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UNIT- 1

Q. **Define Human resource management.**

A. Organizations are nothing but people. They utilize—physical, financial and human – to produce result. When people work to the best of their abilities and work with zeal, enthusiasm and commitment, organisation grow to gigantic proportions.

HRM is the process of acquiring, training, appraising, and compensating employees, and attending to their labour relations, health and safety and fairness concerns.

The "People" or personnel aspects of a manager's job include:

- ✓ Conducting job analyses.
- ✓ Planning labour needs and recruiting job candidates
- ✓ Selecting job candidates
- ✓ Orienting and training new employees.
- ✓ Compensating employees
- ✓ Providing incentives and benefits.
- ✓ Appraising performance
- ✓ Communicating (interviewing, counseling, discipline)
- ✓ Training and developing managers
- ✓ Building employee commitment.

And what a manager should know about:

- ✓ Equal opportunity and affirmative action.
- ✓ Employee health and safety
- ✓ Handling grievances and labour relations.

Definitions:

According to Terry, HRM is not a one shot deal. It cannot be practiced only one hour each day or one day a week. It requires a constant alertness and awareness of human relations and their importance in every day operations.

HRM tries to build and maintain cordial relation between people working at various levels in the organisation. In short, it tries to integrate human assets in the best possible manner in the service of an organisation.

Q. Discuss the objectives of Human Resource Management:

A. Primary objectives are:

Human resource managers need to get the right people into the right place at the right time and then help tem maximize their performance and future potential. The principal objectives of HRM may be listed thus:

1. **To help organisation reach its goals:** HR department, like other department in an organisation, exits to achieve the goals of the organisation first and if it does not meet this purpose, HR department will wither and die.
2. **To employ the skills and abilities of the workforce efficiently:** the primary purpose of HRM is to make people's strength productive and to benefit customers, stockholders and employees. Keep your employees happy and encourage them to do everything possible to keep customers happy. The results would b truly outstanding-like take the case of Southwest airline- delivering outstanding results for over three decades- based on its" employees first and customer next" policy.
3. **To provide the organisation with well- trained and well-motivated employees:** HRM requires that employees be motivated to exert their maximum efforts, that their performance be evaluated properly for results and that hey be remunerated on the basis of their contributions to the organisation.
4. **To increase the fullest the employee's job satisfaction and self-actualization**: it tries to promote and stimulate every employee to realize his potential. To this end programmes have to be designed aimed at improving the quality of work life.
5. **To develop and maintain a quality of work lif**e: it makes employment in the organisation a desirable, personal and social, situation. Without improvement in the quality of work life, it is difficult to improve organizational performance.
6. **To communicate HR policies to all employees**: it is the responsibility of HRM to communicate in the fullest possible sense; tapping ideas, opinions and feelings of customers, non- customers, regulator and other external public a s well as understanding the views of internal human resources.
7. **To be ethically and socially responsive to the needs of society**: HRM must ensure that organisation manage, human resources in an ethical and socially responsible manner trough ensuring compliance with legal and ethical standards.

Other Objectives of HRM

SOCIETAL OBJECTIVES:

- To be ethical and socially responsible to the needs and challenges of the society while minimizing the negative impact of such demands upon the organization.
- The failure of organizations to use their resources for the society's benefit in ethical ways may lead to restrictions. E.G.- Society may limit HR decisions through law

that enforce reservation in hiring and laws that address discrimination, safety or other such areas of societal concern.

FUNCTIONAL OBJECTIVES:

- To maintain the department's contribution at a level appropriate to the organisation's needs.
- Resources are wasted when HRM is either more or less sophisticated to suit the organizations needs.
- The departments level of service must be tailored to fit the organization it serves.

ORGANISATIONAL OBJECTIVES:

- To assist employees in achieving their personal goals, at least in so far as these goals enhance the individual's contribution to the organization.
- Personal objectives of the employees must be met if workers are to be maintained, retained and motivated otherwise, employee performance and satisfaction may decline and employee may leave the organization.

Q Discuss the nature of HRM.

A.

- HRM is a Management function that helps managers recruit, select, train and develop members for on organization.
- Organizations comprise of people. It is the people who staff and manage organizations.
- HRM involves the application of management function and principles. The functions and principles are applied to acquisitioning, developing, maintaining, and remunerating employees in organizations.
- Decisions relating to employees must be integrated.

Q. Define the term HRM. Discuss its Functions of HRM.

Organizations are nothing but people. They utilize—physical, financial and human – to produce result. When people work to the best of their abilities and work with zeal, enthusiasm and commitment, organisation grow to gigantic proportions.

Major functions of human resource management are as follows:

1. **Managerial Functions :**

- Planning: this function deals with the determination of the future course of action to achieve desired results. Planning of personnel today prevents crises tomorrow. The personnel manager is expected to determine the personnel programme regarding recruiting, selection and training of employees.
- Organizing; this function is primarily concerned with proper grouping of personnel activities. Assigning of different groups of activities to different individuals and delegation of authority. Creation of a proper structural framework is his primary task. Organizing, in fact is considered to be the wool of the entire management fabric and hence cannot afford to be ignored.

- Directing: this involves supervising an guiding the personnel. To execute plans, direction is essential for without direction there is no destination. Many a time, the success of the organization depends on the direction of things rather then their design. Direction then consist of motivation and leadership.

- Controlling : controlling function of personnel management comprise measuring the employee's performance, correcting negative deviations and industrial assuring an efficient accomplishment of plans. It makes individuals aware of their performance through review reports, records and personnel audit pogrammes.

