Industrial Revolution in the late eighteenth century. However, the basic philosophy of managing workers revolved around master-servant relationship. The work environment was very unfavourable at this time and thousands of employees worked long hours for little pay in difficult and often dangerous working conditions. Towards the end of the 19th-century Companies like 'Cadbury' in the UK and 'Jacob' in Ireland voluntarily appointed welfare officers to improve working conditions and set up sick pay schemes and subsidised housing. Shortly after the emergence of factory system, workers started to organize themselves based on their common interests to form workers' associations which were subsequently known as trade unions. The basic objectives of these associations were to safeguard interest of their members and to sort out their problems which arose primarily because of employment of child labour, long hours of work, and poor working conditions.

The early Twentieth century brought **scientific management** influenced by FW Taylor who believed there was 'one best way' to approach every job and organise the work process more efficiently. Taylor analysed the job and broke it down into components i.e. job specialisation.

The main principles of scientific management are:
(i) Replacing rule of thumb with science, (ii) harmony, not conflict, (iii) cooperation, not individualism, and (iv) development of each and every person. Scientific management techniques relevant to management of workers are- functional foremanship, standardization and simplification of work, and differential piece wage system.

Taylor believed that people could be trained to become an expert at one particular component of the job but ignored that fact that people are not machines and get bored doing the same job every day. Taylorism was most famously adopted by fast food companies and Ford and benefits Human Resource Management with tools such as job analysis, methods of selection, methods of training.

During the 1920s and 1930's,the researches of Elton Mayo indicated that performance could be affected by motivation, job satisfaction, group dynamics and leadership style. This behavioural science began to influence the management of people that a more flexible approach was required when dealing with different people

During the 1980s and 1990s, many business leaders recognised that their employees were the key to competitive advantage. This belief, that people are a resource to be managed as efficiently and effectively as any other resource, led to a shift in management style which became known as Human Resource Management. However, as the time passed and the complexity of managing human resources in large business organizations increased, the scope of industrial relations department was extended to cover supervisory staff and subsequently managerial personnel. Industrial relations department was named as personnel department.
With the increasing competition for market share, competition for resources including human talents, and increased knowledge in the field of managing human resources, people were not treated merely as physiological beings but socio-psychological beings as a prime source of organizational effectiveness and large organizations changed the nomenclature of their personnel department to human resource 'department to reflect the contemporary view.

Evolution of HRM in INDIA

- The HRM In India can be traced back to after 1920.
- The first step toward introducing personnel management, Formation of trade unions, with close links with political leaders like Mahatma Gandhi (the Textile Labor Association in Ahmedabad was founded in 1920), influenced the way industrial workers are managed.
- The Royal Commission on Labor set up from 1929 to 1931 to examine the situation recommended the appointment of labor officers and other changes. The suggested changes led to the bringing in of standardization .
- Tata steel have informally started HRM practices in their organisation under the title of Administration & vigilance department.
- In 1948 ,the Factory act & stipulated working hours for female & teen age worker & security about female worker . Soon T V Rao & Udai Pareek have started to implement the Personnel management & Indian institute of personnel management(IIPM) & National Institute of Labour Management were set up.

- By 1970, there was shift in professional values & New technologies, HR challenges and HRD was discussed.
- In 1980 IIPM and NILM merged to form National Institute of Personnel Management(NIPM)
- In 1990, emphasis shifted to human values and productivity through people.

Randall S. Schuler, a well-known academic in the fields of global HRM, strategic HRM, the role of HRM in organizations, and the intersection of corporate strategy and HRM, developed the 5P's HRM Model in 1992.
The 5P Model is founded on five fundamental principles: purpose, principles, procedures, people, and performance. When these five guiding principles are properly aligned and balanced, a company is more likely to succeed.

The 5P's Model defines;

- ***Purpose* as the organization's vision, mission, and primary objectives;**
- ***Principles* are defined as operational protocols set to lead to achieving a purpose;**
- ***Processes* include organization architecture, systems, and methods of operation;**
- ***People* are the vital HR resource performing tasks in line with the appointed principles and processes;**
- ***Performance*, ultimately, is a result that can be measured by the appropriate standards.**

ROLE OF HRM

HR managers, who were once confined to handling basic data work and routine record keeping amongst employees, are now exposed to an evolving nature of diverse workforce complexities, legal obligations, and strategic management of organisational goals. Globalisation is on the rise and companies are spreading out all around the world, no longer restricted by geographical barriers. In this background, HR Manager is juggling to play many new and responsible roles.

According to Dave Ulrich, HR plays four key roles.
These are:

1**. Strategic Partner**: "Being a strategic partner" is understood as a long-term relationship to achieve defined objectives common to all partners. Some people refer to HR as business partner. Being business partners, HR professionals work closely with an organisation's senior leaders in order to develop an HR agenda that closely supports the overall aims of the organisation. HR business partnering is becoming more popular as organisations become people-focused and see the value in aligning agendas toward a common goal.

2. **Change Agent Role**: Creating a culture of change is a responsibility of an HR Manager. When it comes to being a change agent, an HR manager would look to alter human capability or organisational systems to achieve a higher degree of output. Role of an HR manager as a successful change agent in an organisation is to foster business leaders who can anticipate change, analyze the environment, act decisively and collaboratively, and affirm the value of positive change.

3. **Employees Champion**: As the voice for employee concerns and employee issues, HR professionals must be the advocate for employees, recognizing that they have other lives besides work, and ensuring that organisational policies and practices consider these pressures. Otherwise, in many cases, the organisation loses valuable human resources who do not want to continue working in a "family-unfriendly" environment.

4. **Administrative**: The administrative role of HR management is heavily oriented to processing and record keeping. Maintaining employee files and HR-related databases, processing employee benefits claims, answering questions about sick leave policies, and compiling and submitting required State and government reports. These activities must be performed efficiently and promptly.

Exhibit 4-5

Traditional HR Versus Strategic HR

	Traditional HR	Strategic HR
Responsibility for HR	Staff specialists	Line managers
Focus	Employee relations	Partnerships with internal and external customers
Role of HR	Transactional, change follower, and respondent	Transformational, change leader, and initiator
Initiatives	Slow, reactive, fragmented	Fast, proactive, integrated
Time horizon	Short-term	Short, medium, long (as necessary)
Control	Bureaucratic—roles, policies, procedures	Organic—flexible, whatever is necessary to succeed
Job design	Tight division of labor, independence, specialization	Broad, flexible, cross-training, teams
Key investments	Capital, products	People, knowledge
Accountability	Cost center	Investment center

The main difference between Personnel Management and Human Resource Management lies in their scope and orientation.

While the scope of **personnel management** is limited and has an inverted approach, wherein workers are viewed as tool. Here the behavior of the worker can be manipulated as per the core competencies of the organization and are replaced when they are worn-out.

On the other hand, **human resource management** has a wider scope and considers employees as the asset to the organization. It promotes mutuality in terms of goals, responsibility, reward etc. that will help in enhancing the economic performance and high level of human resource development.

Criteria	Personnel Management	Human Resource Management
Focus	Administrative	Strategic
Role	Employee administration	Employee development and engagement
Scope	Limited	Broader
Approach	Traditional	Modern and progressive
Employee relations	Formal	Collaborative
Communication	Top-down	Open and transparent
Decision-making	Centralised	Decentralised
Job design	Task-oriented	Skills-oriented
Training and development	Job-specific	Career-oriented
Employee motivation	Transactional	Transformational
Performance management	Evaluation-oriented	Development-oriented
Labour relations	Compliance-driven	Partnership-driven
Legal compliance	Minimum legal	Proactive legal

Recent Trends in HRM and the challenges confronted:

Human resource management (HRM) is an essential process of workforce management. It is the practice of recruiting, hiring, deploying, and managing employees to ensure smooth functioning. HRM is also responsible for creating and overseeing the policies governing the organization's and its employees' relationships.

As HRM is closely related to employees and the employment protocols within an organization, it has to keep up with the changes in the domain. The economic slowdowns, globalization, workforce diversity, changing skills requirements, need for downsizing, decentralized work culture, and many more factors make it necessary to keep up with HR trends.

Employee Well-being-A recent study by the McKinsey Health Institute found that every one in four employees are experiencing burnout symptoms. The study further found a 22% gap between employers and employees in the perception of well-being at work. The startling difference in opinion leads to toxic work cultures and burnout in workers.. One of the increasing trends in HRM is to take a holistic and more inclusive enterprise-wide approach to workers' well-being. The concept of a healthy organization goes beyond the physical health of the workers and aims at facilitating flexibility and more opportunities for training and empowerment.

. **Introducing diversity in the workforce**-Today, a typical workforce comprises people of different ages, gender, social class, values, cultures, and ethnicities. Diversity in the workforce is even required because it boosts creativity and innovation, which helps an organization's competitiveness must also be mindful of the age difference among workers to effectively train people from different age groups to work together and respect diversity.

Training employees-Continuous improvement programs provide human resources the much-needed advantage they require for a competitive edge. Training employees continuously is essential for organizations focusing on quality and building a better foundation for the workforce. It also helps with employee retention as workers grow in their position through learning. HRM must strive to improve existing training programs and introduce necessary changes to facilitate continuous training and learning.

Also, amendments must be made to include specific requirements or facilities depending on the diversity of the workforce, such as translators and content in the native language.

Facilitating hybrid culture-Since the pandemic, there has been a shift in workplace culture, and employees are looking for flexible work hours with the ability to work remotely. Most companies have adopted a hybrid work model, becoming one of the top trends in human resource management.A flexible work model includes a mix of in-office and remote work. Amazon, Infosys, Microsoft, and Siemens are some large corporations that have adopted the hybrid work culture. The question arises if the hybrid work model is enough to provide the much-needed flexibility.. Given the success of this work model, 74% of US companies are using or planning to implement a permanent hybrid work model.

Rise of MNCs and globalization-The profitability and growth of businesses today depend on the local and international markets. This is evident from the rise of multinational corporations. To operate such corporations, human resource managers must make new requirements. Such businesses require a mix of employees in terms of skills, knowledge, diversity, and cultural adaptability.

Another HR trend to keep a tab on is to create training and development programs to meet the challenges of globalization. HRM must develop mechanisms that support a multicultural workforce and allow individuals to work together. As the differences in background and language increase, the risk of employee conflict also increases. Human resource management's responsibility is to train managers to be more flexible in these practices to minimize conflicts and have open conversations.

Automation of everyday tasks- Organizations cannot become profitable and have a competitive advantage if they keep up with the traditional way of handling work processes. High-value and productive workings require leveraging the power of automation and AI-powered solutions that can accelerate the execution the daily tasks.From screening and sourcing talent to tracking employee time and attendance, adopting AI tools is one of the recent trends in HRM.

1. **Increase in size of workforce**-additional demands for better pay, benefits & working conditions.
2. **Composition of workforce**- The raising percentage of women in workforce demand for equal pay, gender inequality
3. **Employees expectations**-as workers are better educated, more demanding, voice strong- financial & non financial demands is ever growing & expanding.
4. **Changes in technology**- increase in automation, modernization & computerization. Employees must update their knowledge & skills constantly. This will necessitate constant training at all levels.
5. **Life style changes**- people are ready to change jobs, shift locations, start up companies & even experiment with untested ideas.
6. **Environmental challenges**- Privatization efforts in India will gather momentum . Burden of training & retraining falls on the shoulder of HR manager. Reserved categories, minorities will lose importance during selection of employees.
7. **Personnel Function**- Job redesign, career opportunity, Productivity, reward, safety and welfare, Talent hunting, developing & retaining, Lean & mean mg (good bye to old employees), labour relation, Health care benefits

Current Trends in Human Resource Management:

1. **Globalization and its implications-** Business today doesn't have national boundaries – it reaches around the world. The rise of multinational corporations places new requirements on human resource managers. The HR department needs to ensure that the appropriate mix of employees in terms of knowledge, skills and cultural adaptability is available to handle global assignments. In order to meet this goal, the organizations must train individuals to meet the challenges of globalization. The employees must have working knowledge of the language and culture (in terms of values, morals, customs and laws) of the host country. Human Resource Management (HRM) must also develop mechanisms that will help multicultural individuals work together. As background, language, custom or age differences become more prevalent, there are indications that employee conflict will increase. HRM would be required to train management to be more flexible in its practices. Because tomorrow's workers will come in different colors, nationalities and so on, managers will be required to change their ways. This will necessitate managers being trained to recognize differences in workers and to appreciate and even celebrate these differences.

2. **Workforce Diversity** In the past HRM was considerably simpler because our work force was strikingly homogeneous. Today's work force comprises of people of different gender, age, social class sexual orientation, values, personality characteristics, ethnicity, religion, education, language, physical appearance, martial status, lifestyle, beliefs, ideologies and background characteristics such as geographic origin, tenure with the organization, and economic status and the list could go on. Diversity is critically linked to the organization's strategic direction. Where diversity flourishes, the potential benefits from better creativity and decision making and greater innovation can be accrued to help increase organization's competitiveness.

3**. Changing skill requirements** Recruiting and developing skilled labor is important for any company concerned about competitiveness, productivity, quality and managing a diverse work force effectively. Skill deficiencies translate into significant losses for the organization in terms of poor-quality work and lower productivity, increase in employee accidents and customer complaints. Since a growing number of jobs will require more education and higher levels of language than current ones , HRM practitioners and specialists will have to communicate this to educators and community leaders etc. Strategic human resource planning will have to carefully weigh the skill deficiencies and shortages. HRM department will have to devise suitable training and short term programmes to bridge the skill gaps & deficiencies.

4. **Corporate downsizing** Whenever an organization attempts to delayer, it is attempting to create greater efficiency. The premise of downsizing is to reduce the number of workers employed by the organization. HRM department has a very important role to play in downsizing. HRM people must ensure that proper communication must take place during this time. They must minimize the negative effects of rumors and ensure that individuals are kept informed with factual data. HRM must also deal with actual layoff. HRM dept is key to the downsizing discussions that have to take place.

5. **Continuous improvement programs** Continuous improvement programs focus on the long term well being of the organization. It is a process whereby an organization focuses on quality and builds a better foundation to serve its customers. This often involves a company wide initiative to improve quality and productivity. The company changes its operations to focus on the customer and to involve workers in matters affecting them. Companies strive to improve everything that they do, from hiring quality people, to administrative paper processing, to meeting customer needs. Unfortunately, such initiatives are not something that can be easily implemented, nor dictated down through the many levels in an organization. Rather, they are like an organization wide development process and the process must be accepted and supported by top management and driven by collaborative efforts, throughout each segment in the organization. HRM plays an important role in the implementation of continuous improvement programs. Whenever an organization embarks on any improvement effort, it is introducing change into the organization. At this point organization development initiatives dominate. Specifically, HRM must prepare individuals for the change. This requires clear and extensive communications of why the change will occur, what is to be expected and what effect it will have on employees

6. **Re-engineering work processes for improved productivity** Although continuous improvement initiatives are positive starts in many of our organizations, they typically focus on ongoing incremental change. Such action is intuitively appealing — the constant and permanent search to make things better. Yet many companies function in an environment that is dynamic-facing rapid and constant change. As a result continuous improvement programs may not be in the best interest of the organization. The problem with them is that they may provide a false sense of security. Ongoing incremental change avoids facing up to the possibility that what the organization may really need is radical or quantum change. Such drastic change results in the re-engineering of the organization. Re-engineering occurs when more than 70% of the work processes in an organization are evaluated and altered. It requires organizational members to rethink what work should be done, how it is to be done and how to best implement these decisions. Re-engineering changes how organizations do their business and directly affects the employees... For re-engineering to generate its benefits HRM needs to offer skill training to its employees. Whether it's a new process, a technology enhancement, working in teams, having more decision making authority, or the like , employees would need new skills as a result of the re-engineering process.

7. **Contingent workforce** A very substantial part of the modern day workforce are the contingent workers. Contingent workers are individuals who are typically hired for shorter periods of time. They perform specific tasks that often require special job skills and are employed when an organization is experiencing significant deviations in its workflow. When an organization makes

its strategic decision to employ a sizable portion of its workforce from the contingency ranks, several HRM issues come to the forefront. These include being able to have these virtual employees available when needed, providing scheduling options that meet their needs and making decisions about whether or not benefits will be offered to the contingent work force. No organization can make the transition to a contingent workforce without sufficient planning. As such, when these strategic decisions are being made, HRM must be an active partner in these discussions. After all its HRM department's responsibility to locate and bring into the organization these temporary workers. As temporary workers are brought in, HRM will also have the responsibility of quickly adapting them to the organization. HRM will also have to give some thought to how it will attract quality temporaries.

8. **Decentralized work sites** Work sites are getting more and more decentralized. Telecommuting capabilities that exist today have made it possible for the employees to be located anywhere on the globe. With this potential, the employers no longer have to consider locating a business near its work force. Telecommuting also offers an opportunity for a business tin a high cost area to have its work done in an area where lower wages prevail. Decentralized work sites also offer opportunities that may meet the needs of the diversified workforce. Those who have family responsibilities like child care, or those who have disabilities may prefer to work in theirhomes rather than travel to the organization's facility. For HRM, decentralized work sites present a challenge. Much of that challenge revolves around training managers in how to establish and ensure appropriate work quality and on-time completion. Work at home may also require HRM to rethink its compensation policy. Will it pay by the hour, on a salary basis, or by the job performed. Also, because employees in decentralized work sites are full time employees of the organization as opposed to contingent workers, it will be organization's responsibility to ensure health and safety of the decentralized work force.
9. **Employee involvement** For today's organization's to be successful, there are a number of employee involvement concepts that appear to be accepted. These are delegation, participative management, work teams, goal setting, employee training and empowering of employees. HRM has a significant role to play in employee involvement. What is needed is demonstrated leadership as well as supportive management. Employees need to be trained and that's where human resource management has a significant role to play. Employees expected to delegate, to have decisions participatively handled, to work in teams, or to set goals cannot do so unless they know and understand what it is that they are to do. Empowering employees requires extensive training in all aspects of the job. Workers may need to understand how new job design processes. They may need training in interpersonal skills to make participative and work teams function properly.

HRP

Human resource planning is "the process by which the management determines how an organization should move from its current to desired manpower position. Through planning, management strives to equip with the right number and the right kinds of people at right time to do things which result in both the organization and the individual receiving the maximum long-range benefit.

It is the Process by which an organisation ensures that it has the right number & kind of people at the right place and at the right time, capable of effectively and efficiently completing those tasks that help the organisation achieve its overall objectives.

Objectives of Human Resources Planning

1. To recruit and retain the human resources of required quantity and quality.
2. To foresee the employee turnover and make the arrangements for minimizing turnover and filling up of consequent vacancies.

3. To meet the needs of the program of expansion, diversification etc.
To foresee the impact of technology on work, existing employees and future human resources requirements
4. To improve the standards skill, knowledge,, ability, discipline etc.,
5. To assess the surplus or shortage of human resources and take measures accordingly.,
6. To maintain congenial industrial relations by maintaining optimum level and structure of human resources;
7. To minimize imbalances caused due to non-availability of human resources of right kind, right number in right time and right place;
8. To make the best use of its human resources; and
9. To estimate the cost of human resources.

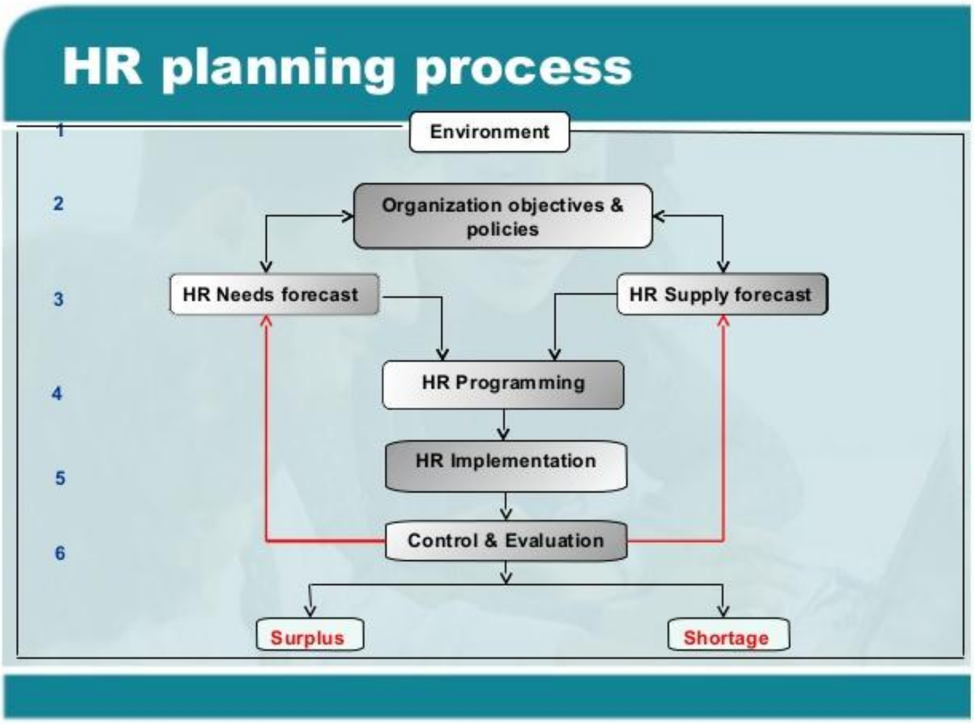
IMPORTANCE OF HRP

The importance of HRP can be explained as follows.

- Anticipating future manpower requirements
- Creating highly talented personnel
- Foundation for personnel functions: - such as recruitment, selection, personnel movement and training and development.
- Need for Replacement of Personnel - Replacing old, retired or disabled personnel.
- Meet manpower shortages due to labour turnover
- Meet needs of expansion / downsizing programmes
- Avoid surplus or deficiency of labour.
- Nature of present workforce in relation with Changing Environment - helps to cope with changes in competitive forces, markets, technology, products and government regulations.

- To hire the right number of people at the right time at the right place.
- Helps to avoid manpower surplus.
- Aids in expansion and growth **plans**.
- Helps in setting working standards.
- Helps to monitor and measure job performance.

The process of human resource planning is as follows



1. Environmental scanning
Economic factors
Technology
Competition
Demographic changes including age composition and literacy

2. Organizational objectives and policies
Downsizing / Expansion • Acquisition / Merger / Sell-out • Technology upgradation / Automation • New Markets & New Products • External Vs Internal hiring • Training & Re-training • Union Constraints .The organization strategic plans, sales and production forecasts and new venture must all be taken into account in employment planning. Specific requirements in terms of number and characteristics of employees should be derived from the organizational objectives.

3. HR Demand Forecast
It is the process of estimating quantity and quality of people required. The basis of forecast must be annual budget and long term corporate plan, translated into activity levels for each function and department. Demand forecasting must consider several factors –both external and internal. Among the external factors are competition, economic climate, laws and regulatory bodies, changes in technology, and social factors. Internal factors include budget constraints ,production levels, organizational structure and employees separations.

Demand forecasting: – Forecasting the overall human resource requirement in accordance with the organizational plans is one of the key aspects of demand forecasting. Forecasting of quality of human resources like skills, knowledge, values and capabilities needed in addition to quantity of human resources is done through the following methods: -

a. **Executive or Managerial Judgment**: – Here the managers decide the number of employees in the future. They adopt one of the three approaches mentioned below: - Bottom-Up approach: – Here the concerned supervisors send their proposals to the top officials who compare these with the organizational plans, make necessary adjustments and finalize them. Top-Down approach: – Here the management prepares the requirements and sends the information downwards to the supervisory – level who finalizes the draft and approves it. Participative Approach: – Here the supervisors and the management sit together and projections are made after joint consultations. Drawbacks The chief drawback of these methods is that estimation of manpower is made using guesswork.

b. **Delphi Technique**: – ‗Delphi' Technique is named after the Greek Oracle at the city of Delphi. In this method, the views of different experts related to the industry are taken into consideration and then a consensus about the Human Resource requirement is arrived at. Delphi technique is used primarily to assess long-term needs of human resource

Statistical Techniques: – These methods use statistical methods and mathematical techniques to forecast and predict the supply and demand of Human Resources in the future.

Ratio-Trend analysis: – In this method depending on the past data regarding number of employees in each department, like production department, sales department, marketing department and workload level, etc ratios for manpower are estimated. Past values are plotted and extrapolated to get fairly accurate future projections.

Work Study method: – This technique is suitable to study the correlation between volume of work and labor i.e. demand for human resources is estimated based on the workload. Work study method is more appropriate for repetitive and manual jobs when it is possible to measure work and set standards.

Analyzing Human Resource Supply: – process of estimating future quantity and quality of manpower available internally & externally to an organisation

SUPPLY ANALYSIS
• Existing Human Resources
• Internal Sources of Supply
• External Sources of Supply

INTERNAL SUPPLY
Inflows & Outflows - The number of losses & gains of staff is estimated
1. **Turnover Rate** - refers to rate of employees leaving. = (No. of separations in a year / Avg no. of employees during the year) x 100
2. **Absenteeism** - unauthorised absence from work.= (total absentees in a year / Avg no. of employees x No. of working days) x 100
3. **Productivity Level** - = Output / Input. Change in productivity affects no. of persons per unit of output.
4. **Movement among Jobs** - internal source of recruitment, selection and placement

EXTERNAL SUPPLY • External recruitment, selection & placement - Advertisements, Manpower Consultants, Campus Recruitment, Unsolicited Applications, Employee Referrals

Every organization has two sources of supply of Human Resources: Internal & External. Internally, human resources can be obtained for certain posts through promotions and transfers. In order to judge the internal supply of human resources in future human resource inventory or human resource audit is necessary. Human resource inventory helps in determining and evaluating the quantity of internal human resources available. Once the future internal supply is estimated, supply of external human resources is analyzed.

4. **Estimating manpower gaps**: – **HR Programming**
Once an organization's personnel demand and supply are forecasted, the two must be reconciled or balance din order that vacancies can be filled by the right employees at the right time.
Manpower gaps can be identified by comparing demand and supply forecasts. Such comparison will reveal either deficit or surplus of Human Resources in the future. Deficit suggests the number of persons to be recruited from outside, whereas surplus implies redundant employees to be re-deployed or terminated. Employees estimated to be deficient can be trained while employees with higher, better skills may be given more enriched jobs.

5.**Action Planning**: **– HR Plan Implementation**
Once the manpower gaps are identified, plans are prepared to bridge these gaps. Plans to meet the surplus manpower may be redeployment in other departments and retrenchment. People may be persuaded to quit voluntarily through a golden handshake. Deficit can be met through recruitment, selection, transfer and promotion. In view of shortage of certain skilled employees, the organization has to take care not only of recruitment but also retention of existing employees. Hence, the organization has to plan for retaining of existing employees.
Implementation requires converting HR plan into action. Some of such programs are as follows
Recruitment plan
Will indicate the number and type of people required and when they are needed.
Redeployment plan
Will indicate the programmes for transferring or retraining existing employees for new jobs.
Redundancy plan
Will indicate who is redundant, the plans for retraining, where there is possible and plans for golden handshake, retrenchment, layoff etc.
Training plan
Will indicate the no of trainees required and the program me for recruiting and training them, existing staff requiring training or retraining, new courses to be developed or changes to be effected in the existing course.
Productivity plan
Will indicate reasons for employee productivity or reducing employee costs through work simplification studies, productivity bargaining, incentives and profit-sharing schemes etc.
Retention plan
Will indicate reasons for employee turnover and show strategies to avoid wastage through compensation policies, improvements in working conditions etc.

6.**Modify the Organizational plans**: – If future supply of human resources form all the external sources is estimated to be inadequate or less than the requirement, the manpower planner has to suggest to the management regarding the alterations or modifications in the organizational plans.

7**. Controlling and Review**: – After the action plans are implemented, human resource structure and the processes should be controlled and reviewed with a view to keep them in accordance with action plans.
The HR Plan should include budgets, targets and standards. The entire manpower planning can be subjected to close monitoring from time to time. It can be done to find out deficiencies, periodic updating of manpower inventory in the light of changing circumstances.

JOB ANALYSIS

A job may be defined as a "collection or aggregation of tasks, duties and responsibilities which as a whole, are regarded as a regular assignment to individual employees".

Job Analysis is the process of getting detailed information about jobs. Job Analysis is a systematic exploration of the activities within a job.

Edwin Flippo: "Job analysis is the process of studying and collecting information relating to the operations and responsibility of a specific job".

It is necessary to understand this terminology before discussing job analysis in detail.

1) Job :- It is group of positions involving same duties , responsibilities , knowledge and skills . Each job has definite title and is different from other jobs. For examples, peon, clerk, salesman, are jobs.

2) Position :-It implies a collection of tasks and duties regularly assigned to one person. Several persons may be classified under the same job but each may perform different work.

3) **Occupation :-**An occupation implies a group of jobs which are similar as to the type of work and which contain common characteristics.

4.) Duty :-It means a related sequence of tasks

5) Task :-It refers to a distinct work activity with an identifiable beginning and end.

6) Job family :- It implies job of similar nature example: clerical jobs.

7) Job classification:-It means grouping of jobs into certain categories on some specified basis.

Uses of job analysis

A comprehensive programme of job analysis is an essential element of sound human resource management . The specific uses of job analysis are given below:

1)Organizational design:-

Job analysis is useful in classifying jobs and interrelationship among them.

2)Human resource planning:-

Job analysis provides useful information for forecasting manpower requirements in terms of knowledge and skills. It is also helps in planning for promotions and transfers by indicating lateral and vertical relationship between different jobs.

3) Recruitment and selection:-

Information relating to the tasks, responsibility, knowledge and skills serves as a realistic basis for hiring people. Job analysis provides understanding of what an employee is expected to do on the job.

4) Placement and orientation:-

A clear understanding of job requirements helps in matching this requirement with the abilities, interests and aptitude of people.

5.) Training and development:-

Job analysis provides valuable information required to identified training needs, to design training programmes and to evaluate training effectiveness.

6) Performance appraisal:-

Job analysis helps in determining performance standards in critical parts of job. Employee performance can then be evaluated against known standards and critical activities. The superior can compare actual performance with the standards set with the help of job analysis.

7) Career path planning:-

Job analysis provides a clear idea of opportunities in terms of career paths and jobs available in organisation.

8) Job design:-

With the help of knowledge about job requirements, improvements in work design and work methods can be made to improve productivity and job satisfaction.

9) Job evaluation:-

Job analysis serves as the basis for determining the relative worth of different jobs. It, therefore, helps in developing appropriate wage and salary structures, with internal pay equity between jobs.

10) Labour relations:-

Information obtained through jobs analysis is helpful to both management and trade unions for collective bargaining. It can also be useful resolved disputes and grievances relating to work load, work procedures, etc.

A number of methods are used to collect information about jobs:

Personal Observation

The job analyst actually observes the work being performed by workers and records his or her observations in the following manners; what the work accomplishes, what equipment is used, what the work environment is like, and any other relevant factor to the job.

It is a direct method. Direct exposure to jobs can provide a richer and deeper understanding of jobs requirements than works' description of what they do.

If the work in question is primarily mental, observations alone may reveal little useful information.

Job performance

With this approach, an analyst actually does the job under study to get firsthand exposure to what it demands.With this method, there is an exposure to actual job tasks, as well as to the physical, environmental, and social demands of the jobs. It is suitable for jobs that can be learned in a relatively short period of time.

Its main limitation is that when the work of the employee is being observed, the employee becomes conscious. This method is inappropriate for jobs that require extensive training or are hazardous to perform.

Individual Interview Method

Here a manager or job analyst visit each job site and talks with employees performing each job. A standardized interview form is used most often to record the information.Frequently, both the employee and the employee's supervisor must be interviewed to obtain a complete understanding of the job. In some cases, a group of experts conducts the interview. They ask questions about the job, skill levels, and difficulty levels.They ask questions and collect information and based on this information job analysis is prepared.

Group Interview Method: The group interview method is similar to the individual interview method except that a number of job incumbents are interviewed simultaneously. Accuracy is increased in assessing jobs, but group dynamics may hinder its effectiveness.

Structured questionnaire

A survey instrument is developed and given to employees and managers to complete.

The main advantage of this method is that information on a large number of jobs can be collected inexpensively in a relatively short period of time. This method is usually cheaper and quicker to administer than other methods

Technical Conference of Experts:

This method utilizes senior job holders and supervisors with extensive knowledge of the job. The interaction with the members during the interview adds insight and details that the analyst might not get from individual job holders.Here, specific job characteristics are obtained from the "experts." Although a good data-gathering method, it often overlooks the incumbent workers' perceptions about what they do on their job .

Employee Diary:

In this method, the employee describes their daily work activities in a diary or log. After analyzing the diary or log over a specified period of time, a job analyst is able to record the essential characteristics of a job. This method does not give any desirable data on supervisor's relationship, the equipment used and working conditions. Maintaining logs are time consuming and costly.

Critical incident method

In this method, the employee is asked to write one or more critical incident that has taken place on the job. The incident will give an idea about the problem, how it is handled, qualities required and difficulty levels, etc. The critical incident method gives an idea about the job and its importance.

JOB ANALYSIS INFORMATION FORMAT

Your Job Title________________ Code__________Date______________

Class Title________________ Department______________________ Name__________________

____

Superior's Title_______________ Prepared by________________________

Superior's Name_____________ Hours Worked______AM______to AM____ PM

1. What is the general purpose of your job?
2. What was your last job? If it was in another organisation, please name it.
3. To what job would you normally expect to be promoted?

If you regularly supervise others, list them by name and job title.

5. If you supervise others, please check those activities that are part of your supervisory duties: ¨ Hiring ¨ Coaching ¨ Promoting ¨ Orienting ¨ Counselling ¨ Compensating ¨ Training ¨ Budgeting ¨ Disciplining ¨ Scheduling ¨ Directing ¨ Terminating ¨ Developing ¨ Measuring Performances ¨ Other_____________
6. How would you describe the successful completion and results of your work?
7. Job Duties – Please briefly describe WHAT you do and, if possible, How you do it. Indicate those duties you consider to be most important and/or most difficult:(a) Daily Duties (b) Periodic Duties (Please indicate whether weekly, monthly, quarterly, etc.) (c) Duties Performed at Irregular Intervals

Education – Please check the blank that indicates the educational requirements for the job, not your own educational background. ¨ No formal education required ¨ College degree ¨ Less than high school diploma ¨ Education beyond graduate ¨ High school diploma or equivalent degree and/or professional license. ¨ College certificate or equivalent

List advanced degrees or specified professional license or certificate required. Please indicate the education you had when you were placed on this job.

Who should conduct job analysis?

- Job incumbents themselves
- Supervisors
- External analysts

PROCESS OF JOB ANALYSIS

Understand the purpose of conducting the job Analysis: Before embarking on a job analysis. One must understand the nature and purpose of conducting the investigation. Recognize that job analysis serve a vital purpose in such HRM activities as recruiting, training, setting performance standards, evaluating performance, and compensation**.**

Understand the Role of Jobs and Values in the Organization: Every job in the organization should have a purpose. Before conducting the job analysis, one must understand the linkage that the job has to be the strategic direction of the organization. In essence, one must answer why the job is needed, If an answer cannot be determined, then may be the job is not needed.

Collection of background information:-Background information consist of organization chart, class specifications and existing job description

Benchmark Positions : In a large organization, it would be impossible to evaluate every job at one time. Accordingly, by involving employees and seeking their input, selected key jobs can be chosen based on how well they represent other, similar jobs in the organization. **Select representative positions**, because there may be too many similar job to analyze. This information, then, will be used as a starting point in later analysis of the other positions**.**

Collect the Job Analysis Information: Proper planning at this stage permits one to collect the data desired in the most effective and efficient manner. This means developing a process for collecting the data. Several combined methods – like structured questionnaires, group interviews, and technical conferences – should be used. Select the ones, that best meet the organization job analysis goals

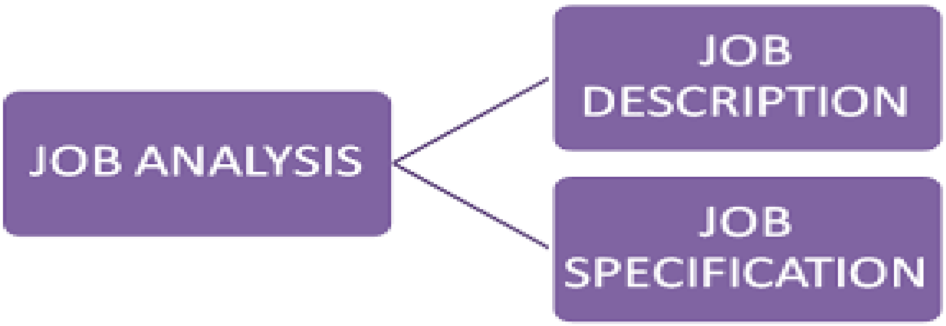
Verify the job analysis information with the worker performing the job and with his or her immediate supervisor. This will help confirm that the information is factually correct and complete.

Developing a job description:-This step involves describing the contents of the job in terms, of functions, duties, responsibilities, operations etc.

Developing a job specification:-This step involves conversion of the job description statements into a job specification. Job specification or job requirements describe the personal qualities, traits, skills, knowledge and background necessary for getting the job done.

Developing employee specification :-This final step involves conversion of specifications of human qualities under job specification into an employee specification. Employee specification describes physical qualification, educational qualifications, experience etc., which specify that the candidate with these qualities possesses the minimum, listed in job specification.

Components of Job Analysis



The preparation of job description is necessary before a vacancy is advertised. It tells in brief the nature of a job. In other words, it emphasizes the job requirements**.**

Edwin Flippo: "Job Description is an organized factual statement of the duties and responsibilities of a specific job. It should tell what is to be done, how it is done and why.

Job Description- A job description is a written statement of what the jobholder does, how it is done, under what conditions it is done, and why it is done.

Job Description Contains the following:

CONTENTS

- Job Identification.
- Job Summary.
- Job Duties and Responsibilities.
- Working Conditions.
- Social Environment.
- Machines, Tools and Equipment.
- Supervision.
- Relation to other Jobs.

Job identification: Job identification & organizational position which includes job title, code number of the job, department or division where the job is located. This part of job description helps to identify and designate the job.The job identification section of a job description usually follows the job title. It includes such items as follow:

- Job Title
- Job Code
- Plant/Department

- Division
- Immediate Supervisor (title)

- **Job summary:** It is a brief narrative picture of the job that highlights its general characteristics. The job summary should provide enough information to differentiate the major functions and activities of the job from those of other jobs.It gives the reader a "quick capsule explanation" of content of a job usually in one or two sentences.
- **Job duties and responsibilities:**Job duties and responsibilities give a comprehensive listing of the duties together with some indication of the frequency of occurrence or percentage of time devoted to each major duty. It is regarded as the heart of job.
- **Working condition:**Working condition usually give us information about the environment in which a job holder must work. These includes heat, cold, dust, noise level, moisture, fumes, etc. Nature of risk and their possibility of occurrence are also given.
- **Social Environment:**Size of work group and inter personal interactions required to perform the job are given. Training and development facilities may also be mentioned.
- **Machines, tools and equipment:**The names of major machines, tools and equipment materials used in the job are described.
- **Supervision:** Under it is given the number of persons to be supervised along with their job titles and extent of supervision.
- **Relation to other jobs:**The jobs immediately below & above are mentioned. It provides an idea of vertical work flow and channels of promotion. It also indicates to whom the job holder will report and who will report to him.

Purpose of job description

- The primary purpose of a job description is to identify the duties, essential functions and requirements of the position.
- A good job description can assess work flow and eliminate duplication of effort and also help assist in the evaluation of the employees job performance.
- It should be a statement of what duties and responsibilities the employee is expected to complete and a means for achieving them.
- For understanding new assignments and working conditions.
- For understanding and establishing training objectives and developmental goals .
- Assist in hiring and placing employees in positions for which they are best suited.

Uses of job description

- Job grading and classification.
- Placement of new employees on a job.
- Orientation of new employees towards basic duties and responsibilities.
- Promotions and transfers.
- Investigating accidents.
- Locating faulty work procedures.
- Work measurement and work improvement.
- Defining the limits of authority.

- Developing performance standards.
- Establishing a common understanding of a job between management and workers.

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- Maintaining, operating and adjusting machinery.
- It can be used for job evaluation, a wage and salary administration technique.
- It aids in a development of job of specifications, which are useful in planning recruitment, in training and in hiring people with required skills.

Job specification is based on job description. It is a written statement of qualifications, traits, physical and mental characteristics that an individual must possess to perform the job duties and discharge responsibilities effectively.

Edwin Flippo: "Job Specification is a statement of minimum acceptable human qualities necessary to perform a job properly".

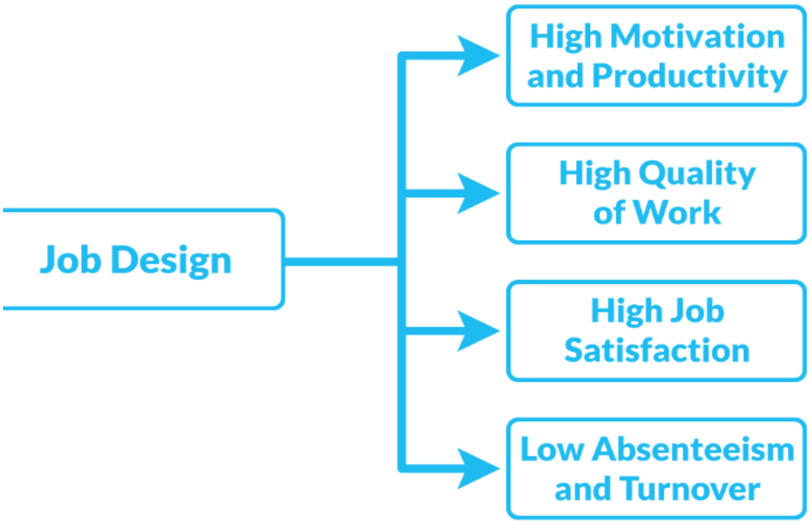
- Educational and professional qualifications
- Skills
- Practical experience
- Physical fitness
- Special qualities required for performing the job
- Intelligence, judgement and initiative required for performing the job

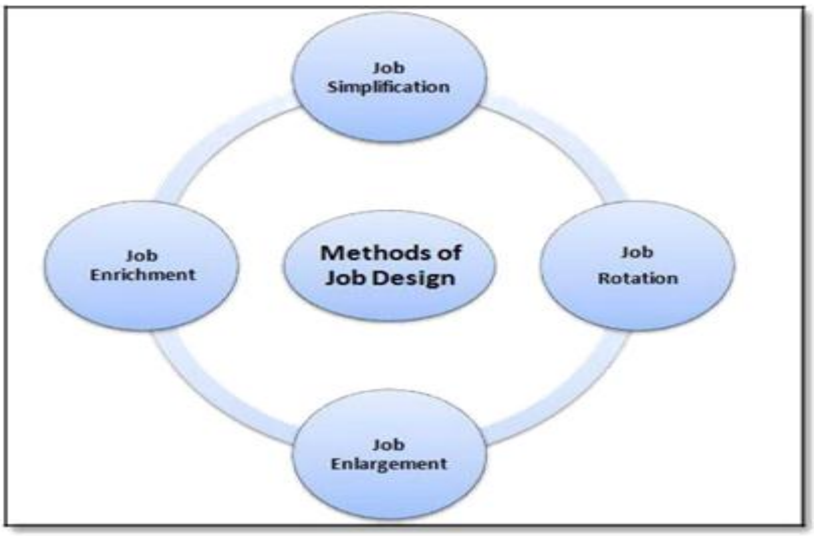
For ex- An assistant Hr manager Job specification

- Education -MBA with specialisation in HRM/MA in social work/PG Diploma in HRM/MA in industrial psychology. A degree or diploma in Labour Laws is desirable.
- Experience v At least 3 years' experience in a similar position in a large manufacturing company.
- Skill, Knowledge, Abilities
- Knowledge of compensation practices in competing industries, of job analysis procedures, of compensation survey techniques, of performance appraisal systems.
- Skill in writing job descriptions, in conducting job analysis interviews, in making group presentations, in performing statistical computations
- Ability to conduct meetings, to plan and prioritise work.
- Work Orientation Factors
- The position may require upto 15 per cent travel.
- Age : Preferably below 30 years.