2. Operative Functions

Procurement:

- **Job analysis**: it is the process of collecting information relating to a specific job.
- **HRP:** it is a process of determining and assuring that the organization will have an adequate number of qualified persons, available at proper times, perform jobs which would meet their needs and provides satisfaction for the individuals involved.
- **Recruitment:** it is the process of searching and stimulating prospective candidate for an job.
- **Selection:** it is the process of ascertaining qualifications, experiences, skill and knowledge of an applicant with a view to appraising his / her suitability to the job in questions.
- **Placement: it is the** processes that ensure the 360 degree fir, matching the employee's qualifications, experiences, skills and interest with the job on offer.
- **Induction and orientation:** induction and orientation are the techniques by which a new employee is rehabilitated in his new surroundings and introduced to the practices, policies and people**.**
- **Internal mobility:** movement of employees from one job to another through transfers and promotion.

Development: it is the process of improving, moulding, changing and developing b the skills, knowledge, creative ability, aptitude, attitude, values and commitment based on present and future requirements both at the individuals and organisation's level. This function includes:

Training: training is a continuous process by which employees learn skills, knowledge, abilities and attitudes to further organizational and personnel goals.

Executive development: it is a systematic process of developing managerial skills and capabilities through appropriate programme.

Career planning and development: it is the planning o one's career and implementation of career plans by means of education, training, job search and acquisition of work experience.

Human resource development: HRD aims at developing the total organisation. It creates a climate that enables every employee to develop and use his capabilities in order to further both individual and organizational goals.

Motivation and compensation

It is the process which inspires people to give their best to the organisation though the use of intrinsic rewards(achievement, recognition, responsibility) and extrinsic rewards (job design , work scheduling, appraisal based incentives).

Job design: organising tasks, and responsibilities towards having a productive unit of work is called job design. The main purpose of the job design is to integrate the needs of the employees to suit the requirement of an organisation.

Work scheduling: organisations must realise the importance of schedule at work to motive employees trough job enrichment, shorter work weeks, flexi-time, work haring and home work assignments.

Motivation: combing forces that allow people to behave in certain ways is an integral aspect of motivation.

Jo evaluation: organisation formally determine the value of jobs through the process of job evaluation. Job evaluation is the systematic process of determine the relative worth of jobs in order to establish which jobs should be paid more than others within the organisation.

Performance appraisal: after an employee has been selected for a job, has been trained to do it and has worked on it for a period of time, his performance should be evaluated. Performance evaluation or appraisal is the process of deciding how employees do their jobs.

Compensation administration: compensation administration is the process of dividing how much an employee should be paid.

Incentives and benefits: in addition to a basic wage structure, most organisation now a days offer incentive compensation based on actual performance.

Maintenance: it aims at protecting and preserving the physical and psychological health of employees through various welfare measures.

Health and safety: managers at all levels are expected to know and enforce safety and health standards throughout the organisation. They must ensure the work environment that protects employees from physical hazards**.**

Employee welfare: employee welfare includes the service, amenities and facilities offered to employees within or outside the establishment for their physical, psychological and social well being.

Social security measures: management provide social security to their employees in addition to fringe benefits. These measures include:

a. Workmen’s compensation to those workers who are involved in accidents
b. Maternity benefits to women employees.
c. Sickness benefits and medical benefits.
d. Disablement benefits/ allowance

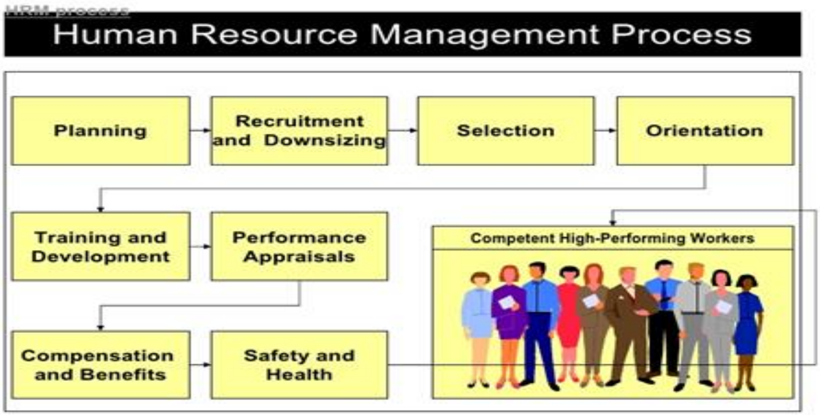
Integration function: this tries to integrate the goals of an organisation with employee aspiration though various employee- oriented programme, like redressing grievances promptly, instating proper disciplinary**.**

Emerging Issues: effective management of human resources depends on refining HRM practices to changing conditions. Hence the need to look at other important issues that can motivate people to give their best in a dynamic and ever-changing environment.

Q. Elaborate the Process of HRM

A.

process of hrm



- **HRP:** it is process that identifies current and future human resource needs for an organisation.
- **Recruitment**: Attracting, selecting & appointing suitable candidates for jobs (either permanent or temporary) within an organisation.
- **Downsizing:** It is reducing the number of employees on the operating payroll.
  Rightsized: it reduce the size of a company by shedding staff.
- **Employee orientation** is an assimilation process in which new hires are introduced to the company and co-workers.
- **Training:** the action of teaching a person
- **Performance appraisal**: A **performance appraisal** is a systematic and periodic process that assesses an individual employee's **job performance and productivity** in relation to certain pre-established criteria and organizational objectives
- **Compensation:** what a person is paid".
- **Safety :** Each year, we organize a safety week and in 2013 they focused on raising awareness about manual handling and ergonomics (**interaction between human being)**
- High performing team: High performance teams is a concept within organisation, where team are highly focused on their goal .

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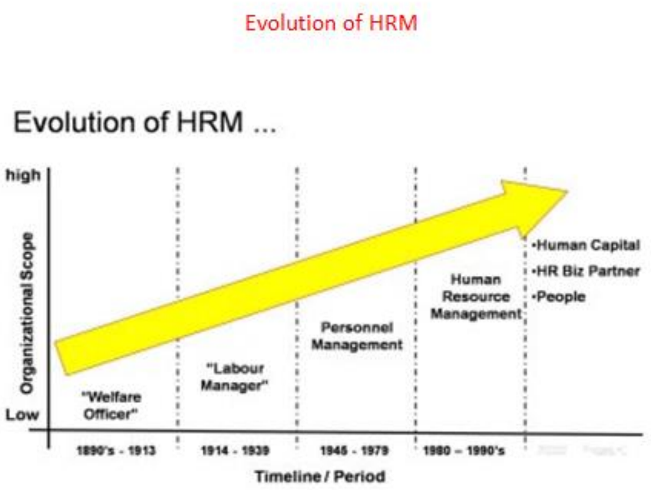
Q. Discuss the evolution of HRM.

A



- **Welfare officer:**
- It is anyone whose job is to ensure the wellbeing or survival of any distinct group of people.(under privilege individuals)
- (food, shelter, employment)
- **Labour manager**: Labour relations managers and officers, also known as industrial relations specialists, implement industrial labour relations programmes.
- **Personnel manager**: a person who is in charge of the department that deals with the employment, training, support, records, etc. of a company's employees: The function of a personnel manager usually begins with the staffing process.
- **Human capital:** the skills, knowledge, and experience possessed by an individual or population, viewed in terms of their value or cost to an organization or country.
- **HR biz partner**: HR business partners are HR professionals who work closely with an organization's senior leaders in order to develop an HR agenda that closely supports the overall aims of the organisation. (David Ulrich)

Q. What do you mean by Strategic HRM. Discuss its role in the organization.

A.

INTRODUCTION:

Strategic management is drafting, implementing and evaluating cross-functional decisions that will enable an organization to achieve its long-term objectives. It is the process of specifying the organization’s mission, vision and objectives, and developing policies and plans, often in terms of projects and programs. A balance scorecard is often used to evaluate the overall performance of the business and its progress towards objectives.

There are two ways of looking at strategy. First is the mainstream view which sees strategy as a plan; and second is the processual view that sees strategy as a pattern.

Mainstream view: It describes strategy as a plan.

(i) Strategy is plans made up top managers and their corporate strategy advisors.

(ii) Strategy is a matter of policy and it precedes action.

(iii) Strategy and implementation are separate.

Processual view: It describes strategy as a pattern.

(i) Strategies are more usefully seen as the outcome of both planned and unplanned activities.

(ii) Policies often emerge out of actions that have already been taken.

(iii) Strategy and implementation tend to happen simultaneously.

Strategic Human Resource Management (SHRM) is concerned with the contribution that human resource strategies make to organization effectiveness and the ways in which these contributions are achieved. Strategy is the critical factor that affects an organization percolates. It contributes to competitive advantage in markets with a long-term focus. It involves the top executives and percolates down the hierarchy. It provides a general framework for selecting specific policies and procedures. SHRM can be conceptualized as the broad pattern to be observed in the various practices undertaken to ensure that human efforts, skills and commitments are obtained, developed and sometimes discarded to help bring about the long-term survival of an organization.

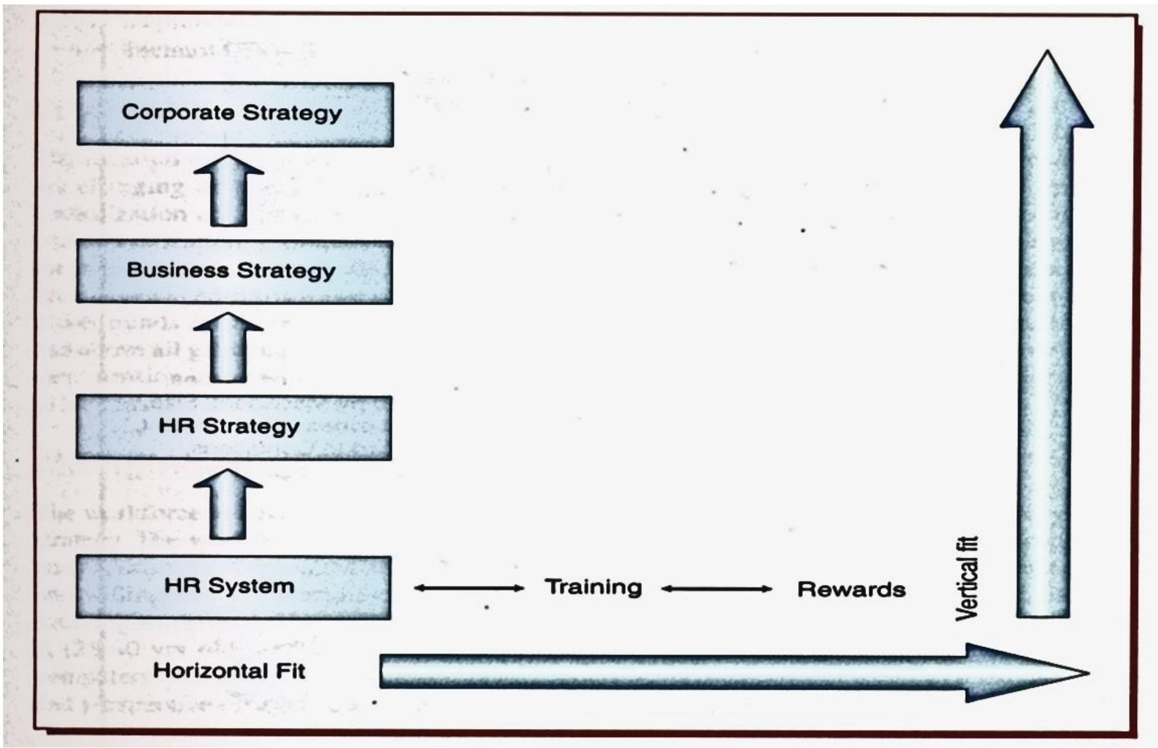
Q. state the difference between HRM and SHRM.