Job design follows job analysis i.e. it is the next step after job analysis. Job design means to decide the contents of a job. It fixes the duties and responsibilities, organize tasks for a job, it also outlines the methods and relationships between the job holder (manager) and his superiors, subordinates and colleagues that are essential for the success of a certain job.

Job design is a very important function of human resource management. If the jobs are designed properly, then highly efficient human capital will join the organisation**. Job design is an attempt to** create a match between job requirements and human attributes. It involves organizing the components of the job and the interaction patterns among the members of a work group. It helps in developing appropriate design of job to improve efficiency and satisfaction.





In job simplification, the complete job is broken down into small subparts; this is done so that employee can do these jobs without much specialized training.

Another technique designed to enhance employee motivation is **job rotation**, or periodically assigning employees to alternating jobs or tasks.

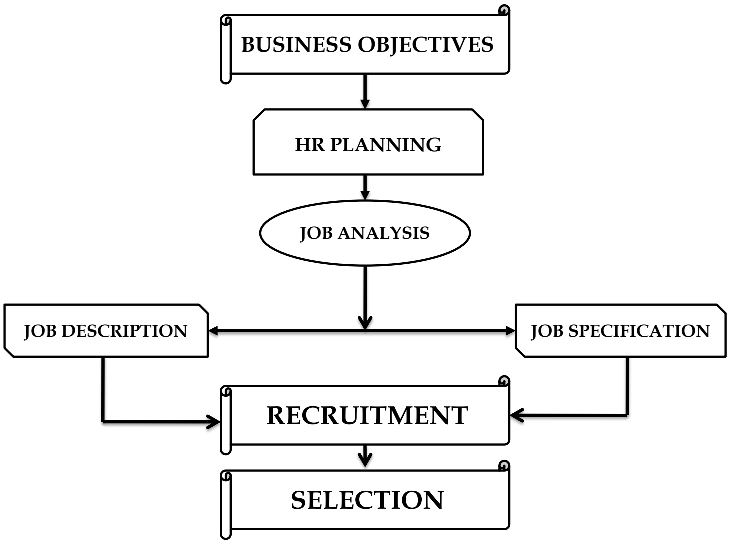
Advantage of Job Rotation Technique:

- The employee experiences variety of work, workplace and peer group. Job rotation helps to broaden the knowledge and skills of an employee.
- The main advantage of job rotation is that it relieves the employee from the boredom and monotony of doing the same job.
- With the help of this method, people become more flexible. They are prepared to assume responsibility especially at other positions.
- Job rotation broadens the work experience of employees and turns specialists into generalists. It is beneficial for the management also as the management gets employees who can perform
- a variety of tasks to meet the contingencies.

Unlike job rotation**, job enlargement** actually increases the job cycle. When a job is enlarged, either the tasks being performed are enlarged or several short tasks are given to one worker. Thus, the scope of the job is increased because there are many tasks to be performed by the same worker. Job enlargement programs change many methods of operation- in contrast to job rotation, in which the same work procedures are used by workers who rotate through work stations.

The concept of job enrichment has been derived from Herzberg's two-factor theory of motivation in which he has suggested that job content is one of the basic factors of motivation. If the job is designed in such a manner that it becomes more interesting and challenging to the job performer and provides him opportunities for achievement, recognition, responsibility, advancement and growth, the job itself becomes a source of motivation to the individual.

RECRUITMENT AND SELECTION



Recruitment (hiring) is a core function of human resource management.
Recruitment refers to the overall process of attracting, selecting and appointing suitable candidates for jobs within an organization or simply The Process of generating a pool of qualified candidates for a particular job.

According to Edwin B. Flippo,“ Recruitment is the process of searching the candidates for employment and stimulating them to apply for jobs in the organization ”

Importance :

- Attract and encourage more and more candidates to apply in the organisation.
- Create a talent pool of candidates to enable the selection of best candidates for the organisation.
- Recruitment is the process which links the employers with the employees.
- Increase the pool of job candidates at minimum cost.
- Help increase the success rate of selection process.

Steps In Recruitment Process

RECRUITMENT PLANNING

The first stage in the recruitment process is planning. Planning involves the translation of likely job vacancies and information about the nature of these jobs into a set of objectives or targets that specify the (i) number and (ii) type of applicants to be contacted.

Number of contacts

Organizations, nearly always, plan to attract more applicants than they will hire. Each time a recruitment programme is contemplated, one task is to estimate the number of applicants necessary to fill all vacancies with qualified people. Companies calculate yield ratios (VRs),which express the relationship of applicants' inputs to outputs at various decision points.

Type of contacts

This refers to the type of people to be informed about job openings. The type of people depends on the tasks and responsibilities involved and the qualifications and experience expected. These details are available through job description and job specification.

Strategy planning

Recruitment strategy is the second step of the recruitment process, where a strategy is prepared for hiring the resources. After completing the preparation of job descriptions and job specifications, the next step is to decide which strategy to adopt for recruiting the potential candidates for the organization. While preparing a recruitment strategy, the HR team considers the following points: • Make or buy employees • Types of recruitment • Geographical area • Recruitment sources. The development of a recruitment strategy is a long process, but having a right strategy is mandatory to attract the right candidates

'Make' or 'buy'

Organizations must decide whether to hire less skilled employees and invest on training and education programmes, or they can hire skilled labour and professionals.

Essentiallythis is the 'make' or 'buy' decision.

Technological Sophistication

The second decision in strategy development relates to the methods used in recruitment and selection. This decision is mainly influenced by the available technology. Technological advancement has made it possible for job seekers to gain better access.

Where to look

In order to reduce the costs, organizations look into labour markets most likely to offer the required job seekers. Generally, companies look into the national market for managerial and professional employees, regional or local markets for technical employees, and local markets for clerical and blue-collar employees. In the final analysis, organizations recruit where experience and circumstances dictate likely success. Recognizing this, many adopt an incremental strategy in which initial efforts are concentrated in regional or local labour markets and expanded only if these efforts fail to achieve the desired results.

Sources of recruitment

It refers to the methods or sources of recruitment. There are several sources and they may be categorized as (i) internal and (ii) external.

Before an organization activity begins recruiting applicants, it should consider the most likely source of the type of employees it needs. Generally there are two types of sources from which any organization can look for potential employees. These sources accordingly may term as internal and external.

a) Internal sources of recruitment

Internal sources of recruitment refer to hiring employees within the organization internally. In other words, applicants seeking for the different positions are those who are currently employed with the same organization. At the time recruitment of employees, the initial consideration should be given to those employees who are currently working within the organization. This is an important source of recruitment, which provides the opportunities for the development and utilization of the existing resources within the organization. Internal sources are the most obvious sources.

Promotions Promotion refers to upgrading the cadre of the employees by evaluating their performance in the organization. It is the process of shifting an employee from a lower position to a higher position with more responsibilities, remuneration, facilities, and status. Many organizations fill the higher vacant positions with the process of promotions, internally.

Transfers Transfer refers to the process of interchanging from one job to another without any change in the rank and responsibilities. It can also be the shifting of employees from one department to another department or one location to another location, depending upon the requirement of the position.

. **Recruiting Former Employees** Recruiting former employees is a process of internal sources of recruitment, wherein the ex-employees are called back depending upon the requirement of the position. This process is cost effective and saves plenty of time. The other major benefit of recruiting former employees is that they are very well versed with the roles and responsibilities of the job and the organization needs to spend less on their training and development.

Internal Advertisements (Job Posting) Internal Advertisements is a process of posting/advertising jobs within the organization. This job posting is an open invitation to all the employees inside the organization, where they can apply for the vacant positions. It provides equal opportunities to all the employees working in the organization. Hence, the recruitment will be done from within the organization and it saves a lot of cost.

Employee Referrals Employee referrals is an effective way of sourcing the right candidates at a low cost. It is the process of hiring new resources through the references of employees, who are currently working with the organization. In this process, the present employees can refer their friends and relatives for filling up the vacant positions. Organizations encourage employee referrals, because it is cost effective and saves time as compared to hiring candidates from external sources. Most organizations, in order to motivate their employees, go ahead and reward them with a referral bonus for a successful hire.

Previous Applicants Here, the hiring team checks the profiles of previous applicants from the organizational recruitment database. These applicants are those who have applied for jobs in the past. These resources can be easily approached and the response will be positive in most of the cases. It is also an inexpensive way of filling up the vacant positions.

· **Advantages of Internal Recruitment:**

1. Provides greater motivation for good performance.
2. Provides greater opportunities for present employees
3. Provides better opportunity to assess abilities
4. Improves morale and organizational loyalty
5. Enables employees to perform the new job with little lost time

· **Disadvantages of Internal Recruitment:**

1. Creates a narrowing thinking and stale ideas
2. Creates pressures to compete
3. Creates homogeneous workforce
4. Chances to miss good outside talent Requires strong management development program specially to train for technology.

II. External Recruiting Sources:

External sources of recruitment refer to hiring employees outside the organization externally. In other words, the applicants seeking job opportunities in this case are those who are external to the organization. External employees bring innovativeness and fresh thoughts to the organization. Although hiring through external sources is a bit expensive and tough, it has tremendous potential of driving the organization forward in achieving its goals. A broad variety of methods are available for external recruiting.

Direct Recruitment Direct recruitment refers to the external source of recruitment where the recruitment of qualified candidates are done by placing a notice of vacancy on the notice board in the organization. This method of sourcing is also called as factory gate recruitment, as the blue-collar and technical workers are hired through this process.

Employment Agencies Employment agencies are a good external source of recruitment. Employment agencies are run by various sectors like private, public, or government. It provides unskilled, semi-skilled and skilled resources as per the requirements of the organization. These agencies hold a database of qualified candidates and organizations can use their services at a cost.

Advertisements Advertisements are the most popular and very much preferred source of external source of recruitment. The job vacancy is announced through various print and electronic media with a specific job description and specifications of the requirements. Using advertisements is the best way to source candidates in a short span and it offers an efficient way of screening the candidates' specific requirements.

Employment Exchanges As per the law, for certain job vacancies, it is mandatory that the organization provides details to the employment exchange. Employment exchange is a government entity, where the details of the job seekers are stored and given to the employers for filling the vacant positions. This external recruitment is helpful in hiring for unskilled, semi-skilled, and skilled workers.

Professional Associations Professional associations can help an organization in hiring professional, technical, and managerial personnel, however they specialize in sourcing mid-level and top-level resources. There are many professional associations that act as a bridge between the organizations and the job-seekers.

Campus Recruitment Campus recruitment is an external source of recruitment, where the educational institutions such as colleges and universities offer opportunities for hiring students. In this process, the organizations visit technical, management, and professional institutions for recruiting students directly for the new positions.

Word of Mouth Advertising Word of mouth is an intangible way of sourcing the candidates for filling up the vacant positions. There are many reputed organizations with good image in the market. Such organizations only need a word-of-mouth advertising regarding a job vacancy to attract a large number of candidates.

Unsolicited Walk-In Applicants -The busy organization and rapid changing companies do not find time to perform various functions of recruitment. Therefore they advise the potential candidates to attend for an interview directly and without a prior application on a specified date, time and at a specified place.

Executive Search Firms

Executive search firms sometimes called HEAD HUNTERS are specialized form of private employment agencies that place top level executives and experienced professionals. These are the organizations that seek the most-qualified executive available for a specific position and are generally retained by the company needing a specific type of individual.

Scouting

Scouting means sending the representation of the organizations to various sources of recruitment with a view to persuading or stimulating the candidates to apply for jobs. The representatives provide information about the company and exchange information and ideas and clarify the doubts of the candidates.

Talent-Poaching

This, according to some section in the industry, is considered as unethical mode of sourcing and hiring.. This tactic is usually used to kill the competition.

Advantages of External Recruitment:

1. Provides new ideas and new insights
2. Provides greater diversity and helps achieve EEO goals by making affirmative action easy
3. Provides opportunities to handle rapid growth if the organization
4. Opportunities to get people with up-to-date knowledge education and training

Disadvantages of External Recruitment:

1. It is more expensive and time consuming
2. Destroys incentives of present employees to strive for promotion
3. More chances to commit hiring mistakes due to difficult applicant assessment that will lead to wastage of resources.

ALTERNATIVES TO RECRUITMENT

When an organization decides to add personnel to its staff, it makes a significant financial investment.Recruitment and selection costs are high, especially for professionals, technical and managerial employees. Therefore before an organization decides to recruit new employees, it ought to consider the feasibility of other alternatives.

Overtime: Company take work from existing employees by offering them overtime with good salary and incentives.

•**Subcontracting:** Due to sudden increase in demand of the product any organization instead of expansion can go in contract with an outside specialist agency to carry out the work with mutual benefit,.

•**Temporary or contract basis employee**: Here company can hire employee on contract basis for a specified time period to meet short time demand.

Outsourcing

Out sourcing is the process of transferring responsibility for an area of service and its objectives to an external service provider instead of internal employee.

Contingent Workers

It is also known as part-timers, temporaries, and independent contractors, comprise the fastest-growing segment of our economy.

Professional Employer Organization (Employee Leasing)

Employee leasing is when an organization partners with a staffing agency that sends workers to the organization and pays their salary and benefits

4. Screening: Though some view screening as the starting point of selection, we have considered it as an integral part of recruitment. The reason being the selection process starts only after the applications have been screened and shortlisted. The techniques used for screening candidates vary depending on the source of supply and method used for recruiting. Preliminary applications, -selection tests and screening interviews are common techniques used for screening the candidates.

5. Evaluation and Control:

Given the considerable cost involved in the recruitment process, its evaluation and control is, therefore, imperative.

The costs generally incurred in a recruitment process include:

(i) Salary of recruiters

(ii) Cost of time spent for preparing job analysis, advertisement

(iii) Administrative expenses

(iv) Cost of outsourcing or overtime while vacancies remain unfilled

(v) Cost incurred in recruiting unsuitable candidates

In view of above, it is necessary for a prudent employer to try to answer certain questions like: whether the recruitment methods are appropriate and valid? And whether the recruitment process followed in the organisation is effective at all or not? In case the answers to these questions are in negative, the appropriate control measures need to be evolved and exercised to tide over the situation.

METHODS OF RECRUITMENT

1) **Direct Methods**:

Under this method scouting, manned exhibits and waiting lists are used.

Scouting-where an company representatives may be sent to educational and training institutions.

- Manned exhibits- Where representatives sent to seminars and conventions where they can establish their mobile offices to go to desired centers
- Waiting lists of candidates who have indicated their interest in jobs in person through mail over phone.

2) **Indirect method**

Advertisements in newspapers and journals, radio, television used to publicize vacancies. This helps to enable the candidates to assess their suitability so that only those possessing the requisite qualifications will apply

Third party methods:

Various agencies, public employment exchanges and private consulting firms are used to recruit personnel. In addition friends and relations of existing staff deputation can be used.

Selection

According to Thomas Stone "Selection is the process of differentiating between applicants in order to indentify and hire those with a greater likelihood of success on the jobs. "
It is the process of picking up the most suitable candidate who would best meet the requirements of the job and the organization.

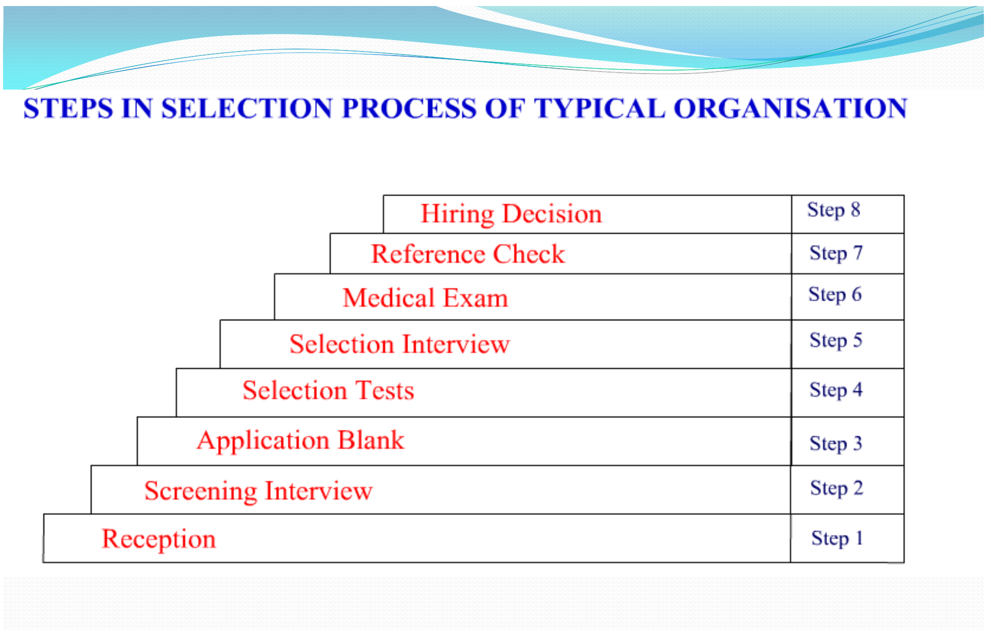
Recruitment

1. It the process of searching the candidates for employment and stimulating them to apply for jobs in the organization.
2. The basic purpose of recruitments is to create a talent pool of candidates to enable the selection of best candidates for the organization, by attracting more and more employees to apply in the organization.
3. Recruitment is a positive process i.e. encouraging more and more employees to apply .
4. Recruitment is concerned with tapping the sources of human resources**.**

Selection

- It Involves the series of steps by which the candidates are screened for choosing the most suitable persons for vacant posts.
- The basic purpose of selection process is to choose the right candidate to fill the various positions in the organization.
- Selection is a negative process as it involves rejection of the unsuitable candidates.
- Selection is concerned with selecting the most suitable candidate through various interviews and tests.

Process



1. Reception
In order to attract people with talent, skills and experience, a company has to create a favorable impression on the applicants' right from the stage of reception.

2. Screening interview It is used to eliminate those candidates who do not meet the minimum eligibility criteria laid down by the organization. The skills, academic and family background, competencies and interests of the candidate are examined during preliminary interview. Preliminary interviews are less formalized and planned than the final interviews. The candidates are given a brief about the company and the job profile; and it is also examined how much the candidate knows about the company. Preliminary interviews are also called screening interviews.

3. Application blank

The candidates who clear the preliminary interview are required to fill application blank. It contains data record of the candidates such as details about age, qualifications, reason for leaving previous job, experience, etc.

Components of application form

1. Personal information
2. Educational qualification
3. Work experience
4. Salary drawn in the last job
5. Personality items

(Strengths, weakness-hobbies and interests etc)

6. Reference checks

4. Selection tests

Jobseekers' who pass the preliminary interviews are called for tests. There are various types of tests conducted depending upon the jobs and the company. These tests can be Aptitude Tests, Personality Tests, and Ability Tests and are conducted to judge how well an individual can perform tasks related to the job. Besides this there are some other tests also like Interest Tests (activity preferences), Graphology Test (Handwriting), Medical Tests, Psychometric Tests etc.

5. Selection interview

It is a one to one interaction between the interviewer and the potential candidate. It is used to find whether the candidate is best suited for the required job or not. The next step in selection is employment interview. Here interview is a formal and in-depth conversation between applicant's acceptability. It is considered to be an excellent selection device.

Interviews can be One-to-One,Panel Interview, or Sequential Interviews. Besides there can be Structured and Unstructured interviews, Behavioral Interviews, Stress Interviews.

6. Medical examination

Certain jobs require physical qualities like clear vision, acute hearing, unusual high stamina etc. medical examination reveals whether or not a candidate possesses those qualities or not.

7. Reference checks

Reference checks and background checks are conducted to verify the information provided by the candidates. Reference checks can be through formal letters, telephone conversations. However it is merely a formality and selections decisions are seldom affected by it.

8. Hiring decision

A reference check is made about the candidate selected and then finally he is appointed by giving a formal appointment letter.