Human Resources Management	Strategic Human Resource Management
The efforts, skills or capabilities that people contribute to an employing to enable it to continue its existence.	The general direction followed by an organization in how it secures, develops and from time to time dispenses with human resources to help it continue in the long-term.

Q. briefly explain the scope of SHRM.

The scope of a SHRM ranges from what would readily be recognized as 'big' or obviously strategic matters, like the choice of a particular organizational structure or the favoring of a specific cultural style, down to very particular and detailed matters such as how people are expected to dress at work .

Over time there has been a shift from 'show what' to 'show how', shifting to the domain of fit or alignment. The fit can be either vertical or horizontal. Vertical fit represents the degree of alignment between: a) components of an organization's human resource strategy, and b) core features of its business strategies. Horizontal fit represents the degree of alignment, among the components of organizations business strategy (typical activities or programs such as selection, training and compensation).



(Figure: HR Strategy: Strategic Fit)

Each organization's SHRM would be a unique mixture of different practices and styles. But this would be to deny any kind of notion to 'fit' or integration, whether this is *vertical integration* between the SHRM and the organizational context or *horizontal integration* between different elements of human resourcing principles and practices.

The two alternative key principles that give analytical starting point for comparing SHRM (and hence, informing the strategic choices that might be made) are those of *direct control/low commitment* and *indirect control/high commitment*.

Two Key and Alternative Human Resourcing Principles

Direct control/low commitment	Indirect control/high commitment
• Employees given little discretion, closely supervised. • Limited 'psychological' commitment sought from employees.	• Employees 'empowered'- encouraged to use discretion and monitored. • High 'psychological' commitment sought from employees.

Recruitment, selection, employee development and deployment policies and practices all follow from this basic choice. It might lead to practices that combine aspects of the two principles. The pattern of 'lean production' seen in some car-assembly plants would be an example of this (Womack, Jones and Roos, 1990). The term 'human resource management' is often used to refer to human resourcing practices based on *indirect control* and *high commitment principles.*

Q. state and discuss the factors influencing HR strategy

Five key factors influence the HR system

(i) External environment

(ii) Changing workforce

(iii) Organization culture

(iv) Organization structure

(v) Technology

The external environment broadly comprises of social, political, legal and economic trends. The social values are changing and so are the roles. The definition of a family has changed and now the work culture is 24/7. Globalization and internationalization have broadened the diversity of values and culture. Political trends in India with liberalization, globalization and opening of FM, reflect the issues that are most important in workplaces across the nation. These include focus on security, health care, tough competition, and global effect on business as has been experienced during the recession of 2008-2009. How recession in the west affected the Asian countries. The newer trends raise concern job security, exports and imports, expanding global market place, regional differences and above all growing economic interdependency among the countries of the world. Economic trends include health care, pension cost, and demand for corporate governance resulting from scandals, from Enron, Leyhman in the US to Satyam and 2G spectrums in India.

Changing Workforce

The workforce is becoming diverse and global. With global village and boundary-less arena, diversity is a business strategy. The workforce, hence, will further become more diverse and also complex because of the different needs and experiences. Organization will have a variety of problems and make a variety of decisions, but it needs tolerance and willingness to embrace change. HR has to manage the demographic and psychographic characteristics of an evolving workforce. The workforce comprises of Traditionalist (60-70 yrs. old), Boomers (41-59 yrs. old), Generation X (28-40 yrs. old) and Generation Y or millennials (27 and below). Generation Y are those who are born with computers. They are comfortable in a multicultural environment and have excess to internet information. Experience and perspective of workforce is one of the major factors influencing SHRM.

Organization Culture

Increasingly, the organizations around the world have adopted formal statements of corporate values, and honesty, integrity and corporate social responsibilities are the top issues on corporate agenda. Organizational culture is being recognized as essential for long-term success. Organizations are taking steps to align corporate culture to business strategy and to HR strategy. HR is playing a strategic role in shaping the values of the organizations right from hiring to developing. Impact of culture is becoming deeper as more organizations are becoming global, and the challenge is more when there is integration of cultures because of mergers and acquisitions. Culture is gradually getting translated into 'employer branding' and 'employer engagement'.