SELECTION TESTS

A test is a sample of an aspect of an individual's behavior, performance or attitude. It can also be systematic procedure for comparing the behavior of two or more persons. Tests seek to eliminate the possibility of prejudice on the part of the interviewer or supervisor. Tests may uncover qualifications and talents that would not be detected by interview or by listing of education. **According to Lee J. Groonbach "A test is a systematic procedure for comparing the behaviour of two or more persons".**

Milton M. Blum has defined test as "a sample of an aspect of an individual's behaviour, performance and attitude".

Types of tests

1) Aptitude or professional ability

Measures talent, ability of a candidate to learn a new job, to learn a job through adequate training if applicants don't possess earlier job experience. These tests include;

(i) **Mental tests** – measures the IQ and enables to know whether a candidate has the mental ability and capacity to deal with new problems.

(ii) **Mechanical aptitude tests** – measures the capacity of a person to learn a particular type of mechanical work.

(iii) **Psychomotor or skill tests** – measure personnel ability to do a specific job especially in semi – skilled in respective jobs.

2) Achievement or intelligence tests

These are called as proficiency tests. They measure skill or knowledge, which is acquired as a result of training programme and on the job. These tests are useful if the candidates have prior experience of similar jobs. These tests are of two type:

(i) Test of measuring job knowledge – known as trade tests, they are oral tests consisting of a series of questions which are believed to be satisfactorily answered by persons who understand trade occupation

(ii) Work sample tests - these measure the proficiency with which equipment can be handled by candidate by giving him a piece of work.

Personality tests-. It helps in assessing a person's motivation, his ability to adjust himself to the stresses of everyday life and his capacity for inter – personal relations and for projecting an impressive image of himself. These tests can be of following types;

Interest tests

Designed to assess individual predispositions, motivation and application motivation. Used for vocational guidance and are assessed in the form of answer to a well – prepared questionnaire. They include items about many daily activities and object form among which test taken select their preferences.

Projective test – a candidate is asked to project his own interpretation onto certain standard desires, wishes and feelings to give it some meaning. These tests are based on pictures or incomplete items. The testee is asked to narrate or project his own interpretation on these. These tests are called projective because they induce the testee to put himself/herself into the situation to project or narrate the test situation.

The most widely used tests of this type are the Rorschach Blot Test (RBT) and the Thematic Apperception Test (TAT). The RBT consists of an ink blot and the testee is asked to describe what he/she sees in it. In case of TAT which is considered as the most well-known structured projective test, the testee is shown pictures and, then, is asked to make-up a story based on the pictures.

Situation tests – measures an applicant's reaction when he's placed in a particular situation, his ability to undergo stress and his demonstration of ingenuity under pressure.

Attitude Tests: These tests are designed to know the testee's tendencies towards favouring or otherwise to people, situations, actions, and a host of such other things.

Graphology:

The origin of graphology is traced back to the eleventh century when the Chinese drew attention to the relationship between handwriting and personality. It has been said that an individual's handwriting can suggest the degree of energy, inhibitions, and spontaneity to be found in the writer, from which many personality characteristics can be inferred.

For example, big letters and emphasis on capital letters indicate a tendency towards domination and competitiveness. A slant to the right, moderate pressure and good legibility show leadership potential.

Although the validity of handwriting analysis is not fool-proof, some companies use graphology tests to supplement their usual selection procedure.

Polygraph Tests:

This test is designed to confirm the accuracy of information given on the application blank. Hence, it is considered as a form of employment test. Polygraph is a lie detector. Polygraph tests are found useful for the organisations that are highly vulnerable to theft or swindling. Examples of such organisations are departmental stores, banks, jewellery shops, etc.

Computer aided tests

Designed for a large – scale group testing, computer assisted testing, is nevertheless an individual testing situation in which the person taking the tests interacts with a computer, immediate feedback is available.

Thomas – profiling hiring techniques

It is a variant of psychological test and offers insight into how the candidate can be developed after he signs up. It facilitates best behavioral fit between person and the job.

(i) **Personal profile analysis** (PPA) – which highlights the behavioral characteristics of the applicant. It indicates how the would – be employee sees himself, how he is likely to be perceived by others.

(ii) **The human job analysis** (HJA) – which indicates behavioral requirements of the job. It compares the skill sets and behavioral pattern demanded by the job with those of the candidates.

Combining the PPA and HJA we get, Thomas international profiling system (TIPS). Match the people and job to facilitate optimum job satisfaction and maximum productivity.

Advantages of psychological testing

1. Improve selection process
2. Provides insights about individual candidates
3. Less susceptible to biased interpretation
4. Great deal of information gathered in relatively short period of time
5. Measure of the aptitude of the candidate and predict their success.

Limitations of tests

1. Tests cannot make prediction of chances of success of an applicant.

2. The usefulness of this program depends on the amount of time and money management is willing to invest .

Development of tests

Following steps maybe undertaken to design employee tests for an enterprise:

1. Analysis of the job
2. Selection of test procedure
3. Preliminary tryout and requirement
4. Validation of test procedure
5. Combination of tests into a battery
6. Application of test

Interview

Interview is probably the most widely used selection tool. It is a most complex selection technique because its scope includes measuring all the relevant characteristics and integrating and classifying all other information about the applicant. The interview is a selection technique which enables the employer to view the total individual and directly appraise him and his behavior. It is a method by which an idea about an applicant's personality can be obtain by a face-to-face contact.

Meaning and definition of interview

"An interview is an attempt to secure maximum amount of information form the candidate concerning his suitability for the job under consideration."

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

In the selection process, interviews serve the following purposes:

- To cross-check or verify the information obtained in earlier steps,i.e. application form and tests.
- To judge the candidate's qualification and characteristics so as to decide whether or not to select him.
- To give the candidate essential facts about the job and the company to enable him to decide intelligently whether he should or should not accept the employment.
- To establish a rapport or mutual understanding between the company and the candidate and to promote the company's goodwill.

Steps in interview process-An effective interview involves the following sequence of steps:

1.) **Preparation for the interview:-**

Advance preparation is essential for a successful interview. The following arrangements should be made before the interview begins:

- Determining the objectives of the interview.
- Choosing the appropriate type of interview.
- Acquainting oneself about the candidate.
- Determining the type of information to be obtained.
- Selecting the right interviewers.
- Selecting the candidates to be interviewed by checking and comparing their applications and test scores.
- Finalising the interview assessment forms.

2.) **The physical setting:** The place of interview should be both private and comfortable. It should be neat and clean, well lighted. It should be free from noise and interruptions. The candidates should be properly received and should be guided into the interview room. The interview should start at the fixed time and the candidates should not be required to wait unnecessarily.

3.) **Conducting the interview:**This step is heart of the interview process. In this activities are follows.

Establishing rapport with the candidate and feel him at ease,gain his confidence, exchange of a smile, offering seat to the candidate, etc.,

Ask open-close question.

Use the language which is clear to the candidate.

4.) **Closing the interview:** The close of the interview is as significant as it beginning.. Therefore, it should end with a happy note without any awkward situation

5.) **Evaluation of results:** After interview is over, the interviewer should evaluate the candidate's suitability for the job . It is based on observation, impression and information collected during the interview.. After the interview , a list of selected candidates is prepared.

Types of interview

One-to-One Interview: This interview involves two participants — the interviewer and the interviewee. This interview can be considered as a preliminary or interactive interview

Formal / Directive interview: This type of interview is preplanned and is held in a formal atmosphere. All the formalities and procedure,e.g.the time, the venue and the questions to be asked are decided in advance. Such interview is fully planned to a high degree of accuracy and precision. Thus, a standardized pattern is adopted or the structure of the interview is decided in advance. Such interview is also known as directed or guided interview. It allows for a systematic coverage of the required information.

Unstructured interviews

Characterized by lack of structure or advance planning, Format and approach left to the discretion of interviewer. Basic weakness is lack of consistency in assessing candidates which in turn leads to extremely low in predictive accuracy.

Patterned or structured interview
It uses a predetermined list of interview questions that are asked of every applicant in a particular job category. Rationale of this method being an individual's past behavior is indicative of his future behaviour. It can be used in varied employment situations.

Non – directive interview
Designed to let the interviewee speak his mind freely, it involves the minimum use of direct questions. The idea is to give complete freedom to the candidate to sell himself without encumbrances of the interviewer's questions. Role of interviewer is of silent spectator.

Depth interview
Designed to intensively examine the candidate's background, thinking and to go into a considerable detail on a particular subject of special interest to the candidate.

Stress Interview: - This interview aims at testing the candidate's job behavior and level of withstanding the period of stress and strain. It is designed to test the candidate and his conduct and behavior by putting him under conditions of stress and strain used where emotional balance forms an essential quality. It is useful to test the behavior of individuals under disagreeable and tiring situations.Interviewer tests the candidate by putting him under stress and strain by interrupting the applicant from answering, criticizing his opinions, asking questions pertaining to unrelated areas, keeping silent for unduly long period after he has finished speaking etc.Stress interview must be handled with at most care and skill.

Behavioral Interview:- In a behavioral interview, the interviewer will ask questions based on common situations of the job,applying for. The logic behind the behavioral interview is that ones future performance will be based on a past performance of a similar situation.. In a behavioral interview, the interviewer wants to see how you deal with certain problems and what you do to solve them.

Group Interview:- Many times companies conduct a group interview to quickly prescreen candidates for the job opening as well as give the candidates the chance to quickly learn about the company to see if they want to work there. Many times, a group interview will begin with a short presentation about the company. After that, they may speak to each candidate individually and ask them a few questions.

Group discussion interview
Designed to see how the candidate reacts to and against each other. It is designed to assess leadership quality in the candidate. A topic is given to a leadless group of applicants and observers remain in the background to assess as to who assumes leadership how he does and how he is accepted by participants.

Panel or board interview: Such interview is conducted by a group of interviewers. It is done by members of interview board or a selection committee. Involves use of several interviewers collectively interviewing a candidate and making a rating on several traits. Questions are asked in turn or at random. The candidate may even be asked to meet the members of the panel individually for a fairly lengthy time.

Situational interviews -It is carried out by preparing a list of critical incident that differentiates between current successful and unsuccessful employees. The Supervisors determine benchmarks for scoring the incidents.

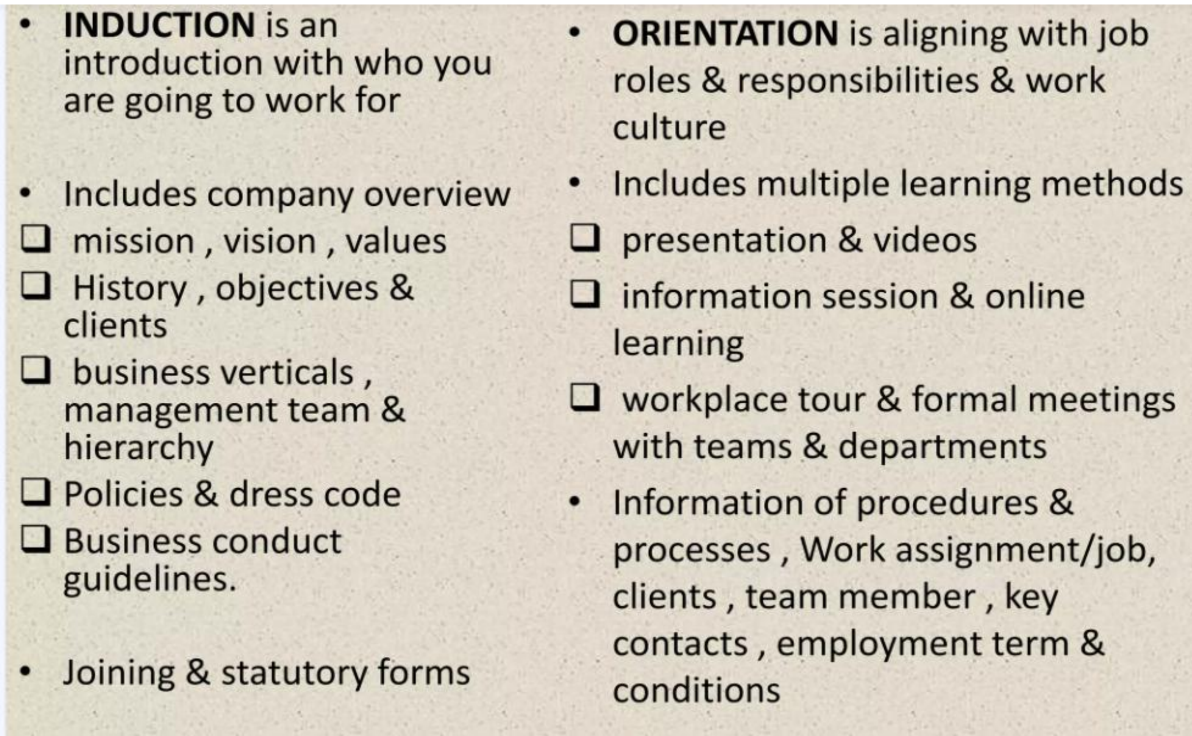
Guidelines for effective interviewing

Interview can be made be more effective by observing the following guidelines:

- An interview should have a definite time schedule with ample time for conduct, i.e., it should not be hurried.
- Interview should have an element of privacy.
- The interview should be based on a checklist of what to look for in a candidate such a checklist should be prepared on the basis of job requirements.
- Competent, trained and experienced persons should be chosen as interview.
- Proper method of interview should be employed.
- A specific set of guidelines should be given to the interviews.
- There should be proper coordination between the initial and succeed interviews.
- The interviewer should try to minimize his personal bias or prejudices.

Orientation or induction is the task of introducing the new employees to the organization and its policies, procedures and rules.

The Induction duly helps employees to undergo each and every phase of environment of Company and an introduction to his team and others. It gives them the platform of knowing and understanding the culture and knowing "**Who is who**". It is such a phase which gives a glimpse of entire Organization in that short span.



Objectives

A new comer is new to the people, workplace and work environment. It assists him in knowing more about:

1. The job content, policies rules and regulation
2. The people with whom he is supposed to interact
3. The terms and conditions of employment.
4. It helps them to adjust and adapt to new demands of the job.
5. It act as a valuable source of information to the new recruits
6. To make new employees feel at home in new environment
7. To remove their anxiety about new workplace
8. To remove their inadequacies about new peers
9. To remove worries about their job performance
10. To provide them job information, environment

Induction programme steps :

A) Contents of the induction programme

Organizational issues

- History of the company
- Manes and titles of the key executives
- Employees title and department
- Layout of physical facilities
- Probationary period
- Products/services offered

Employee benefits

- Pay scales, pay days
- Vacation, holidays

Introduction to supervisors and to co-workers. To trainers,and to employee counsellors.

Job duties

- Job location
- Job task
- Job safety needs
- Overview of production process
- Company policies and rules
- Disciplinary procedures
- Employees handbook
- Safety steps
- Training avenues

Counseling

Insurance,medical,recreation,retirement benefits

B) Socialization

It is a process through which new recruit begins to understand and accept the values, norms and beliefs held by others in the organisation.HR department employees help new recruits to internalize the way things are done in the organization.

Importance of Socialization

Helps in understanding organization culture

Contributes to employee's long-term success

Helps in adjustment

Helps in employee engagement

Provides job satisfaction

C) Follow up –

Certain dark areas may remain still in the orientation programme despite the best efforts of the supervisor. New hires may not have properly understood certain things. So, to overcome this shortcoming as well as communication gap it is advisable to use a supervisory checklist.and find out whether all items have been covered or not.

The basic purpose is to offer guidance to employees on various general as well as job related matters and the organisation should take utmost care and effort to obtain feedback from everyone involved in the programme.

Problems of Orientation

1. Busy or Untrained supervisor
2. Too much information
3. Overloaded with paperwork
4. Given menial tasks and discourage interests
5. Demanding tasks where failure chances are high
6. Employee thrown into action soon
7. Wrong perceptions of employees

Module-II

Pattern of internal movements / Internal Mobility of employees in an organisation
Internal mobility is the process of movement of employees which takes place between the jobs in sections, departments or divisions of the organization. *Internal mobility* can take any or more of the following forms promotion, demotion and transfer.

Promotion - refers to the upward movement of an employee from one job to another higher one, with increase in salary, status and responsibilities.
But dry promotion is a condition where a person is moved to a higher-level job without increase in pay.

Bases of promotion

Merit based promotion
It occurs when an employee is promoted because of superior performance in the current job. Merit here denotes an individual knowledge, skills, abilities and efficiency as measured from his educational qualification, experience, training and past employment record.
Advantages
- It motivates employees to hard work, improve their skills and contribute to organizational efficiency.
- It helps the employer to focus attention on talented people, recognize and reward their meritorious contributions in an appropriate way.

It also inspires other employees to improve their standard of performance through active participation in all developmental initiatives undertaken by the employer.

Demerits
- It is not easy to measure merit. Personal prejudices, biases and union pressures may come in the w ay of promoting the best performer.
- When young employees get ahead of other senior employees in an organization frustration and discontentment may spread among the rank. They may feel insecure and may even quit the organization.
- Also past performance may not guarantee future success of an employee. Good performance in one job may not guarantee good performance in another.

Seniority based promotion
Seniority refers to relative length of service in the same organization
Merits
- Promoting an employee who has a longest length of service is often widely welcomed by the unions because it is fairly objective.
- It is easy to measure the length of service and judge the seniority.
- There is no scope of favouritism, discrimination and subjective judgment.

Demerits
- The assumption that employees learn more with the length of service is not valid as employees may learn up to a certain stage and learning capabilities may diminish beyond a certain age.
- It demotivates the young and more competent employees and results in greater employee turnover.
- It kills zeal and interest to develop, as everybody will be promoted without showing any all round growth or promise.
- It is highly difficult to judge seniority in practice as the problems like job seniority, company seniority, regional; seniority, service in different organizations, will crop up.

Merit cum seniority basis
It takes advantages of both the merit and seniority in promoting an employee.

Promotion policy
Promotional policy is a prerequisite for the proper administration of personnel matter in an organization
Elements of promotion policy are as follows :

Establish a fair and equitable basis of promotion.i.e merit or seniority or both.
A promotion policy established should provide equal opportunities for promotion in all categories of jobs, departments and regions of an organization.
It should ensure an open policy in the sense that every eligible employee is considered for promotion rather than a closed system which considers only a particular class of employees. It must tell the employees various avenues for achieving vertical growth through career maps, charts etc.
The norms for judging merit, length of service, potentialities etc must be established beforehand. The relative weight age to be given to the merit or seniority should be spelt out clearly.
The mode of acquiring new skills, knowledge etc should be specified to all employees so that they can prepare themselves for career advancement.
Appropriate authority should be entrusted with the responsibility of taking a final decision on promotion.
Detailed records of service, performance etc should be maintained for all employees to avoid charges of favoritism, nepotism etc
It should be consistent in the sense that it is applied uniformly to all employees, irrespective of their background.
Promotion policy should contain alternatives to promotion when deserving candidates are not promoted due to lack of vacancies at higher level. These alternatives include upgradation, redesignation, sanctioning of higher pay or increments or allowances assigning new and varied responsibilities to the employee by enriching the job or enlarging the job.
A provision for appeal against arbitrary actions of management and its review should be there.
Once the promotion policy is formulated should be communicated to all employees, particularly to the trade union leaders. It should be reviewed periodically based on the experiences and findings of the attitudes.

Demotion
It is the downward movement of an employee in the organizational hierarchy with lower status and pay. It is a downgrading process where the employee suffers considerable v emotional and financial loss in the form of lower rank, power and status, lower pay and poor working conditions.
Causes for demotion
If a promotee is unable to meet the challenges posed by a new job and is incompetent in doing a job.
Adverse business conditions force the organization to reduce the production. So the organizations need to minimize the number of enployees.junior employees will be retrenched and senior employees will be demoted under such conditions.
If the existing employees do not develop themselves to meet the requirements of new technology and new methods of operation, the organization demote them to the lower level jobs where they are suitable.

Employee Transfer is the process of horizontal movement of an employee, wherein there is a change in the job, without any changes or revision in the remuneration, pay, and modification of responsibilities. It is a form of internal mobility, in which the employee is shifted from one job to another usually at a different location, department, or unit.
Transfer can either be temporary or permanent depending on the decision of the organization, and it is initiated by any of the two, i.e. employer or employee. Sometimes, it also includes promotion, demotion or even no change in the status and responsibility.

Purposes and reasons of transfer:

To meet organizational requirements
To satisfy varied needs of an organization that may arise out of change in the quantity of production, fluctuations in work requirements, and changes in the organization structure, introduction of new line of production need for suitable adjustment in business operations. The purpose of such transfer is to stabilize employment in the organisation such transfers are known as production transfer, flexibility transfer or organizational transfer.

To meet employee request
To meet an employee’s own request when he feels uncomfortable on the job because of his boss or his fellow workers or because better opportunities for his future advancement do not exist there or because of family circumstances which may compel him to change the place of his residence. Such transfer is known as personal transfer.

To increase productivity of the employees
To utilize properly the services of an employee when he is not performing adequately and when the management feels that he might be more useful or suitable elsewhere where his capacities will be better utilized. Such transfer is known as remedial transfer.

To make employees more versatile
To increase the versatility of the employees by shifting from one job to another so that they have ample opportunities for gaining a broad experience of work. Such transfers are known as versatility transfer. This is also known as rotation transfer.

Adjusting the workforce
To adjust the workforce of one plan with that of another particularly when one is closed down for reasons beyond the control of the employer. Such transfers are known as plant transfer.

To give relief to an old employee
To replace a new employee by an employee who has been in the organization for a sufficiently long time. Such transfers are known as replacement transfer. The purpose is to give relief to an old employee from the heavy pressure of the work.

Adjusting the employee timing
To help employees work according to their convenience so far as timing are concerned for eg an employee is transferred from the night shift to morning shift. This is known as shift transfer

Penalizing employees
To penalize the employee transfers are also done, under which a person may be transferred to a remote branch where he cannot continue his activities. This is known as penal transfer.

Benefits of transfer
- It increases the productivity and effectiveness of the organization.
- It improves the skills of the existing employees.
- It provides greater job satisfaction to the existing employees.
- It helps stabilize fluctuating work requirements.
- It remedies faulty placements.
- It increases motivation and productivity
- Improves supervisor employee relationship.
- It develops employee for future promotion

Demerits
- Adjustment problem for the employees in the new job, environment, superior and colleagues.
- It causes much inconvenience and cost to the employees and his family members relating to housing and education.
- Company initiated transfer results in reduction in employee contribution.
- Discriminatory transfers affect employee morale, job satisfaction, commitment and contribution.

What are the types of Employee Transfers?

1. **Production Transfer**

Production transfer is usually practised to prevent lay-off that is to say when there is a surplus of the workforce in the factory, excess workers are laid off. Employees are posted in different departments, based on their interests and qualifications. This also depends on the work load that a department possesses. However, this load keeps fluctuating, and the demand for manpower keeps changing with time.
For departments with surplus manpower, lay-off is a solution. However, a better solution is the interdepartmental transfer to balance the manpower allocation. In simpler terms, production transfer refers to the transfers ordered to avoid such unavoidable lay-offs.

2. **Replacement Transfer**

This form of transfer also helps in preventing lay-off of senior employees by replacing a junior employee. The organization opts for this transfer when there is a continuous decrease in the operations, and the organization wants to retain an employee who has been serving the organization for a long time.

3. **Versatility Transfer**

To make the employees competent and versatile, these transfers are initiated. It is also called job rotation which can be commonly seen in banks where employees working at clerical levels has to work at different profiles.

4. **Shift Transfer**

In general, industrial establishments operates on rotational shifts, and the workers usually request a transfer to the shift of their choice.

5. **Remedial Transfer**

When the initial placement of an employee is faulty, or the worker is not comfortable with the superior or with the coworkers, or there are some health issues, then these transfers are affected as a remedy to the situation. As the transfer is requested by the employee himself, it is also called a personal transfer. There are several benefits of transfers which includes improvement in skills, employee satisfaction, better employer-employee relations, the remedy to faulty placement, etc.

What are the rules relating to Employee Transfer?

1. The transfer must be clearly, stated as temporary or permanent.
2. Transfer criteria should be laid down clearly and strictly complied with.
3. The interest of the organization should be kept in mind while framing the transfer policies.
4. The effect of transfer on the salary and other things of the transferred employee must be specified clearly.
5. The frequency of transfer must be known to all the employees along with the minimum period of transfer.
6. The performance of the employee must be evaluated before making the transfer, to a different job or department.

Transfer policy

- Specification of circumstances under which an employee well be transferred in the case of any initiated transfer.
- Name of the supervisor who is authorized and responsible to initiate a transfer.
- Jobs from and to which transfer will be made based on job specification, description and classification.
- The region or unit of the organization within which transfers will be administered.
- Reasons which will be considered for personal transfers, their order of priority etc.
- Reasons for mutual transfers of employees.
- Norms to decide for priority when two or more employees request for transfer.
- Specification of the basis of transfer like job analysis, merit, length of service.
- Specification of pay allowance, benefits etc that are allowed to the employee in the new job.
- Other facilities to be extended to the transferee.
- The policy should give the grounds of transfer.
- It should indicate the authority that will be responsible for initiating or implementing transfer. It should specify the units or areas over which transfer would take place.

Aspect	Transfer	Promotion
Definition	Movement of an employee to a similar role in a different department or location without a change in rank or salary.	Advancement to a higher position with increased responsibilities, salary, and status.
Purpose	To balance workforce, meet organizational needs, or for employee development.	To reward performance, skills, and achievements with greater responsibilities and authority.
Change in Job Role	No significant change in role or responsibilities; lateral move.	Significant change with higher-level duties, more authority, and decision-making power.
Salary/Benefits	No increase in salary or benefits; remains the same.	Increase in salary, often accompanied by additional benefits such as bonuses.
Status in Organization	Employee status remains the same, as it is a lateral move.	Employee's status is elevated, reflecting a higher rank or grade.
Employee Development	Used to provide broader experience through exposure to different roles.	Recognizes and rewards growth, performance, and ability to handle greater responsibility.
Nature of Movement	Horizontal movement within the organization (same rank).	Vertical movement within the organizational hierarchy (higher rank).
Type of Change	Change in department, location, or job function but within the same level.	Change in position to a higher level with more responsibilities and authority.

Employee Separation

Separation of an employee exists when the service of an employee comes to an end because of one reason or other. It arises due to resignation; lay off, dismissal and retirement,etc.

Various forms of employee separation are discussed briefly:

1) Retirement:

Retirement is the major cause of separation of employees from the organization. It can be defined as the termination of service of an employee on reaching the age of superannuation. For example, at present the superannuation age for the teachers working in the Central Universities is 62 years and in case of some state government employees, it is 58 years.

Retirement may be of two types:

(i) **Compulsory Retirement**:
This is the retirement when employees retire compulsorily from service on attaining the age of superannuation.
(ii) **Voluntary Retirement:**
When organisations give option to its employees to retire even before superannuation, it is called ‘voluntary retirement’. This scheme is termed as, ‘voluntary retirement scheme (VRS)’. Of late, in their efforts to downsize the employees, organisations by providing certain incentives, are trying to encourage their employees to opt for voluntary retirement. Employees in return of voluntary retirement are given lump sum payment. This type of retirement is also called ‘Golden Hand Shake’.

2)**Resignation:**
Resignation is termination of service by an employee by serving a notice, called ‘resignation’ on the employer. Resignation may be voluntary or involuntary. A voluntary resignation is when an employee himself/herself decides to resign on the grounds of ill health, marriage, better job prospects in other organisations, etc.
Resignation is considered involuntary or compulsory when the employer directs the employee to resign on grounds of duty and indiscipline or face the disciplinary action. However, in case of involuntary resignation, a domestic enquiry should be conducted before asking the employee to resign. This is because otherwise the affected employee can go to the union or court of law and complain that he was asked to resign under duress.

3)Death comes without call. Some employees may die in service before attaining the age of superannuation. When death occurs due to occupational hazards, the employee gets compensation as per the provisions of Workmen’s Compensation Act, 1923.
Some organisations have provisions to give employment to the spouse/child or dependent of an employee who dies in service. The normal separation of employees from an organisation owing to resignation, retirement and death is known as ‘attrition’.

4) **Layoff:**
Layoff implies denial of employment to the employees for reasons beyond the control of employer. Breakdown of machinery, seasonal fluctuations in demand, shortage of power, raw materials, etc. are the examples of reasons leading to layoff. It is important to note that the employee-employer relationship does not come to an end but is suspended for some time Layoff may be temporary. Layoff also may occur for an indefinite time**. *When layoff becomes a permanent one, it is called ‘retrenchment’.***
According to the Section 25© of the Industrial Disputes Act, 1947, a laid off worker is entitled to compensation equal to 50 per cent of the basic wages and dearness allowance that would have been payable to him had he not been laid off.

However, the worker needs to satisfy the following conditions to be entitled to the compensation:
(i) Should not be casual worker
(ii) His name should appear in the muster roll of the establishment.
(iii) Have completed not less than one year of continuous service.

5. **Retrenchment:**
Retrenchment means permanent termination of an employee’s services for economic reasons. Retrenchment occurs on account of surplus staff, poor demand for products, general economic slowdown,

etc. It's worth noticing that termination of services on account of retirement, winding up of a business, illness or on disciplinary grounds does not constitute retrenchment.

The Industrial Disputes Act, 1947 makes it obligatory for organisations employing 100 or more employees to give three months' notice to the employee to be retrenched and also seek prior approval of the Government.

In other organisations, employee must be served one month's prior notice in writing indicating the reasons for retrenchment. He/she should be paid compensation equal to 15 days' wages for every completed year of service. As and when there is need for employing people in future, the retrenched employee must be given preference.

6) **Suspension**

Suspension means prohibiting an employee from attending work and performing normal duties assigned to him. It is a sort of punishment for a specified period and is generally resorted to only after a proper inquiry has been conducted. During suspension the employee receives a subsistence allowance.

7) **Discharge**

Discharge also means termination of the services of an employee but not necessarily as a punishment. It does not arise from a single irrational act. There could be many reasons for it such as:

- Alcoholism
- Violation of rules
- Carelessness
- Physical disability
- Dishonesty
- Violent and aggressive acts
- Inefficiency

8. **Dismissal**:

Dismissal is termination of service of an employee as a punitive measure. This may occur either on account of unsatisfactory performance or misconduct. Persistent failure on the part of employee to perform up to the expectations or specified standard is considered as unsatisfactory performance. Wilful violation of rules and regulation by the employee is treated as misconduct. Dismissal is a drastic step seriously impairing the earnings and image of the employee.

Therefore, dismissal as a measure should be resorted to with great care and caution. It must be justified and duly supported by the just and sufficient cause. Before an employee is dismissed, he must be served advance notice to explain his position. The reasons for dismissal must be clearly made known to the employee.

TRAINING

Employee training begins soon after the orientation process. Training can be defined as the systematic attempt to enhance the specific skills, desired behaviour and knowledge of the employees for performing a job effectively. Training is a process that tries to improve skills or add to the existing level of knowledge so that the employee is better equipped to do his present job or to mould him to be fit for a higher job involving higher responsibilities. It bridges the gap between what the employee has & what the job demands.

Training refers to a planned effort by a company to facilitate employees' learning of job related competencies. These competencies include knowledge, skills, or behaviors that are critical for successful job performance.

According to Edwin B. Flippo, *"Training is the act of increasing the knowledge and skill of an employee for doing a particular job."*

Employee training and development is an indispensable part of human resource function and management. Both the activities aim at improving the performance and productivity of the employees.
Training is a program organized by the organization to develop knowledge and skills in the employees as per the requirement of the job.
Employee development, however, is a much bigger, inclusive "thing". For example, If a manager coaches and employee in an ongoing way, that's employee development. Development is an organized activity in which the manpower of the organization learn and grow; it is a self-assessment act.

BASIS FOR COMPARISON	TRAINING	DEVELOPMENT
Meaning	Training is a learning process in which employees get an opportunity to develop skill, competency and knowledge as per the job requirement.	Development is an educational process which is concerned with the overall growth of the employees.
Term	Short Term	Long Term
Focus on	Present	Future
Orientation	Job oriented	Career oriented
Motivation	Trainer	Self
Objective	To improve the work performances of the employees.	To prepare employees for future challenges.

Objectives of training

- ❖ To provide knowledge and skills to new entrants and to help them to perform their role and job well.
- ❖ To prepare employees to undertake different jobs in order to enable redeployment and maintain flexibility in workforce so that ever changing environment of market can be met and downturns can be managed without losing experienced employees.
- ❖ Training enables an employee to use their skill, knowledge and ability to the fullest extent and thus experience job satisfaction and reduce the employee turnover.
- ❖ To improve knowledge, skills, efficiency of employees to obtain maximum individual development.
- ❖ To prepare employees to meet the varying and challenging needs of the job and organization
- ❖ To coach employees for more complex and higher-level jobs.
- ❖ To educate employees new and innovative ways and techniques of performing job.
- ❖ To achieve organisational excellence.
- ❖ To increase employee efficiency.

Training process

STEP 1: **ESTABLISHING A TRAINING NEEDS ANALYSIS**.
The needs analysis is the starting point for all training. The primary objective of all training is to improve individual and organizational performance. Establishing a needs analysis is, and should always be the first step of the training process. This step identifies activities to justify an investment for training. A training needs assessment is a systematic process for determining and addressing needs, or "gaps"

between current conditions and desired conditions. The discrepancy between the current condition and desired condition must be measured to appropriately identify the need.

Training Need Analysis occurs at 3 phases:

Organizational Analysis: seeks to examine the goals of the organization (short-term and long-term), and the trends that are likely to affect these goals. The analyst needs to ask and answer the following questions:

• Is there a sufficient supply of people?
• How does the firm attract, retain and motivate diverse work-force?
• How does the firm compete for individuals with the right skills, knowledge abilities and attitudes? • How do employees make the firm competitive, domestically and internationally?
• Which are the target jobs that require training?

These issues enable the analyst identify skill gaps in people, which training seeks to fill.
The information needed to conduct an organizational analysis can be obtained from a variety of sources including:
Organizational goals and objectives, mission statements, strategic plans.
Staffing inventory, succession planning, long and short term staffing needs.
Skills inventory: both currently available and short and long term needs, organizational climate indices: labor/management relationships, grievances, turnover rates, absenteeism, suggestions, productivity, accidents, short term sickness, and observations of employee behavior, attitude surveys, and customer complaints.
Analysis of efficiency indices: costs of labor, costs of materials, quality of products, equipment utilization, production rates, costs of distribution, waste, down time, late deliveries, and repairs.
Changes in equipment, technology or automation.
Annual report.
Plans for reorganization or job restructuring.

Task and KSA Analysis -In addition to obtaining organizational support and making organizational analysis, it is necessary to assess and identify what tasks are needed on each job and which knowledge, skills and abilities (KSAs) are necessary to perform these tasks.
Task analysis provides data about a job or a group of jobs and the knowledge, skills, attitudes and abilities needed to achieve optimum performance. There are a variety of sources for collecting data for a task analysis:
Job description-- A narrative statement of the major activities involved in performing the job and the conditions under which these activities are performed. If an accurate job description is not available or is out of date, one should be prepared using job analysis.
KSA analysis-- A more detailed list of specified tasks for each job including Knowledge, Skills, Attitudes and Abilities required of incumbents. This assessment helps prepare a blueprint that describes the KSAs to be achieved upon completion of the training programme.

Person Analysis: This analysis obliviously targets individual employees. A very important aspect of person analysis is to determine which necessary KSAs have already been learnt by the prospective trainee so that precious training time is not wasted repeating what has already been acquired. Also, employed who need to undergo training are identified at this stage. It analyzes how well the individual employee is doing the job and determines which employees need training and what kind. Sources of information available for a individual analysis include:
Performance evaluation
Performance problems
Observation
Work samples
Interviews

Questionnaires
Attitude surveys
By determining training needs, an organization can decide what specific knowledge, skills, and attitudes are needed to improve the employee's performance in accordance with the company's standards.
STEP 2: **DERIVING INSTRUCTIONAL OBJECTIVES**
The next phase in the training process is to identify instructional objectives. Needs assessment helps prepare a blueprint that describes the objectives to be achieved by the trainee upon completion of the training programme. Instructional objectives provide the input for designing the training programme as well as for the measures of success (criteria) that would help assess effectiveness of the training programme. Every training and development programme must address certain vital issues: (1) who participate in the programme? (2) Who are the trainers? (3) What methods and techniques are to be used for training? (4) What should be the level of training? (5) What learning principles are needed? (6) Where is the programme to be conducted?

STEP 3: **DELIVER THE TRAINING PROGRAM. / Implementation**
This step is responsible for the instruction and delivery of the training program. Once the training programme has been designed, it needs to be implemented. Programme implementation involves action on the following lines:
1. Deciding the location and organizing training and other facilities.
2. Scheduling the training programme
3. Conducting the programme
4. Monitoring the progress of trainees.
For a training program to be successful, the trainer should be conscious of several essential elements, including a controlled environment, good planning, the use of various training methods, good communication skills, trainee participation and appropriate audio/visual equipment to enhance the training session.

STEP 4: **EVALUATE THE TRAINING PROGRAM**.
Types of evaluation:
- Concurrent evaluation: evaluate training effects during training.
- Immediate evaluation: evaluate training effects at the end of the training.
- Follow-up evaluation: evaluate training effect by evaluating trainee performance over time.

This step will determine how effective and profitable a training program has been.

METHODS OF TRAINING

A multitude of methods of training are used to train employees. training methods are categorized into two groups-{I) on-the-job and (ii) off the-job methods. On-the-job methods refer to methods that are applied in the workplace, while the employee is actually working. Off-the-job methods are used away from workplaces.

ON THE JOB TRAINING METHODS -Majority of industrial training is of the on-the-job training type. OJT is conducted at the work site and in the context of the job. Often, it is informal, as when an experienced worker shows a trainee how to perform the job tasks. *It means 'learning while doing'. The trainees learn in the real work environment and gain practical experience dealing with the tasks and challenges during a normal working day. The main advantage of on-the-job training is that trainees understand the rules, regulations and the work procedures by adopting them in their day-today performance.*

OJT has advantages. It is the most effective method as the trainee learns by experience, Further, the method is least expensive since no formal training is organized. The trainee is highly motivated to learn he or she is aware of the fact that his or her success on the job depends on the training received. Finally, the training is free from an artificial situation of a classroom. This contributes to the effectiveness of the programme.

OJT suffers from certain demerits as well. The experienced employee may lack experience or inclination to train the juniors. The training programme itself is not systematically organized. In addition, a poorly conducted OJT programme is likely to create safety hazards, result in damaged products or materials, and bring unnecessary stress to the trainees

1)Job Instruction training -This method is also known as training through step by step. Under this method, trainer explains the trainee the way of doing the jobs, job knowledge and skills and allows him to do the job. The trainer appraises the performance of the trainee, provides feedback information and corrects the trainee.

The steps followed in JIT are
The trainee receives an overview of the job, its purpose and its desired outcomes, with a clear focus on the relevance of training.
The trainer demonstrates the job in order to give the employee a model to copy. The trainer shows a right way to handle the job.
Next the employee is permitted to copy the trainer's way. Demonstrations by the trainer and practice by the trainee are repeated until the trainee masters the right way to handle the job.
Finally the employee does the job independently without supervision.

2)Coaching
The trainee is placed under a particular supervisor who functions as a coach in training the individual. The supervisor provides feedback to the trainee on his performance and offers him some suggestions for improvement. It is a kind of daily training and feedback given to employees by immediate supervisors. It involves a continuous process of learning by doing. In coaching the supervisor explain things and answer questions, he throws light on why things are done the way they are, he offers a model for the trainee to copy, conducts a lot of decision making meetings with trainees.

3)Mentoring
Mentoring is a relationship in which a senior manager in an organization assumes the responsibility for grooming a junior person.. A mentor is a teacher, spouse, counselor and most importantly supporter and facilitator in the realization of the vision of the mentee. The main objective of mentoring is to help an employee attain psychological maturity and effectiveness and get integrated with the organization. The mentor shares experiences with the men tee, act as a role model and provides guidance on how to survive and get ahead in the organisation.
In general mentor, shape the behaviour of mentee in a work situation, both formal and informal mentoring can take place depending on the work culture and the philosophy of top management of the organisation.

4)Job rotation
It is the process of training employees by rotating them through a series of related jobs. This type of training involves the movement of the trainee from one job to another.
The trainee receives job knowledge and gains experience from his supervisor or trainer in each of the different job assignments. Job rotation method has been using in the Indian banking sector mainly by State bank group for the probationary officers for the period of approximately 2 years to finally post them as assistant bank manager. Under this method of training candidates are placed in each and every job starts from clerical job, assistant, cashier and managerial job for the purpose of knowing importance in nature of every job before handling Asst bank manager position.

Advantages of job rotation of an employee are eliminating boredom of an employee, encourage development, give employees a break from strenuous job duties, helps HR manager identify where employee work best and gives HR manager a backup plan if an employee leaves.

Disadvantages of job rotation of an employee are could be costly and time-consuming for organization.
Rotation not only makes a person well acquainted with different jobs, but it also alleviates boredom and allows to develop rapport with a number of people. Rotation must be logical. The purpose of job rotation is to provide trainees with a larger organizational perspective and a greater understanding of different functional areas as well as a better sense of their own career objectives and interests. The cross trained personnel offer a great amount of flexibility for organizations when transfers, promotions or replacements become inevitable.

5)Apprenticeship training
Apprenticeship is a formalized method of training curriculum program that combines classroom education with on-the-job work under close supervision. The training curriculum is planned in advance and conducted in careful steps from day to day. Most trade apprenticeship programs have a duration of three to four years before an apprentice is considered completely accomplished in that trade or profession. This method is appropriate for training in crafts, trades and technical areas, especially when proficiency in a job is the result of a relatively long training or apprenticeship period, e.g., job of a craftsman, a machinist, a printer, a tool maker, a pattern designer, a mechanic, etc. Apprenticeships are trainees who spend a prescribed amount of time working with an experienced guide, coach or trainer.

6)Understudy:
In this method, a superior gives training to a subordinate as his understudy like an assistant to a manager or director (in a film). Understudy refers to the method in which trainees are prepared to perform the work or fill the position of their superiors. In this technique, a trainee who is likely to assume the full duties and responsibilities of the position currently held by his/her superior is called as an understudy.The subordinate learns through experience and observation by participating in handling day to day problems. Basic purpose is to prepare subordinate for assuming the full responsibilities and duties.

7)Committee assignments refer to the method in which the trainees are asked to solve an actual organizational problem. In committee assignments, trainees have to work together in a team and offer solution to the problem. This method of training helps the trainees to develop team spirit to achieve a common organizational goal.

8)Internship training is the combined effort of the educational institutions and business organisations where selected candidates continue regular studies for a prescribed period and also work in a business enterprise for a specific period of time to acquire practical knowledge and skills.