Organization Structure

New forms of organization structures have emerged making them more receptive and adaptive. New forms of structure have:

- o Strong employee involvement, staying highly attentive and adaptive to the needs of stakeholders.
- Organic in structure with fewer rules and regulations, sometimes no clear boundaries and always changing forms.
- Authority based on capability, ensuring that the organization remains a means to an end and not an end in itself.
- Alliances, taking advantage of economies of scale, e.g. collaborations, networks, strategic alliance/mergers, etc.
- Teams sharing activities to take advantage of economies of scale with involvement of employees at the lowest levels.
- (vi) Comparatively flat, decentralized organizations have less middle management and lesser levels of hierarchy, resulting in top management exchanging

more feedback and less overhead costs, Mindful of environments, changing patterns and themes, prioritizing on reflection and inquiry to learn from experience, developing learning organizations — the new structures, network structures, virtual organizations. Self-managed teams, self- organizing systems and learning organizations are also influencing the human resource management strategies. Also with changing structures, HR is the change agent, advocate and business partner in the organizational effectiveness.

Technology

Technology with all its self-service, anytime, anywhere communication capabilities are impacting SHRM. It is impacting both our personal lives and life at workplace and is still evolving; Cell phones, email, messaging, device like Blackberry and the like have blurred the lives between work life and home life. One is on call virtually everywhere and all the time. Gradually technology is giving way to Employee Relationship Management (ERM). Employee self-service is becoming important. Technology advances have raised issues on protection of privacy and security of HR data. Organization is becoming virtual because of technology. The arrangement of virtual workers and flexi work arrangements are a result of technology. Technology is enabling the **HR** strategies to look for HR solution framework and enable the management of employees from hire to retire.

Q. Explain the link between business strategy and HR policies and practices with some model.

There are various models that attempt to explore the link between business strategy and HR policies and practices.

(i) Life cycle Model

(ii) Competitive Advantage Model

Life cycle Model

This model was developed by Kochan and Borocci. According to this model, the policies and practices of the organization should fit the relevant stage of an organization development or life cycle.

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- **Introductory stage**

  At this startup phase of the business, there is an emphasis on 'flexibility' in HR to enable the growth of business and faster entrepreneurialism.

- **Growth stage**

  At this stage, when the business grows beyond a certain size, emphasis moves to the development of formal **HR** policies and procedures.

- **Maturity stage**

  At this stage, as the market matures, margins decrease the performance of certain products or the organization plateaus, and then the focus of HR strategy is on cost control.

- **Decline stage**

  At this stage, the emphasis shifts to rationalization, downsizing and redundancy implications for the HR function. (see figure below)

Life Cycle Stages	HR Practices
Start-up	• **Flexible patterns of work** • **Recruitment of highly motivated and committed employees** • **Competitive pay** • **Little formality** • **No unions**
Growth	• **More sophisticated recruitment and selection** • **Training and development** • **Performance management processes** • **Reward systems** • **Focus on high commitment** • **Developing stable employee relations**
Maturity	• **Attention to the control of labour costs** • **Focus on increasing productivity**

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	• **Strained employee relations** • **Control compensation**
Decline	• **Emphasis on rationalization of workforce and downsizing** • **Abandoning some longstanding practices to cut costs** • **Trade unions have a marginalized role** • **Retraining and career consulting services**

There are various issues emerging for the SHRM. How can the SHRM secure and retain the type of human resources that are necessary for the organization's continued viability as industries and sectors develope? Which FIR policies and practices are more likely to contribute to sustainable competitive advantage as organizations go through their life cycle?

Two kinds of mature organizations manage to survive industry development:

(i) The firm that succeeds in dominating the direction of industry change

(ii) The firm that manages to adopt the direction of change

The route to the advantage of SHRM lies in the preparation for retaining viability and competitive advantage in the mature phase.

The model also keeps the organization agile by building the internal capacity to flex and adapt to changes in the external context and by enabling the business to change as a matter of course.

Competitive Advantage Model

This model was developed by Porter in 1985. It has three major parameters:

(i) Cost leadership, (ii) Differentiation, and (iii) Focus.

(i) *Cost leadership* focuses on the delivery of efficiency mainly through 'hard' HR techniques

(ii) *Differentiation* is focus on the delivery of added values through 'softer' HR techniques and policies

(iii) *Focus* is on softer HR techniques/policies for the delivery of added value

According to the model, the business performance will improve when HR practices mutually reinforce the organization's choice of competitive strategy. Herein, the mission and values are expressed through their desired competitive strategy.

(Figure 2.3: Competitive Advantage Model and HR)

The best fit model is the one in which SHRM becomes more effective when it is designed to fit certain critical contingencies in the organization's specific context. A major criticism on both the models is that they tend to ignore the employees' interest in pursuit of enhanced economic performance and they endanger diversity rather than uniformity in SHRM. When SHRM advocates universalism, the organizations are better off identifying and adopting the 'best practices' for managing people.