B. **Off-the-job Training Methods**:
Off-the-job training methods are conducted in separate from the job environment, study material is supplied, there is full concentration on learning rather than performing, and there is freedom of expression. *In off-the-job training, the trainee undergoes the training for a specific period. The emphasis in this method is to impart skill and knowledge for doing a specific job. Since the trainee is away from the job, he/she is free of tension while learning. Normally, this type of training is provided outside the organisation and rarely within the organisation but not in the working place.*
Off-the-Job trainings are conducted at locations which are specifically designed for such trainings. These locations may be near or away from the work place.

Important methods include:

1. Lectures and Conferences:

Lectures and conferences are the traditional and direct method of instruction. Every training programme starts with lecture and conference. It's a verbal presentation for a large audience. Lecture is a verbal presentation of information by an instructor to a large audience. The lecturer is presumed to possess a considerable depth of knowledge of the subject at hand. A virtue of this method is that is can be used for very large groups, and hence the cost per trainee is low. However, the lectures have to be motivating and creating interest among trainees. The speaker must have considerable depth in the subject. And conference is a group meeting conducted according to an organised plan in which the members seek to develop knowledge and understanding of a topic by oral participation. It is an effective training device for person in the positions of both conference member and conference leader.As a member, a person can learn from other by comparing his opinions with those of others. He learns to respect the view-points of other and also realises that there is more than one workable approach to any problem.In practice, conference implies sharing some information with an audience of a large number of people. It is conducted in a being hall where the participants are allowed to exchange their views and satisfy their queries.

2. Vestibule Training:

Vestibule Training is a term for near-the-job training, as it offers access to something new (learning). In vestibule training, the workers are trained in a prototype environment on specific jobs in a special part of the plant. It utilizes equipment which closely resembles the actual ones used on the job. However, training takes place away from the work environment. A special area or a room is set aside from the main production area and is equipped with furnishings similar to those found in the actual production area. The trainee is then permitted to learn under simulated conditions, without disrupting ongoing operations. A primary advantage of vestibule training it relieves the employee from the pressure of having to produce while learning. The emphasis is on learning skills required by the job. An attempt is made to create working condition similar to the actual workshop conditions. After training workers in such condition, the trained workers may be put on similar jobs in the actual workshop. This enables the workers to secure training in the best methods to work and to get rid of initial nervousness.

3. Simulation Exercises:

Simulation is any artificial environment exactly similar to the actual situation. Simulation then, is an attempt to create a realistic decision-making environment for the trainee. Simulations present likely problem situation and alternatives to the trainee. For example, activities of an organization may be simulated and the trainee may be asked to make a decision in support to those activities. The results of those decisions are reported back to the trainee with an explanation of what would have happened had they actually made in the workplace. The trainee learns from this feedback and improves his/her subsequent simulation and workplace decisionsThere are four basic simulation techniques used for imparting training: management games, case study, role playing, and in-basket training.

(a) Management Games:

Properly designed games help to ingrain thinking habits, analytical, logical and reasoning capabilities, importance of team work, time management, to make decisions lacking complete information, communication and leadership capabilities. Use of management games can encourage novel, innovative mechanisms for coping with stress.

Management games orient a candidate with practical applicability of the subject. These games help to appreciate management concepts in a practical way. Different games are used for training general managers and the middle management and functional heads – executive Games and functional heads.

(b) Case Study:

Case studies are complex examples which give an insight into the context of a problem as well as illustrating the main point. Case Studies are trainee centered activities based on topics that demonstrate theoretical concepts in an applied setting. Case study represents a training method in which a real or hypothetical problem or situation demanding a solution is presented in writing to the trainees. They are required to identify and analyze the problem; suggest and evaluate the alternative courses of action; and select the most appropriate solution. The solutions suggested by one trainee can vary from another trainee. A case study allows the application of theoretical concepts to be demonstrated, thus bridging the gap between theory and practice, encourage active learning, provides an opportunity for the development of key skills such as communication, group working and problem solving, and increases the trainees" enjoyment of the topic and hence their desire to learn.

(c) Role Playing:

Role playing denotes the method of human interaction that demands realistic behavior in imaginary situations. This method of training asks the trainees to act, do, and practice. In a role play, the trainees are asked to play the role of certain characters, such as the department manager, support engineer, supervisors, or quality auditors. For example, a male worker may assume the role of a female supervisor, and the supervisor may assume the role of a male worker. Then, both may be given a typical work situation and asked to respond as they expect others to do. The consequences are a better understanding among individuals. Role playing helps promote interpersonal relation. Attitude change is another result of role playingThis method mainly focuses on the development of the interpersonal skills and practical understanding of the problem.

Types of role play may be multiple role play, single role play, role rotation, and spontaneous role play.

(d) In-basket training:

In-basket exercise, also known as in-tray training, consists of a set of business papers which may include e-mail SMSs, reports, memos, and other items. Now the trainer is asked to prioritize the decisions to be made immediately and the ones that can be delayed.

4)Programmed Instruction (PI) -This is a method where training is offered without the intervention of a trainer. Information is provided to the trainee in blocks, either in a book of thought a teaching machine. After reading each block of material, the learner must answer a question about it. Feedback in the form of correct answers is provided after each response. Thus, programmed instruction (PI) involves: 1. Presenting questions, facts, or problems to the learner 2. Allowing the person to respond 3. Providing feedback on the accuracy of his or her answers 4. If the answers are correct, the learner proceeds to the next block. If not, he or she repeats the same. The main advantage of PI is that it is self-paced-trainees can progress through the programme at their own speed. Strong motivation is provided to the learner to repeat learning. Material is also structured and self-contained, offering much scope for practice.

5)Computer-Assisted Instruction (CAI) -This is an extension of the PI method. The speed memory and data-manipulation capabilities of the computer permit greater utilization of basic PI concept. For example, the learner's response may determine the frequency and difficulty level of the next frame. CAI is an improved system when compared to the PI method, in at least three respects. First, CAI provides for accountability as tests are taken on the computer so that the management can monitor each trainee's progress and needs. Second, a CAI training programme can also be modified easily to reflect technological innovations in the equipment for which the employee is being trained. Third, this training also tends to be more flexible in that trainees can usually use the computer almost any time they want, and thus get training when they prefer

6) Audio-Visual aids- include television slides, overheads, videotypes and films. These can be used to provide a wide range of realistic examples of job conditions and situations in the condensed period of time. Further, the quality of the presentation can be controlled and will remain equal for all training group. But, audio-visuals constitute a one-way system of communication with no scope for the audience to raise doubts for clarification. Further, there is no flexibility of presentation from audience to audience.

7). Sensitivity Training:

Sensitivity training, also known as T-group training, refers to a specific training that is conducted under controlled conditions. This training was introduced by Kurt Lewin, who was a German-American psychologist.This training is about making people understand about themselves and others reasonably, which is done by developing in them social sensitivity and behavioral flexibility. In this method, a group of 7 to 12 trainees meet in a group for a specific duration. The objective of sensitivity training is to make trainees aware about their own prejudices and develop sensitivity in them.

In addition, sensitivity training helps the trainees in understanding the impact of their behavior on others. The discussion is directed by a behavioral expert who creates the opportunity for the members to express their ideas, beliefs, and attitudes. This training is designed to make people more aware about group dynamics, their own behavior, interpersonal traits, and their role within a group. It helps the members to learn how the group actually works.It tests the ability of an individual to sense what others feel and think from their own point of view.

Evaluation of Training Programs

A comprehensive and effective evaluation plan is a critical component of any successful training program. It should be structured to generate information of the impact of training on the reaction; on the amount of learning that has taken place; on the trainee's behavior; and its contribution to the job/ organization. Therefore, evaluation of training is a measure of how well it has met the need of its human resources

PURPOSE OF EVALUATION

• Determining accomplishment of specific training objectives.
• Determining cost effectiveness of training.
• Explain program failure, if it occurs.
• Enhancement of the credibility of training and development if tangible benefits to an organization are proved.
• Determine whether the program is meeting the intended objectives
• Identify strengths and weaknesses
• Determine cost-benefit ratio
• Identify who benefited most or least
• Determine future participants
• Provide information for improving HRD programs
• Reinforce major points to be made
• Gather marketing information
• Determine if training program is appropriate
• Establish management database

MODELS/Metrics OF EVALUATION

Donald Kirkpatrick developed the Kirkpatrick Evaluation Model for evaluating training during the 1950s.

Each of the four levels is explained below.

*Level 1 - **Reaction***

Level 1 solicits opinions of the learning experience following a training event or course. Typical questions concern the degree to which the experience was valuable (satisfaction), whether they felt engaged, and whether they felt the training was relevant. Training organizations use that feedback to evaluate the effectiveness of the training, students' perceptions, potential future improvements, and justification for the training expense. A variety of sources estimate that approximately 80 percent of training events include Level 1 evaluation..

*Level 2 - **Learning***

Level 2 measures the degree to which participants acquired the intended knowledge, skills and attitudes as a result of the training. This level is used by instructors and training executives to determine if training objectives are being met. Only by determining what trainees are learning, and what they are not, organizations make necessary improvements. Level 2 can be completed as a pre- and post-event evaluation, or only as a post-evaluation.

*Level 3 - **Behavior***

Level 3 measures the degree to which participants' behaviors change as a result of the training – basically whether the knowledge and skills from the training are then applied on the job. This measurement can be, but is not necessarily, a reflection of whether participants actually learned the subject material. For example, the failure of behavioral change can be due to other circumstances such as individual's reluctance to change.

*Level 4 - **Results***

Level 4 seeks to determine the tangible results of the training such as: reduced cost, improved quality and efficiency, increased productivity, employee retention, increased sales and higher morale. While such benchmarks are not always easy or inexpensive to quantify, doing so is the only way training organizations can determine the critical return on investment (ROI) of their training expenditures.

Learning is the human process by which skills, knowledge, habits and attitudes are acquired and utilized in such a way that behaviour is modified. The principles of learning in training provide additional insight into what makes people learn most effectively. The principles have been discovered, tested, and used in practical situations.

Principles of Learning

Working in organizations is a continual learning process, and learning is at the heart of all trainingactivities. Different learning approaches are possible, and learning is a complex psychological processthat is not fully understood by practitioners or research psychologists.Often, trainers or supervisors present information and assume that merely by presenting it they haveensured that it will be learned. But learning takes place only when information is received, understood,and internalized in such a way that some change or conscious effort has been made to use the information.

1.Intention to Learn

People learn at different rates and are able to apply what they learn differently. Ability to learn must be accompanied by motivation, or intention, to learn. To
questions like these: "How important is my job to me?" "How important is it that I learn thatinformati on?" "Will learning this help me in any way?" and "What's in it for me?". These perceptions may have nothing to do with their actual ability to learn, but rather reflect the way they see themselves. People with low self-efficacy (low level of belief that they can accomplish something) benefit from one-on-one training. People with high self-efficacy seem to do better with conventional training. Because self-efficacy involves a motivational component, it affects a person's intention to learn.

1. **Whole Learning**

It is usually better to give trainees an overall view of what they will be doing than to deal immediatelywith the specifics. This concept is referred to as whole learning or Gestalt learning. As applied to jobtraining, this means that instructions should be divided into small elements after employees have had theopportunity to see how all the elements fit together.Another concept is attention advice, which refers to providing trainees information about the processesand strategies that can lead to training success. By focusing the trainees' attention on what they willencounter during training and how it is linked to their jobs, trainers can improve trainees' participation inthe training process. For instance, if customer service representatives are being trained to handle varyingtypes of difficult customer calls, the training should give an overview of the types of calls, the verbal cuesindicating the different types of calls, and the desired outcomes for each type of call.

2. **Reinforcement**

The concept of reinforcement is based on the law of effect, which states that people tend to repeat responses that give them some type of positive reward and avoid actions associated with negative consequences. The reinforces that an individual receives can be either external or internal, and many training situations provide both kinds. A new salesclerk who answers a supervisor's question correctly and is complimented for doing so may receive both an external reward (the compliment) and an internal reward (a feeling of pride). A person who is positively reinforced for learning is more likely to continue to learn.

3. **Behavior Modification**

A comprehensive approach to training has been developed based on the concept of reinforcement. This popular approach, Behavior modification makes use of four means of changing behavior, labeled intervention strategies. The four strategies are positive reinforcement, negative reinforcement, punish ment, and extinction. Each is reviewed next. A person who receives a desired reward receives positiv e reinforcement. If an employee is on time every day during the week and, as a result, receivesextra pay equivalent to one hour of normal work, the employee has received positive reinforcement of hisor her good attendance by receiving a desired award. Negative reinforcement occurs when an individual works to avoid an undesirable consequence. An employee who arrives at work on time every day may do so to avoid a supervisor's criticism. Thus, the potential for criticism leads to the employee's taking the desired action. Action taken to repel a person from undesirable action is punishment. A grocery manager may punish a stock clerk for leaving the stockroom dirty by forcing her to stay after work and clean it up. Behavior can also be modified through a technique known as extinction, which is the absence of unexpected response to a situation. The hope is that unreinforced behavior will not be repeated. All four strategies can work to change behavior, and combinations may be called for in certain situations. But research suggests that for most training situations, positive reinforcement of the desired behaviour is most effective.

4. **Immediate Confirmation**

Another learning concept is immediate confirmation: people learn best if reinforcement is given as soon as possible after training. Feedback on whether a learner's response was right or wrong should be given as soon as possible after the response.

The following Principles of learning should be satisfied by a good training program:

1. **Practice** – Employees learn faster when theory and practice go hand in hand. Employees under training should be given an opportunity to participate in actual work performance.
2. **Active Process** – The individual learns better when more of his senses are utilized in the efforts and he became more involved in the process of learning.
3. **Guidance** – Learning is more efficient if it is not by trial and error but by guidance from expert. Guidance can speed the learning process and provide feedback as well.
4. **Trainee Readiness** – People who are not ready to learn will not learn. Consequently, an effective training program must comprise individuals who are ready to learn the skill at hand. Determining trainee readiness involves examining certain important issues.
5. **Motivation** – Trainee must be motivated to improve his skills or knowledge by increased compensation, promotion, recognition etc.
6. **Relevance** – Most trainees quickly develop perception about whether training is relevant. If trainee perceives that the instruction will actually help them on the job, they are much more likely to be receptive to the training. If they do not perceive they are more likely to demonstrate active or passive resistance in the training.
7. **Reinforcement** – **Reinforcement** is another critical principles of learning. It involves the process of providing financial rewards or non-financial incentives such as praise or recognition. Reinforcement can often encourage trainees to become more interested and involved in the training.
8. **Standard of performance** – Standard of performance must be set for the learner. The standard provides goals and give a feeling of accomplishment when the employees achieve them.
9. **Feedback –** In order to understand the potentialities and limits of improvement of an employee the progress of his training must be received from time to time. Such feedback will be a valuable aid in adjusting training to the needs of the individual workers.

Grid Training is a structured management development and leadership training program introduced by Robert Blake and Jane Mouton in the 1960s. It is based on the Managerial Grid Model, which emphasizes two key dimensions of leadership: concern for people and concern for production. The model suggests that effective leaders balance these two concerns to achieve optimal performance and employee satisfaction. **It** is basically based on grid organization development developed by Blake and Mouton. It is a comprehensive and systematic Organizational Development programme which aims at individuals, groups, and the organization as a whole. **Grid training** utilizes a considerable number of instruments, enabling individuals and groups to assess their own strengths and weaknesses; focuses on skills, knowledge, and processes necessary for effectiveness at the individual, group, inter-group, and total organizational levels.

Its specific objectives are as follows:

1. To study the organization as an interactive system and apply techniques of analysis in diagnosing its problems.
2. To understand the importance and rationale of systematic change.
3. To evaluate the styles of leadership and techniques of participation to produce desirable results.

Grid training for OD is completed in six phases.

They are:

- Laboratory-seminar training, which aims at acquainting participants with concepts and material used in grid training;
- A team development phase, involving the coming together of members from the same department to chart out as to how they will attain a 9 x 9 position on the grid;
- Inter-group development aims at overall OD. During this phase, conflict situations between groups are identified and analyzed;
- Organization goal setting is based on participative management, where participants contribute to and agree upon important goals for the organization;
- Goal attainment aims at achieving goals which were set during the phase of organizational goal setting; and
- Stabilization involves the evaluation of the overall programme and making suggestions for changes if appropriate.

Grid Training is an outgrowth of the managerial grid approach to leadership (Blacke and Mouton, 1978). It is an instrumental approach to laboratory training. Sensitivity training is supplemented with self-administered instruments (Benny, Bradford and Lippitt, 1964). The analysis of these instruments helps in group development and in the learning of group members. This technique is widely used and has proved effective.

The Managerial Grid classifies leaders into five distinct styles based on their relative emphasis on people and production:

1. Impoverished Management (1,1) – Low concern for both people and production.
2. Country Club Management (1,9) – High concern for people but low concern for production.
3. Task Management (9,1) – High concern for production but low concern for people.
4. Middle-of-the-Road Management (5,5) – Moderate concern for both people and production.
5. Team Management (9,9) – High concern for both people and production, seen as the most effective leadership style.

Objectives of Grid Training

1. Develop Balanced Leadership: To train managers in achieving a balance between concern for people and concern for production, helping them adopt the Team Management style (9,9) for optimal organizational performance.
2. Enhance Leadership Effectiveness: To improve managerial effectiveness by providing insight into one's leadership style and how it affects team productivity, motivation, and morale.
3. Improve Decision-Making: To enhance decision-making abilities by fostering collaboration and a systematic approach to balancing organizational needs with employee welfare.
4. Promote Self-Reflection: To encourage managers to reflect on their current leadership style and understand the implications of their behavior on team performance.
5. Foster Teamwork: To help leaders create a collaborative and motivating work environment that boosts team performance and job satisfaction.

Importance of Grid Training

1. Improves Leadership Skills: Grid training helps managers to develop and refine their leadership styles, leading to more effective leadership.
2. Promotes Balanced Leadership: It emphasizes the importance of both task completion and people management, which are crucial for overall organizational success.
3. Enhances Team Performance: Managers who adopt a balanced leadership style can foster better teamwork and cooperation, leading to improved team performance and productivity.
4. Boosts Employee Morale and Satisfaction: By focusing on employee welfare, grid-trained managers create a positive work environment, enhancing employee motivation and retention.
5. Strategic Decision-Making: The program equips managers with tools to make balanced decisions that take both employee needs and organizational goals into account.
6. Improves Organizational Culture: Grid training supports the development of a culture that values both efficiency and employee well-being, contributing to long-term organizational success.

Transactional Analysis (TA) is a psychological framework that delves into the examination and study of interpersonal transactions between individuals. **Transactional Analysis (TA)** is a psychological framework developed by **Eric Berne** in the 1950s, aimed at understanding human interactions and communication. In the context of **Human Resource Management (HRM)**, transactional analysis provides a model for understanding employee behaviors, improving communication, and fostering better workplace relationships. TA is grounded in the belief that people operate from one of three "ego states"—Parent, Adult, or Child—during interactions, and these ego states significantly influence communication and interpersonal dynamics within organizations.

Key Concepts of Transactional Analysis

1. **Ego States**:
   - **Parent**: This state reflects behaviors and attitudes learned from authority figures (e.g., parents, teachers) and is often prescriptive, critical, or nurturing. In HRM, managers may exhibit Parent behaviors when they guide, set rules, or provide feedback.

- **Adult**: The Adult state is rational, data-driven, and objective. This is the ego state focused on problem-solving and making logical decisions. HR professionals often strive to remain in the Adult state to handle conflicts or facilitate negotiations effectively.
- **Child**: This state reflects emotions and behaviors formed during childhood. It can be playful or rebellious, depending on the situation. Employees may display Child behavior when they react emotionally to criticism or stress at work.

2. **Transactional Patterns**: Interactions between people are termed as "transactions" in TA. These transactions can be complementary (when responses align with expectations), crossed (when there is a misalignment between the response and the expectation), or ulterior (when messages are disguised and come from different ego states). In HRM, understanding these patterns helps managers communicate effectively and reduce workplace conflicts.
3. **Strokes**: Strokes refer to the recognition and acknowledgment one person gives to another. In HRM, positive strokes (praise, rewards, recognition) and negative strokes (criticism, disapproval) impact employee motivation and job satisfaction. Managers must learn how to provide constructive feedback and recognition to maintain employee morale.
4. **Life Scripts and Games**: Employees may operate according to a "life script" (a set of beliefs and behaviors established early in life). Some individuals also engage in psychological "games" to fulfill these scripts, often leading to unproductive workplace behavior. HR professionals can identify and address these dynamics to improve teamwork and communication.

Application of Transactional Analysis in HRM

1. **Improving Communication**: TA is highly effective in enhancing communication between managers and employees. By understanding ego states, HR professionals can tailor their communication to the Adult state, encouraging rational dialogue and reducing emotional or defensive reactions. For example, during performance reviews, a manager can engage in Adult-to-Adult communication, using data and objective feedback rather than falling into the Parent state (criticism) or the Child state (defensiveness).
2. **Conflict Resolution**: In workplace conflicts, individuals may unconsciously react from the Parent or Child ego states, leading to misunderstandings or emotional confrontations. TA equips HR managers to identify when this happens and to guide the conversation toward Adult-to-Adult interactions, fostering resolution through logic and reason rather than emotion or authority.
3. **Leadership Development**: Understanding TA can help in leadership development by helping managers recognize their dominant ego state and how it influences their leadership style. Leaders who frequently operate from the Parent state may be seen as authoritarian, whereas those from the Adult state are often viewed as fair and rational. HR departments can use TA in leadership training to help managers cultivate an Adult-centered approach to decision-making and communication.
4. **Performance Feedback and Motivation**: TA can be instrumental in how performance feedback is provided. Managers who operate from the Adult state can offer balanced, constructive feedback that addresses performance issues without triggering defensive responses from employees. By avoiding Parent-to-Child dynamics (e.g., harsh criticism or overly nurturing feedback), HR can help create a culture of open and productive communication.
5. **Enhancing Employee Relations**: TA provides a framework for understanding employee behavior, motivation, and how they interact with colleagues. HR managers can use this analysis to promote more effective team dynamics, ensuring that interactions between team members are complementary and productive.