SHRM has to be aligned with the corporate strategy and various functions of HRM. The process has to be in the context of internal and external factors that influence the organization

Miles and Snow's Classification of Business Strategy and HR Strategy

ominant Culture of the Organization Business Strategy)	R Strategy
efenders • Find change threatening • Favour strategies which encourage continuity and security	• Bureaucratic approach • Planned and regularly maintained policies to provide for lean HR • Build human resources • Likely to emphasize training programmes and internal promotion

ospectors • Thrive on change • Favour strategies of product and/or market development	• Creative and flexible management style • Have high quality human resources • Emphasize redeployment and flexibility of HR • Little opportunity for long-term HR planning • Acquire human resources • Likely to emphasize recruitment, selection, and performance-based compensation
nalyzers • Seek to match new ventures with the present business set-up • These firms are followers-the ventures are not new to the market, only new to the firm	• Low levels of monitoring and coordination • 'Buy' as well as 'make' key human resources • Emphasize HR planning

Q. Discuss the role of SHRM in HRM functions.

SHRM and Human Resource Planning

Strategic Human Resource Planning considers both internal and external environmental influences on an organization, its objectives, culture and structure. The planning must reflect the environmental trend and that may affect its human resources. Globalization, for example, has promoted the workforce to behave like capital flowing across the world to centers that offer the best return and the best future. Also an increasing number of women at work and dual careers depends on how good the child care facilities are, availability of part-time jobs, job security, flexi timing, maternity leave, etc. The HR has to forecast future human resource requirements and determine where they will come from. The success ultimately depends on how well its human resources are managed. However, there is a danger that it may become a fad, failing because it cannot satisfy unrealistic expectations of the management.

For such planning to be successful, the HR requires top management support. The HR needs to ensure that the organization does not start with an overly complex system, the communication between the HR and line managers is healthy, the HR plan is integrated with the organizations strategic plan and there is a balanced qualitative and quantitative approach to HR planning .

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SHRM and Recruitment Selection

The pressures of competition, cost saving, downsizing and global skill shortages have made recruitment a top priority. Strategic recruitment avoids the risks and costly wastage of time by locating and attracting the right potential candidates to the right job openings within the organization. Strategic selection on the other hand links the selection activities to the organization strategic business objectives and culture, while selecting the long-term and short-term objectives are to be kept in mind. Strategically workforce can be developed to fulfill future needs. The business objectives and culture are the determining factors for selection and by employing like-minded people, organizations are able to increase the strength of their culture and reduce the possibility and consequences of undesired behavior. Hiring and retention is critical to the success of the HR and the organization. Poor selection decisions result in increased training time, labor turnover, absenteeism, accidents, industrial unrest, job dissatisfaction, and poor performance. A systematic selection process is essential to ensure that the person and the job match.

SHRM and Performance Appraisal and Management

The evaluation of organizational and employee performance permits the HR to check whether strategic business objectives are valid, are being successfully communicated throughout the organization and being achieved. Strategic performance management ensures that jobs are properly designed, qualified personnel are hired, trained, rewarded, and motivated to achieve the organizational strategic objectives. Companies that manage performance, outperform companies that do not with higher profits, better cash flows, stronger stock market performance, productivity gains, higher sales growth per employee, and an overall better financial performance.

Strategic performance appraisal provides a dynamic link to all HR functions. Performance appraisal signals to managers and employees what is really important; it provides a way to measure what is important; it fixes accountability for behavior and result; and it helps to improve performance. Appraising and managing performance strategically are critical management responsibilities that are a vital part of the organization's strategic management process.

SHRM and Training & Development

Training and development have an important role in generating improved organizational performance and individual growth, but these should be aligned with corporate objectives if an organization is to gain any real benefit from expenditure. Developmental activities emphasizing key behaviors and competencies must be similarly highlighted in the organization's performance appraisal and reward systems. Failure to link developmental activities to business objectives means that the organization's competitive strategy will not be supported, and training and development will take place for their own sake and will be determined by the popularity with management and employees. However, a strategic approach aims to meet an organization's specific business development to help the organization and individuals to compete more effectively, now and in the future.

SHRM and Compensation:

Compensation can help to reinforce the organization culture and key values and facilitate the achievement of its strategic business objectives. A study suggested that organizations that are seeking to gain a competitive advantage through high innovative strategy utilize remuneration practices that encourage, facilitate and reward strategy relevant behavior. Strategic compensation is a formidable communicator and can be a powerful instrument for change and also a major determinant of the culture of an organization. Reward systems by themselves will not change a culture, but they can help reinforce a designed culture. In addition, compensation policies and practices should reinforce employee behavior that helps to achieve the organization's strategic business objectives and reinforce its desired culture.

Q. Briefly explain the role of Strategic Human Resource Management in an organization.

With the human resource management becoming more business-oriented and strategically focused, various new roles of HRM have emerged.

Strategic Partner

Human resource manager is becoming an essential part of the management team, running an organization and contributing to the achievement of the organization's objectives by translating business strategy into action.

With the changing role, the HR manager must develop business acumen, customer orientation and awareness of the competition, to be able to link business strategy to human resource policies and practices. The HR plays the role of strategic partner when they have the ability to translate business strategies into action.

Administrative Expert Efficiency of the HR lies in effective management of HR activities. To create value with the changed role, HR must be able to reengineer HR activities through the use of technology, rethinking and redesigning work processes and continuous improvement of organizational processes.

Employee Champion The HR needs to be the employee voice in management decisions and emerge as an employee champion. HR must be able to relate and meet the needs of the employees, helping employees for example in learning how to set priorities, eliminate non-value added work, clarify goals, simplify a complex process, become involved in decision making, increased commitments, share in economic games, enabling them to successfully perform their jobs.

Company Champion The HR needs to be the company's voice in management decisions, thereby becoming a part of the business team. Nevertheless, the dual responsibility of employee champion and company champion can create tensions as the human resource manager learns to balance the demand of both.

Change Agent A change agent is one who acts as a catalyst for change. The change agent's role is not about bringing about changes, it is about a proper change management and helping the employees to overcome the changes. HR as a change agent needs to have a deep knowledge of the change management process and be able to make proper plans for employees and minimize the negative impact on employees and the whole organization. The role is challenging, but SHRM function has to invest its courage.

Q. what is human resource planning?

Meaning and Definition of Human Resource Planning

Human resource planning or manpower planning is essentially the process of getting the right number of qualified people into right job at the right time. It is a system of matching the supply of people (existing employees and those to be hired or searched for) with openings the organization expects over a given time frame.

According to Edwin B. Geisler, "Manpower Planning is the process (including forecasting, developing, implementing and controlling) by which a firm ensures that it has the right number of people and the right kind of people', at the right places, at the right time, doing things for which they are economically most useful".

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

Q. what is the Need for HRP in an organization?

Major reasons for the present emphasis on manpower planning include:

1) Employment-Unemployment Situation: In general the number of educated unemployed is on the rise, there is acute shortage for a variety of skills. This emphasizes need for more effective recruitment and retaining people.

2) Technological Changes: The myriad changes in production technologies, marketing methods and management techniques have been extensive and rapid (e.g., introduction of HRIS). These changes cause problems relating to redundancies, retraining and redeployment. All these suggest the need to manpower needs intensively and systematically.

3) Organizational Changes: In the turbulent environment marked by cyclical fluctuations and discontinuities, the nature and pace of changes in organizational environment, activities, and structures affect manpower requirements and require strategic considerations.

4) Demographic Changes: The changing profile of the work terms of age; gender participation, literacy, technical inputs and social background; have implications for manpower planning. The workforce is more diverse than ever before. And the trend shows it is going to be on the rise even more.

5) Skill Shortages: Organizations have in general become complex and thus, in turn require more specialist skills that are rare and scarce. The result is more dependency on the professionals and further implications of what is most happening in the business world today.

6) Governmental Influences: Government control and changes in legislation with regard to affirmative action for disadvantaged groups, working conditions and hours of work, restrictions on women and child employment, casual and contract labor, etc. have stimulated the organizations to become involved in systematic manpower planning.

7) Legislative Controls: The days of 'hire and fire' policies are gone. It is easy to increase but difficult to shed the fat in terms of the numbers employed because of recent changes in labor laws relating to lay-offs and closures. Those responsible for managing manpower must look far ahead and thus attempt to foresee manpower problems.

8) Impact of Pressure Groups: Pressure groups such as unions, politicians and NGO's displaced, from land by location of giant enterprises have been raising contradictory pressures on enterprise management such as internal recruitment and promotions, preference to employees' children, displaced persons, sons of the soil, etc.

9) Systems Concept: The spread of systems thinking, the advent of the PC's and the upsurge of people management concept which all emphasize the planning and having common and transparent personnel records.

10) Lead Time: The long lead-time is necessary in the selection process and for training and development of the employee to handle new knowledge and skills successfully. .

Q. State the Objectives/Importance of Human Resource Planning in an organization.

1) Forecasting Human Resource Requirements: Human resource planning is essential to determine future human resource needs in an organization. In the absence of such a plan, it would be difficult to have the services of the right kind of people at the right time.

2) Effective Management of Change: Proper planning is required to cope with changes in market conditions¸ technology, products, and government regulations in an effective way. These changes call for continuous allocation or reallocation of skills and in the absence of planning there might be under-utilization of human resource.

3) Realizing Organizational Goals: In order to meet the needs of expansion programs and growth strategies of the organizations planning is essential.

4) Promoting Employees: The database available provides a comprehensive skill repertoire, which facilitates for decision making as to the promotional opportunities to be made available for the organization.

5) Effective Utilization of Human Resource: This database is also useful for identifying surplus and unutilized human resource and resources. In times of downsizing or in estimating the cost-benefit analysis of human resources would add value to the process.

6} Facilitates Economic Development: At the national level, manpower planning is essential for economic development. It is particularly helpful in the generation of employment in educational reforms and geographical mobility of talent.

7) Helps Fill the Gap: Manpower planning identifies the gaps in existing manpower so that suitable training programs may be developed for building specific skills, required in future.

Q. Discuss the need of HRP at Different Levels .

1) National Level: Generally government at the center plan for human resources at the national level. It forecasts the demand for and supply of human resource, for the entire nation

2)Sectoral Level: Manpower requirements for a particular sector like agricultural sector, industrial sector or tertiary sector are projected based on the government policy, projected output/operations etc.

3) Industry Level: Manpower needs of a particular industry like cement, textile, chemical is predicted taking into account the output/operational level of that particular industry.

4) Unit Level: This covers the estimation of human resource needs of an organization or company based on its corporate business plan.

5) Departmental Level: This covers the manpower needs of a particular department in a company.

6) Job Level: Manpower needs of a particular job family within department like Mechanical Engineer, are forecasted at this level.

Q. Define the term HRP. Explain the types of HRP .

There are two main types of manpower planning, on the basis of time span, i.e., short-term manpower planning and long term manpower planning.

I) **Short Term Manpower Planning:** Short term planning as the name suggests is made for a short time, i.e., for a period of not more than two years. Short term plans are more concerned with specific projects and programs and the existing personnel must be adjusted to match the requirements of that project and program.