Importance of Transactional Analysis in HRM

1. **Enhances Self-Awareness**: TA encourages managers and employees to become more aware of their communication patterns and behavioral triggers, promoting healthier interactions.

2. **Reduces Miscommunication**: By recognizing ego states and transactional patterns, TA minimizes the chances of crossed communications, which can lead to misunderstandings or workplace conflicts.
3. **Promotes Collaboration**: By fostering Adult-to-Adult communication, TA promotes a more collaborative and less hierarchical workplace culture.
4. **Improves Workplace Culture**: A workplace that promotes open, honest, and rational communication using TA principles fosters a positive organizational culture where employees feel heard and valued.
5. **Strengthens Leadership**: Leaders who apply TA in their interactions are better equipped to handle conflicts, motivate their teams, and provide constructive feedback.

Life Positions

Life positions, also known as psychological positions, refer to the dominant philosophies or outlooks that individuals develop early in life based on their continuous experiences. These positions are intimately tied to an individual's sense of identity, self-worth, and their perception of others. Life positions profoundly shape how individuals behave and interact with others. Within Transactional Analysis, there are four distinct life positions:

1. **"I Am O.K. You Are O.K.":** The ideal life position is rooted in rationality and the adult ego state. This life position typically emerges after individuals have had numerous positive experiences within their families and society. Those who adopt this position exude confidence, competence, and a genuine belief that life is worth living. They approach problem-solving constructively and exhibit a high level of cooperation and collaboration. Managers who embrace this life position delegate authority effectively, maintain emotional control, and display empathy towards others.
2. **"I Am O.K. You Are Not O.K.":** This life position is commonly found among individuals who feel victimized or persecuted. They perceive the world as their enemy, often stemming from experiences of severe mistreatment during childhood, particularly by their parents. Such individuals tend to assign blame to others for their misfortunes and struggle to trust people. Managers who embody this life position tend to prioritize tasks over relationships, showing little regard for the emotions and feelings of others. They resist delegating authority, viewing decentralization as a potential threat.
3. **"I Am Not O.K. You Are O.K.":** Individuals adopting this life position feel powerless and inferior in comparison to others. They frequently engage in chronic complaining and dissatisfaction. Managers with this life position heavily emphasize interpersonal relationships, as their actions are guided by their own emotions and feelings. They may use their negative emotions as a justification for acting out against others. Their behaviour can be unpredictable and erratic.
4. **"I Am Not O.K. You Are Not O.K.":** This is a desperate life position typically observed in individuals who have experienced severe neglect from their parents and have been raised by servants or other caretakers. They exhibit indifference towards people and objects, perceiving life as lacking worth.

Performance Appraisal

It is the systematic assessment of an individual with respect to his or her performance on the job and his or her potential for development in that job. Thus, performance appraisal is a systematic and objective way of evaluating the relative worth or ability of an employee in performing his job.

Gary Dessler defined "Performance appraisal as means of evaluating an employee's current and or past performance relative to his or her performance standards".

The performance is measured against such factors as job knowledge, quality and quantity of output, initiative, leadership abilities, supervision, dependability, co-operation, judgment, versatility, etc.

WHY conduct a Performance Appraisal

- Provide information about the performance ranks.
- Decision regarding salary revision, confirmation, promotion and demotions.
- Provide feedback about level of achievement and behaviour of the subordinate.
- Provide information regarding coaching, mentoring and counseling the employees.
- Provide information to diagnose the deficiency of the employees and thereby develop a plan for correcting any deficiencies.
- Provide information for a suitable career planning purpose.
- Provide an information regarding the training and development needs of the employees.

The main objective of performance appraisal is to measure and improve the performance of employees and increase their future potential and value to the company. Other objectives include providing feedback, improving communication, understanding training needs, clarifying roles and responsibilities and determining how to allocate rewards.

Additional Objectives of performance appraisal are depicted below:

- To let the employees know where they stand
- To help employee do a better job by clarifying what is expected of them
- To plan opportunities for development and growth
- To strengthen the superior subordinate working relationship by developing a mutual agreement of goals
- To review the performance of the employees over a given period of time
- To judge the gap between the actual and the desired performance.
- To help the management in exercising organizational control.
- To diagnose the strengths and weaknesses of the individuals so as to identify the training and development needs of the future.
- To provide feedback to the employees regarding their past performance.
- Provide information to assist in the other personal decisions in the organization.

Who should do the appraising?

- The immediate supervisor
- Appraisal by peers
- Rating committees
- Self-ratings
- Appraisal by subordinates

Performance Appraisal Process

The six steps involved in process of performance appraisal are as follows:

- Establish Performance Standards
- Communicate Performance Expectation to Employee
- Measure Actual Performance
- Compare Actual Performance with Standards
- Discuss the Appraisal with the Employee
- Initiate Corrective Action

1. **Establish Performance Standards:**

The appraisal process begins with the establishment of performance standards. The managers must determine what outputs, accomplishments and skills will be evaluated. These standards should have evolved out of job analysis and job descriptions. These performance standards should also be clear and objectives to be understood and measured.

2. Communicate Performance Expectations to Employees:

Once the performance standards are established, this must be communicated to the respective employees so that they come to know what is expected of them'. The feedback from the employees on the standards communicated to them must be obtained. If required, the standards may be modified or revised in the light of feedback obtained from the employees. It is important to note that communication is a two-way street.

3. Measure Actual Performance:

This is the third step involved in the appraisal process. In this stage, the actual performance of the employee is measured on the basis of information available from various sources such as personal observation, statistical reports, oral reports, and written reports.

***4. Co*mpare Actual Performance with Standards:**

In this stage, the actual performance is compared with the predetermined standards. Such a comparison may reveal the deviation between standard performance and actual performance and will enable the evaluator to proceed to the fifth step in the process, i.e., the discussion of the appraisal with the concerned employees.

5.Discuss the Appraisal with the Employee:

The fifth step in the appraisal process is to communicate to and discuss with the employees the results of the appraisal. This is, in fact, one of the most challenging tasks the manager's face to present an accurate appraisal to the employees and then make them accept the appraisal in a constructive manner. A discussion on appraisal enables employees to know their strengths and weaknesses. This has, in turn, impact on their future performance.

6. Initiate Corrective Action:

The final step in the appraisal process is the initiation of corrective action when it is necessary. The areas needing improvement are identified and then, the measures to correct or improve the performance are identified and initiated. The corrective action can be of two types. One is immediate and deals predominantly with symptoms. This action is often called as "putting out fires." The other is basic and delves into causes of deviations and seeks to adjust the difference permanently. This type of action involves time to analyse deviations. Hence, managers often opt for the immediate action, or say, "put out fires". Training, coaching, counselling, etc. are the common examples of corrective actions that managers initiate to improve the employee performance

<u>Methods of Performance Appraisal</u>

Traditional Methods:

Ranking Method:

It is the oldest and simplest formal systematic method of performance appraisal in which employee is compared with all others for the purpose of placing order of worth. The employees are ranked from the highest to the lowest or from the best to the worst. In doing this the employee who is the highest on the characteristic being measured and also the one who is L lowest, are indicated. Then, the next highest and the next lowest between next highest and lowest until all the employees to be rated have been ranked. Thus, if there are ten employees to be appraised, there will be ten ranks from 1 to 10.

Advantages of Ranking Method

i. Employees are ranked according to their performance levels.
ii. It is easier to rank the best and the worst employee.

Limitations of Ranking Method

1. The "whole man" is compared with another "whole man" in this method. In practice, it is very difficult to compare individuals possessing various individual traits.
2. This method speaks only of the position where an employee stands in his group. It does not test anything about how much better or how much worse an employee is when compared to another employee.
3. The task of ranking individuals is difficult when a large number of employees are rated, and

(iii) It is very difficult to compare one individual with others having varying behavioural traits. To remedy these defects, the paired comparison method of performance appraisal has been evolved.

Paired Comparison:

In this method, each employee is compared with other employees on one- on one basis, usually based on one trait only. The rater is provided with a bunch of slips each coining pair of names, the rater puts a tick mark against the employee whom he insiders the better of the two. The number of times this employee is compared as better with others determines his or her final ranking.**The number of possible pairs for a**

given number of employees is ascertained by the following formula:N (N-1)/2,Where N = the total number of employees to be evaluated. Let this be exemplified with an imaginary example.If the following five teachers have to be evaluated by the Vice Chanceller of a University:(K), Mohapatra (M Raul (R), Venkat (V), and Barman (B), the above formula gives 5 (5 -1) / 2 or 10 pairs.

These are:

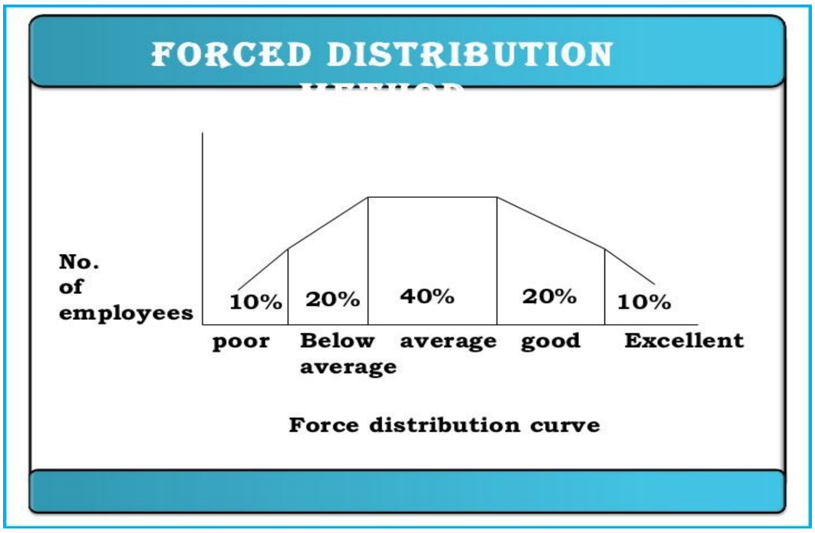
K with M			
K with R	M with R		
K with V	M with V	R with V	
K with B	M with B	R with B	V with B

Thus, the pairs so ascertained give the maximum possible permutations and combinations. The number of times a worker is considered better makes his/her score. Such scores are determined for each worker and he/she is ranked according to his/her score. One obvious disadvantage of this method is that the method can become unwieldy when large numbers of employees are being compared.

Graphic Rating Scale-It is a most commonly used method. It assesses a person on the quality and quantity of his work divided into a number of factors. These factors can be categorized as employee characteristics and employee contributions. The employee characteristics include qualities such as initiative, leadership, dependability, cooperativeness, enthusiasm, loyalty, decisiveness, emotional stability, maturity, analytical ability, co-ordination and co-operation. The employee contribution includes quantity and quality of work, responsibilities undertaken, results achieved, devotion to the organization, attitudes toward superiors as well as subordinates, versatility in communication etc. These traits are then evaluated on a **"continuous"** scale from unsatisfactory to outstanding, wherein the rater puts his mark somewhere along this scale based on his judgment of that particular trait.

Forced Distribution Method:

This method was evolved by Tiffen to eliminate the central tendency of rating most of the employees at a higher end of the scale. The method assumes that employees' performance level confirms to a normal statistical distribution i.e., 10,20,40,20 and 10 per cent. This is useful for rating a large number of employees' job performance and promo ability. It tends to eliminate or reduce bias.It is also highly simple to understand and easy to apply in appraising the performance of employees in organisations. It suffers from the drawback that improve similarly; no single grade would rise in a rating.



Limitations of Forced Distribution

The limitation of using this method in salary administration, however, is that it may lead low morale, low productivity and high absenteeism.

Employees who feel that they are productive, but find themselves in lower grade (than expected) feel frustrated and exhibit over a period of time reluctance to work.

Forced-Choice Method:

The forced-choice method is developed by J. P. Guilford. It contains a series of groups of statements, and rater rates how effectively a statement describes each individual being evaluated. Common method of forced-choice method contains two statements, either both positive and negative. For example: A B

Works hard	learns quickly
Absent too often	usually tardy

The rater is forced to choose among these statements that best describe the most and least of an employee.

Confidential Report:It is the traditional way of appraising employees mainly in the Government Departments. Evaluation is made by the immediate boss or supervisor for giving effect to promotion and transfer. Usually a structured format is devised to collect information on employee's strength weakness, intelligence, attitude, character, attendance, discipline, etc. report.

Essay Evaluation **meth**od

Essay method is the simplest one among various appraisal methods available. In this method, the rater writes a narrative description on an employee's strengths, weaknesses, past performance, potential and suggestions for improvement. Its positive point is that it is simple in use. . Moreover, because the essays are descriptive, the method provides only qualitative information about the employee. In the absence of quantitative data, the evaluation suffers from subjectivity problem

Checklists and Weighted Checklists

In this method, a series of statements, i.e., questions with their answers in 'yes' or 'no' are prepared by the HR department The check-list is, then, presented to the rater to tick appropriate answers relevant to the appraisee. Each question carries a weight-age in relationship to their importance. While rating an employee the supervisor checks all those statements that most closely describe the behaviour of the individual under assessment. The rating sheet is then scored by averaging the weights of all the statements checked by the rater. A checklist is constructed for each job by having persons who are quite familiar with the jobs. These statements are then categorized by the judges and weights are assigned to the statements in accordance with the value attached by the judges.

The **following are some of the sample questions in the checklist**.

Is the employee really interested in the task assigned? Yes/No
Is he respected by his colleagues (co-workers) Yes/No
Does he give respect to his superiors? Yes/No
Does he follow instructions properly? Yes/No

Advantages of Checklists and Weighted Checklists

Most frequently used method in evaluation of the employee's performance.

Limitations of Checklists and Weighted Checklists

i. This method is very expensive and time consuming
ii. Rater may be biased in distinguishing the positive and negative questions.
iii. It becomes difficult for the manager to assemble, analyze and weigh a number of statements about the employees' characteristics, contributions and behaviours.

Critical Incident techniques

Under this method, the manager prepares list of statements of very effective and ineffective behaviour of an employee. These critical incidents or events represent the outstanding or poor behaviour of employees or the job. The manager maintains logs of each employee, whereby he periodically records critical incidents of the workers behaviour. At the end of the rating period, these recorded critical incidents are used in the evaluation of the worker's performance.

Example of a good critical incident of a Customer Relations Officer is : March 12 - The Officer patiently attended to a customer's complaint. He was very polite and prompt in attending the customers problem.

Advantages of Critical Incident techniques

This method provides an objective basis for conducting a thorough discussion of an employee's performance.

This method avoids recency bias (most recent incidents are too much emphasized)

Limitations of Critical Incident techniques

Negative incidents may be more noticeable than positive incidents.

The supervisors have a tendency to unload a series of complaints about the incidents during an annual performance review session.

It results in very close supervision which may not be liked by an employee.

Modern Methods

1. **Management By Objectives:** This concept was introduced by Peter Drucker in 1954 who named it as management by objectives. It is also known as goal setting approach to appraisal .In this process the supervisor and subordinate members jointly identify the common goals of the organization and set the areas of the responsibility of each individual in terms of results expected from that person .There is a periodic review to track progress, identify performance gaps, training needs, and course corrections.

This appraisal type can be applicable in organizations where employees perform varied job roles and require a collaborative approach with Supervisors to attain their work objectives. The method consists of four steps: setting of goals, setting performance standards, comparing the achieved goals with the goals agreed on, and periodic review to take corrective steps for better performance.

Advantages-it helps the employees know what is expected of them and how their contribution leads to overall success for the organization. With the periodic review, the Manager also gets an opportunity to communicate regularly with the employee in a constructive setup that eliminates expectation mismatch and promotes organizational alignment.

Disadvantages-There are several disadvantages – MBO can be quite time-consuming. Moreover, there is the possibility of conflict with Managers setting exceedingly high goals while employees aiming for lower targets. Also, if objectives are not measurable, then the process fails as progress review and assessment will be extremely subjective.

2 Assessment centre method: This method was used for the first time in 1930 by the German army and then in 1960's by the British army. This method is used to test the individual in various social situations by using a number of procedures and assessors. The performance, as well as the potential of an employee, is evaluated by this method by assessing his performance on the job-related simulations. It includes all the characteristics which the concerned manager feel is important for a candidate to get success in his job. This method uses different techniques such as business games role play and in-basket exercises. It also includes a personal interview and projective tests to assess the career orientation, motivation and dependence on others of an employee. To assess the intellectual capacity of an employee, written tests are used. This **performance appraisal technique** is used to measure the planning ability, organizational skills, and interpersonal skills of an employee.

3 Human Resource Accounting Method: Organizations, who want to evaluate the net contribution of an employee to the company in terms of monetary aspects, use this **performance evaluation method.** It is used for assigning, budgeting and reporting the cost of the human capital in an organization which includes the salaries, wages and all other training expenses. The method assesses the cost of employees and their contribution to the company, ideally, the contribution part should be greater than the cost incurred on them. The difference then shows the performance of the employees. This method is still developing hence is not very popular at present.

4 Behaviorally anchored rating scale (BARS- This method combines the critical incident and graphic rating scale method. This **appraisal technique** gives emphasis on the job-related behaviours of the employees. The method breakdowns the job into various behaviours which are listed on the rating scale. Then the actual behaviors of the employee are compared with the predetermined behaviors rated on the scale.

The following steps are used for constructing BARS.

1. **Generating Critical Incidents:**

Critical incidents (or say, behaviours) are those which are essential for the performance of the job effectively Persons who are knowledgeable of the job in question (jobholders and/or supervisors) are asked to describe specific critical incidents of effective and ineffective performance.

2. Developing Performance Dimensions:

The critical incidents are then clustered into a smaller set of performance dimensions, usually five to ten. Each cluster, or say, dimension is then defined.

3. Reallocating Incidents:

Various critical incidents are reallocated dimensions by another group of people who also know the job in question. Various critical incidents so reallocated to original dimensions are clustered into various categories, with each cluster showing similar critical incidents. Those critical incidents are retained which meet 50 to 80% of agreement with the cluster as classified in step 2.

4. Scaling Incidents:

The same second group as in step 3 rates the behaviour described in each incident in terms of effectiveness or ineffectiveness on the appropriate dimension by using seven to nine points scale. Then, average effectiveness ratings for each incident are determined to decide which incidents will be included in the final anchored scales.

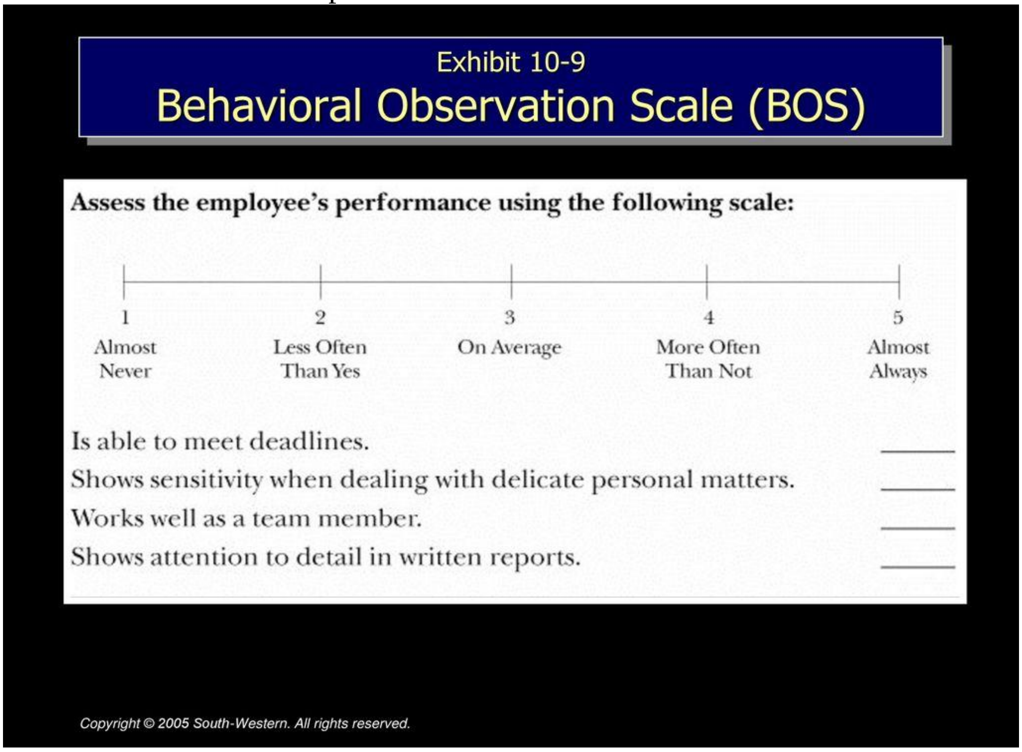
5. Developing Final BARS Instrument:

A subset of the incidents (usually six or seven per cluster) is used as a behavioural anchor for the final performance dimensions.

The following chart represents an example of a sales trainee's competence and a behaviorally anchored rating scale.

Table: An Example of Behaviorally Anchored Rating Scale (BARS) **Performance**	**Points**	**Behavior**
Extremely good	7	Can expect trainee to make valuable suggestions for increased sales and to have positive relationships with customers all over the country.
Good	6	Can expect to initiate creative ideas for improved sales.
Above average	5	Can expect to keep in touch with the customers throughout the year.
Average	4	Can manage, with difficulty, to deliver the goods in time.
Below average	3	Can expect to unload the trucks when asked by the supervisor.
Poor	2	Can expect to inform only a part of the customers.
Extremely poor	1	Can expect to take extended coffee breaks and roam around purposelessly.

(BOS)- Behavioral observational scale-A technique for evaluating the performance of an employee which can be used as part of the appraisal process. Like behaviourally anchored rating scales, the BOS technique involves a process of identifying the key tasks for a particular job, but the difference is that employees are evaluated according to how frequently they exhibit the required behaviour for effective performance. The scores for each of these observed behaviours can then be totalled to produce an overall performance score. In such instances, the various measures of behaviour are normally weighted to reflect the relative importance of the measure to the overall job.



Psychological Appraisals-This type of performance appraisal assesses the employee's aptitude, emotional balance, analytical skills, and other psychological attributes. The appraisal is done in the form of detailed interviews, tests and supervisor discussions.This appraisal type is best applicable to identify employees for fast track or future leaders for the Management Cadre.

These types of appraisal are useful to identify training & development needs of and suitable job roles for employees.

360 degree appraisal: The 360 degree method of performance appraisal is used to make the appraisal process more transparent, objective and participative. A method wherein the details of an employee's performance are collected from various stakeholders which include the peers, superiors, subordinates, customers and self.. It is called a 360 degree appraisal because it involves the persons above him, alongside him, below him as well as a self-appraisal to evaluate an employee's performance. It is called a 360 degree method because it involves the evaluation of an employee by persons above him, below him and alongside him. Structured questionnaires are used to collect information from the seniors, subordinates and peers. The employee to be evaluated thus acquires a central position and everyone around him participates in the appraisal process in the 360 degree method.

720-degree performance appraisal is an integrated and the latest of performance appraisal method where, the performance of an employee is evaluated from 360 degrees (Management, Colleagues, Self and also customers) and timely feedback is given and performance is evaluated again based on the targets that are set. Hence, 720-degree performance appraisal can be stated as twice 360-degree performance appraisal: once when the appraisal is done and the targets are set and he second where the feedback is given and the boss gives tips to achieve the goals. Hence, there is a pre and a post round of feedback. The main need of 720-degree performance appraisal is the improvement of the performance of the people in their jobs and to ensure that the expectations of the employer, employee and the customers are met. 720-degree performance appraisal method is more development focused than performance alone, and supplements training and development functions in a better way.720-degree appraisal method aims at monitoring, measuring, giving feedback and encouraging the employees to achieve the goal and for the Organization in turn.

OBSTACLES IN PA

Judgment errors

First Impression (primacy effect): Raters form an overall impression about the ratee on the basis of some particluar characteristics of the ratee identified by them. The identified qualities and features may not provide adequate base for appraisal.

Halo Effect: The individual’s performance is completely appraised on the basis of a perceived positive quality, feature or trait. In other words this is the tendency to rate a man uniformly high or low in other traits if he is extra-ordinarily high or low in one particular trait. If a worker has few absences, his supervisor might give him a high rating in all other areas of work.

Horn Effect: The individual’s performance is completely appraised on the basis of a negative quality or feature perceived. This results in an overall lower rating than may be warranted. “He is not formally dressed up in the office. He may be casual at work too!”.

Excessive Stiffness or Lenience: Depending upon the raters own standards, values and physical and mental makeup at the time of appraisal, ratees may be rated very strictly or leniently. Some of the managers are likely to take the line of least resistance and rate people high, whereas others, by nature, believe in the tyranny of exact assessment, considering more particularly the drawbacks of the individual

and thus making the assessment excessively severe. The leniency error can render a system ineffective. If everyone is to be rated high, the system has not done anything to differentiate among the employees.
Central Tendency: Appraisers rate all employees as average performers. That is, it is an attitude to rate people as neither high nor low and follow the middle path. For example, a professor, with a view to play it safe, might give a class grade near the equal to B, regardless of the differences in individual performances.
Personal Biases: The way a supervisor feels about each of the individuals working under him - whether he likes or dislikes them - as a tremendous effect on the rating of their performances. Personal Bias can stem from various sources as a result of information obtained from colleagues, considerations of faith and thinking, social and family background and so on.
Spillover Effect: The present performance is evaluated much on the basis of past performance. “The person who was a good performer in distant past is assured to be okay at present also”.
Recency Effect: Rating is influenced by the most recent behaviour ignoring the commonly demonstrated behaviours during the entire appraisal period.
2. Poor appraisal form

- Rating scale may be vague and unclear
- Rating may ignore imp aspects of job performance
- Rating form may contain additional irrelevant performance dimensions
- The form may be too long and complex

3. Lack of rater preparedness
4. Ineffective organization and practices

Quality is a measure of the achievement of an organisation in terms of customer satisfaction. It means everything that an organisation does, in the eyes of the customers. It is the excellence that is better than a minimum standard.
Some of the important definitions of the concept quality are given below for your understanding:
Joseph M Juran said “Quality is fitness for use or purpose”.
ISO 9000:2000 defines “Quality is the degree to which a set of inherent characteristics fulfills requirements”.
W. Edwards Deming defines it as “A predictable degree of uniformity and dependability at low cost and suited to market”.
According to **Sarkar**, “Quality of a product or service is the ability of the product or service to meet the customers’ requirements”.

Why do We Need Quality?
Any organisation needs quality for:
• Customer satisfaction and happiness
• Goodwill (image of the organisation) and high productivity
• Capturing the market
• Minimising the cost as well as losses
• Maximising the profit
• Recognising the role of everyone in the organisation
• Fixing a common goal for the entire organisation
• Emphasising teamwork among the staff
• Establishing performance measures for the employees
• Betterment of employees
• Increased viability.

Total Quality Management

TQM is a philosophy and not a technique. It is based on three basic concepts: quality control, employee participation and customer satisfaction. “TQM is a management approach for an organisation, centered on quality, based on the participation of all its members and aiming at long-term success through customer satisfaction, and benefits to all members of the organisation and to society.”

In TQM customer satisfaction, is the organisation’s foremost priority because success of the organisation depends upon the customer satisfaction. TQM can be elaborately defined as:
• **Total:** It means everyone in the organisation is responsible for Quality irrespective of their position and functions. In this way it takes systems view (total view) which is exhaustive and rigorous.
• **Quality:** Meeting customer’s needs at the lowest cost, first time and every time. Produce and serve according to customer needs.
• **Management:** Continuous improvement by an interactive network of communication and control. Commitment of top managers and optimum utilisation of resources.

According to International Organization for Standardization (ISO): “TQM is a management approach for an organization, centred on quality, based on the participation of all its members and aiming at long-term success through customer satisfaction, and benefits to all members of the organization and to society.” In this way TQM is the art of managing the whole to achieve excellence. It is based on:
• **One objective:** Continuous improvement
• **Three principles:** Customer focus, Process improvement, Total involvement
• **Six Elements:** Leadership, Education and Training, Communication, Supportive structure, Measurement, Reward and Recognition.

TQM is defined as both philosophy and a set of guiding principles that represent the foundation of continuously improving organisation.
Total Quality Management is an effective system for integrating the quality development, quality maintenance and quality improvement efforts of various groups in an organization continuously, so as to enable marketing, engineering, production and service at the most economic levels which allow for full customer satisfaction.
TQM integrates fundamental management techniques, existing improvement efforts, and technical tools under a disciplined approach.

Origin and Evolution of Total Quality Management
 The concept of Quality Control emerged as a distinct disciplined in the United States in 1920 when statistical theory was first applied to product quality control.The philosophy of TQM was developed in Japan in 1960’s by two academicians **Dr. W. Edward Deming and Dr. J.M. Juran** which involves total participation of all the employees at every level of the organization in quality management and not only the quality control staff.
 In the 1980s to the 1990s, a new phase of quality control and management began. This became known as Total Quality Management (TQM). Having observed Japan’s success of employing quality issues, western companies started to introduce their own quality initiatives. A typical definition of TQM includes phrases such as: customer focus, the involvement of all employees, continuous improvement and the integration of quality management into the total organization

TQM Basic Concepts

1. Management Involvement – Participate in quality program, develop quality council, direct participation

2. Focus on customer – who is the customer – internal and external, voice of the customer, do it right first time and every time.

3. Involvement and utilisation of entire work force – All levels of management

4. Continuous improvement – Quality never stops, placing orders, bill errors, delivery, minimise wastage and scrap etc.

5. Treating suppliers as partners – no business exists without suppliers.

6. Performance measures – creating accountability in all levels

Gurus of TQM

Many experts have given theories of TQM. These experts are known as Guru's

of TQM. The main among them are:

• Walter. A. Shewhart – TQC &PDSA

• W. Edwards Deming – 14 Points, SPC (Statistical Process Control) & PDCA

(Plan, Do, Check and Act)

• Joseph. M. Juran-Juran's – Trilogy (Quality Planning, Quality Control and

Quality Improvement)

• Armand.V. Feiganbaum – Customer requirement, CWQC, Employee Involvement, TQC (Total Quality Control).

• Kaoru Ishikawa-Disciple of Juran & Feigenbaum. Introduced Quality Control

Circles (QCCs), also introduced seven tools for quality control purposes

they are: Histograms, Check sheets, Pareto diagrams, Control charts, Scatter

diagram, Flow charts and Cause &Effect Diagram (also known as Fishbone

or Ishikawa diagram).

• Philips.B.Crosby – Four Absolutes-Quality-Requirements, Prevention of NC,

Zero Defects & Measure of NC, 14 steps to implement quality programs.

• Shigeo Shingo- Zero defect.

• Taguchi.G-Loss Function, Orthogonal Arrays and Linear Graphs, Robustness.

Objectives of TQM

 TQM emphasizes upon collective effort of all functional department and people for improvement in quality of goods and services in order to achieve higher customer satisfaction.
 The aim of TQM is to look for maximum satisfaction to the consumer by providing goods and services which are best in quality (i.e zero defects)
 TQM aims at educating and training the managers and employees since they are considered to be the integral part of the TQM process.
 TQM not only focus upon quality but also on productivity as it aims for Zero defect production which not only makes employees responsible for quality improvement but also leads to higher productivity.
 TQM aims at enhanced communication in the organization as every employee is encouraged to express their suggestion for quality improvement, cost reduction and elimination of wastage. It also calls for rewarding those who have active participation.

Advantage of TQM

 Enhanced Customer Satisfaction

 Total change in organization working culture

 Increased Productivity and efficiency

 Incorporation of advanced production techniques

 Development of new products and skills

 Enhanced teamwork

 Reduced rework

 Reduced Inventory

 Increased Profitability

Limitation of TQM

 TQM is a slow moving process. It requires total change in the outlook of management and employees. It's benefit will be therefore available after a longer period of time

 The success of TQM largely depends upon participative management.

TQM needs employees who can take leads whereas trade union are more interested in their own benefit rather than quality management

 TQM implementation is not an easy task particularly in a developing economy due to unfavorable approach of management and employees.

Total Quality Management stands on 7 key pillars.

1. Focus on the Customer

Customers are the true North Star and barometer of a business. In the TQM approach, customer sentiments and feedback are closely monitored through call tracking and surveys.

2. Employee Involvement

Employees must understand why the obsession with improvement ultimately gives them the freedom to innovate on their jobs. TQM not only boosts the financial health of a business, it also improves talent connectedness and communication.

3. Process Centeredness

The requirements are met by defining processes. There should be processes to collect and integrate customer and employee feedback. There should be distinct processes to course correct on the TQM journey by adjusting strategy and tactics. And even a set of processes to measure the process centeredness of the implementation.

4. Integrated Structure

. Different departments in the organization need to learn from each other and refine their processes in collaboration.

5. Strategic Approach

Begin with the company vision and objectives to achieve. Set the processes according to this overarching strategy. Then let the TQM changes manifest as changes in culture, vision and objectives.

6. Clear Communication

Without clear, unhesitant communication between employees and between a business and its customers, gathering authentic feedback and driving improvements is impossible. In any power dynamic, the final say should be in favour of the approach dictated by data and honest feedback.

7. Iterative Improvement

TQM is capable of ushering changes because when an organizational sensor actually "senses" a gap, action is taken according to defined processes and improvements are made to eliminate the errors. The best feedback loop is useless if continuous improvement isn't prioritized.

CONTRIBUTIONS OF DEMINGS

Deming's work and writing constitute not so much a technique, as a philosophy of management, Total Quality Management, that focuses on quality and continuous improvement

Deming's 14 Quality Principles

The quality process message, directed primarily at management, stated by

Deming's has been summarized below:

1. Create constancy of purpose and continual improvement

2. Adopt the new (Japanese) philosophy – by management and workers alike.

3. Do not depend on (quality) inspection – build quality into the product and process

4. Choose quality suppliers

5. Improve constantly – to reduce variation in all aspects

6. Training on the job – for workers and management.

7. Leadership not supervision – to get people to do a better job, not just meet targets.

8. Eliminate fear – encourage two-way communication, encourage employees

9. Break down internal barriers – departments are —internal customers‖

10. Eliminate slogans (exhortations) – processes make mistakes not people.

11. Eliminate numerical targets – management by objectives not numbers

12. Remover barriers to worker satisfaction – including annual appraisals

13. Encourage self-improvement and education for all

14. Everyone is responsible for continual improvement in quality and productivity – particularly top management

CONTRIBUTIONS OF JURAN TRILOGY

The Trilogy consists of three sequential and logical groups of activities:

– Quality Planning

– Quality Control

– Quality Improvement All three processes are universal

– Applied to a particular process

– Performed by top management or by middle management

Juran Trilogy:

A systematic and comprehensive system for break-through quality improvements Quality Defined: meet customer needs and freedom from deficiencies

Trilogy Components

 Quality Planning – discover customer needs and deficiencies and design adequate processes

 Quality Control -- compare actual performance to goals and take action on the differences

 Quality Improvement -- the attainment of unprecedented levels of performance.

CONTRIBUTIONS OF CROSBY

Crosby's approach to quality was unambiguous. In his view, good, bad, high, and low quality are meaningless concepts in the abstract; the meaning of quality is "conformance to requirements." What that means is that a product should conform to the requirements that the company has itself established based on its customers' needs. He also believed, that the prime responsibility for poor quality lies with management, not with the workers. Management sets the tone for the quality initiative from the top

TAGUCHI'S CONTRIBUTION

Genichi Taguchi is a Japanese quality expert, known for the Quality Loss Function and for methodologies to optimise quality at the design stage – **—***robust design*‖. Taguchi received formal recognition for his work including Deming Prizes and Awards.

Genichi Taguchi considers quality loss **all the way through to the customer**, including cost of scrap, rework, downtime, warranty claims and ultimately reduced market share.

QUALITY CIRCLE CONCEPT

Quality Circle is a small group of 6 to 12 employees doing similar work who voluntarily meet together on a regular basis to identify improvements in their respective work areas using proven techniques for analysing and solving work related problems coming in the way of achieving and sustaining excellence leading to mutual upliftment of employees as well as the organisation. It is "a way of capturing the creative and innovative power that lies within the work force".

The quality circle was first developed in Japan, during 1960s and later it became popular elsewhere. The concept is based on the recognition of the value of the employees.

The concept of Quality Circle is central to TQM and it ensures staff participation in full measure towards achieving the targeted goals of the organisation

• A Quality circle is a small group of people which meets regularly for solving problems

• They are helpful in developing team spirit in the organisation as well as lead to improved organisational culture

• These circles improve communication within the organisation and also act as motivation to employees of the organisation

• They are the best examples of participative management in organisations.

They promote job involvement of employees

• They are helpful in bringing leadership qualities in the employees

• It can also be used as a human resource development technique.

KAIZEN

Kaizen is defined as making ―continuous improvement‖ - slow, incremental but constant. **"kai— > Means "change" or "the action to correct" "zen— > means "good—** Importance is given to the process not the results, as Japanese believe that good process will deliver good results.

Kaizen, a Japanese term meaning "continuous improvement," is a philosophy that focuses on the idea of making small, incremental changes in processes, systems, and work practices to improve efficiency and productivity. In the context of management and business, Kaizen emphasizes the participation of all employees, from top management to frontline workers, in the continuous improvement process.

Key Principles of Kaizen

1. Continuous Improvement: Kaizen is based on the idea that small, consistent improvements, when accumulated over time, lead to significant enhancements in processes and outcomes.
2. Employee Involvement: Kaizen encourages the involvement of every employee in identifying and suggesting improvements. It fosters a culture where all employees feel responsible for contributing to the betterment of the organization.
3. Focus on Process: The philosophy stresses the importance of process improvement, recognizing that outcomes are the result of the processes used to achieve them.
4. Elimination of Waste (Muda): Kaizen seeks to eliminate waste (or "muda" in Japanese) in all forms—time, materials, resources, and efforts—to optimize efficiency.
5. Incremental Changes: Rather than aiming for dramatic overhauls, Kaizen promotes small, incremental changes that are easy to implement and sustain.

Objectives of Kaizen

- Improve Efficiency: Kaizen aims to streamline processes and eliminate waste, leading to more efficient operations.
- Enhance Productivity: By focusing on continuous improvement, Kaizen helps organizations increase their output and performance over time.
- Improve Quality: Small improvements in processes often lead to better product or service quality, which is a key focus of Kaizen.
- Employee Engagement: By encouraging employees to participate in improvement efforts, Kaizen fosters a sense of ownership and involvement among workers.

Importance of Kaizen in Organizations

- Sustainability: Kaizen focuses on long-term, sustainable improvements rather than short-term fixes, which helps maintain consistent growth and success.
- Cost-Effectiveness: Small changes are typically less costly to implement than large-scale innovations, making Kaizen a cost-effective strategy for continuous improvement.
- Culture of Innovation: Kaizen promotes a culture where innovation and improvement are part of everyday work, helping organizations stay competitive.

- Employee Satisfaction: Employees who contribute to improvement efforts often feel more valued and engaged, leading to higher job satisfaction and reduced turnover.

Operation of Kaizen

Kaizen is typically implemented through structured cycles, such as the PDCA (Plan-Do-Check-Act) cycle:

1. Plan: Identify areas for improvement, set goals, and develop a strategy.
2. Do: Implement the proposed changes or improvements on a small scale.
3. Check: Evaluate the results of the changes and measure their effectiveness.
4. Act: If the changes are successful, standardize and implement them on a larger scale. If not, revise the plan and repeat the cycle.

JIT - JUST IN TIME

Just in Time (JIT) is a production and inventory management strategy that aims to improve business efficiency by reducing waste and producing goods only as they are needed. **It originated in Japan, most notably used by Toyota in their manufacturing processes, and emphasizes having the right materials, in the right quantity, at the right time.**

JIT is a technique in Lean which ensures minimum inventory and naturally better flow in production. TQM is a philosophy to continuously improve the processes with the involvement of people to satisfy or delight our customers. Without the TQM thinking, companies implement JIT and fail in their journey because any JIT needs a worker involvement, cross functional way of working and a clear culture of continuous improvement. All these are possible only in organizations implementing TQM.

Objectives:

- **Minimize Inventory Costs:** JIT aims to reduce inventory holding costs by producing only what is necessary, thereby eliminating the need for large stockpiles.
- **Enhance Production Efficiency:** By producing only what is required when it is needed, JIT helps streamline production and reduce waste, defects, and delays.
- **Improve Product Quality:** By focusing on continuous production improvements and eliminating waste, JIT enhances product quality and customer satisfaction.
- **Increase Flexibility:** JIT allows companies to be more responsive to market demands by quickly adjusting production rates and quantities.

Importance:

- **Cost Savings:** Reducing the need for excess inventory minimizes costs associated with storage, handling, and potential obsolescence.
- **Improved Cash Flow:** With less money tied up in inventory, companies have more liquidity to invest in other areas of the business.

- **Higher Quality:** JIT promotes continuous improvement and focuses on eliminating defects, leading to higher product quality and better customer satisfaction.
- **Lean Operations:** JIT helps organizations adopt lean manufacturing principles by focusing on efficiency, reducing waste, and optimizing resource use.

Operation of JIT: In a JIT system, raw materials are ordered and received just before they are needed in the production process. This requires close coordination with suppliers, as well as accurate demand forecasting and efficient production scheduling. Manufacturers produce goods based on actual customer orders, rather than forecasts, and strive to minimize lead times to keep operations smooth and responsive to changes in demand.

JIT requires a well-coordinated supply chain, a skilled workforce, and advanced technology to ensure smooth and timely production flows.

Advantages OF Just-in-Time (JIT)

JIT inventory systems have several advantages over traditional models.

Production runs are short, which means that manufacturers can quickly move from one product to another.

Furthermore, this method reduces costs by minimizing warehouse needs. Companies also spend less money on raw materials because they buy just enough resources to make the ordered products and no more.

Disadvantages of Just-in-Time (JIT)

The disadvantages of JIT inventory systems involve potential disruptions in the supply chain. If a raw materials supplier has a breakdown and cannot deliver the goods in a timely manner, this could conceivably stall the entire production process. A sudden unexpected order for goods may delay the delivery of finished products to end clients.

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