In the short run, it may not be possible, either to change the personnel, to suit the jobs or eliminate jobs, to suit the personnel. So the basic problem in the short run is to match the individuals with jobs as best as possible. Thus, the problems which are faced in the short run are:

(i)Weak Incumbent: The first and the most difficult problem in short-term planning is experienced when an existing personnel is not according to the specifications of the job. In such circumstances, there are four approaches for matching jobs and individuals:

a) Changing of the Man: The first approach in this regard is the changing of the present incumbent by proving his ability, through education, training and counseling.

b) Change in the Contents of the Job: The next approach can be, to change the job contents, to make them suitable to the individual. This can be done by:

• Withdrawing a duty from one position and assigning it to some other related position,

• Adjusting the degree of decentralization,

• Providing the additional assistance when a person is weak.

c) Changing the Job and the Man: Another approach may be a combination of the above two approaches i.e., both man and the job can be adjusted according to each other by:

• Improving the ability of the man through training and counseling, and

• Shifting a duty from one position to another.

d) Removal of the Incumbent: The fifth approach may be the removal of the present incumbent. But this step should be taken only when:

• It is not possible to change the job to make it suitable to the individual, or

• The individual cannot be improved even after proper training and counseling.

ii) Strong Incumbent: Some people in the organization may have greater ability than their present job requires. In such a case, again there is a problem of matching jobs with the man, because a portion of an individual's ability remains unutilized. For the proper utilization of the ability, the following approaches may be tried out:

a) Assigning Additional Duties: A man may be assigned some additional but related duties beyond his assigned sphere. He may give advice to others who are poor in their job performance.

b) Assigning Some Special Problems: Sometimes, some special problems arise in the organization. The help of the capable man can be taken to solve the problem.

c) Advice: Advice of the capable man can be sought, for any problem, for which he is supposed to be having special knowledge or any activity can be made part of his regular duty, which requires repeated advice of the capable man.

d) Change in Job: The ability of a man can be better utilized, by changing the job that suits his abilities and capabilities. Any activity, which is not being managed properly may be assigned to the capable man.

iii) Unexpected Vacancy: The exact problem which the management has to face in the short run is the filling up of post falling vacant due to some unexpected reasons such as death, resignation or some other social reason. As these unexpected factors are not known in advance, so again the problem of matching jobs and individuals arises. No one in the organization may match the vacant position. Much can be achieved, by changing the job reorganization or by changing the next person in the position, through training and for the mean time; some temporary arrangements can be made.

2) Long Term Manpower Planning: Long term manpower planning is concerned with all jobs and persons at once with matching total available personnel in the organization to total job requirements. It is concerned with fulfilling future vacancies, rather than matching the present incumbents to present jobs. The long-term manpower planning has the following elements:

i) Projecting Manpower Requirements: The first essential step in projecting the manpower requirements is to forecast the organization structure. The organization operates in a changing environment and therefore, it is bound to change in future. In matching the change with the present job structure, the management must predict the manpower requirements in future. The following factors should be analyzed to forecast the manpower requirements:

a) Rate of Loss: The rate of loss due to known (e.g. retirement and transfer, etc.) and unknown (e.g., resignation, discharge, leave, etc.) factors may be guessed. An accurate forecast can be done for known factors but for unknown factors, only past records may help which may be adjusted on the basis of present known circumstances.

b) Change in Organization's Size: The manpower requirement in future will depend upon the expansion or contraction in the size of the organization. The size of the organization can be predicted on the basis of the past rate of growth, by projecting the trend in the size of sales, capital requirements or manpower stock.

c) Job Analysis: A job analysis should also help in long-term planning because a prediction of what capabilities will be required in the people to perform the job effectively is essential.

ii) Taking Stock of Existing Manpower: Having projected the manpower requirements, the next step in manpower planning is to take stock of existing manpower and to find out how far the present stock of manpower would fulfill the qualifications of the anticipated jobs.

iii) Recruitment and Selection: Once the requirement of manpower is known, the process of recruitment and selection starts to identify the prospective candidates and to stimulate them to apply for jobs.

iv)Manpower Development: Manpower development includes the development of individuals through training to fill up the prospective vacancies, so that they can meet the challenges with their full capabilities.

Q. As we know that there are several factors that affect Human Resource Planning. Discuss the factors with suitable example.

Several factors affect HRP. These factors can be classified into external factors and internal factors:

External Factors	Internal Factors
Government Policies	Company Policies and Strategies
Level of Economic Development	Human Resource Policies
Business Environment	Job Analysis
Level of Technology	Time Horizons
International Factors	Type and Quality of Information
	Company's Production Operations Policy
	Trade Unions

External Factors:

1) Government Policies: Policies of the government like labor policy, industrial relations policy, policy towards reserving certain jobs for different communities and sons-of-the-soil etc. affect the HRP.

2) Level of economic development: Level of economic development determines the level of HRD in the country and thereby the supply of human resources in the future in the country.

3) Business Environment: External business environmental factors influence the volume and mix of production and thereby the future demand for human resources.

4) Level of Technology: Level of technology determines the kind of human resources required.

5) International Factors: International factors like the demand for the resources and supply of human resources in various countries.

Internal Factors:

1) Company Policies and Strategies: Company's policies and strategies relating to expansion, diversification, alliances, etc. determines the human resource demand in terms of quality and quality.

2) Human Resource Policies: Human resources policies of the company regarding quality of human resource, compensation level, quality of work life etc. influences human resource plan.

3) Job Analysis: Fundamentally, human resource plan is based on job analysis. Job description and job specification determines the kind of employees required.

4) Time Horizons: Companies with stable competitive environment can plan for the long run whereas the firms with unstable competitive environment can plan for only short term range.

5) Type and Quality of Information: Any planning process needs qualitative and accurate information. This is more important in human resource plan, strategic, organizational and specific information affecting HRP.

6) Company's Production Operations Policy: Company's policy regarding how much to produce and how much to buy from outside to prepare a final product influence the number and kind of people required.

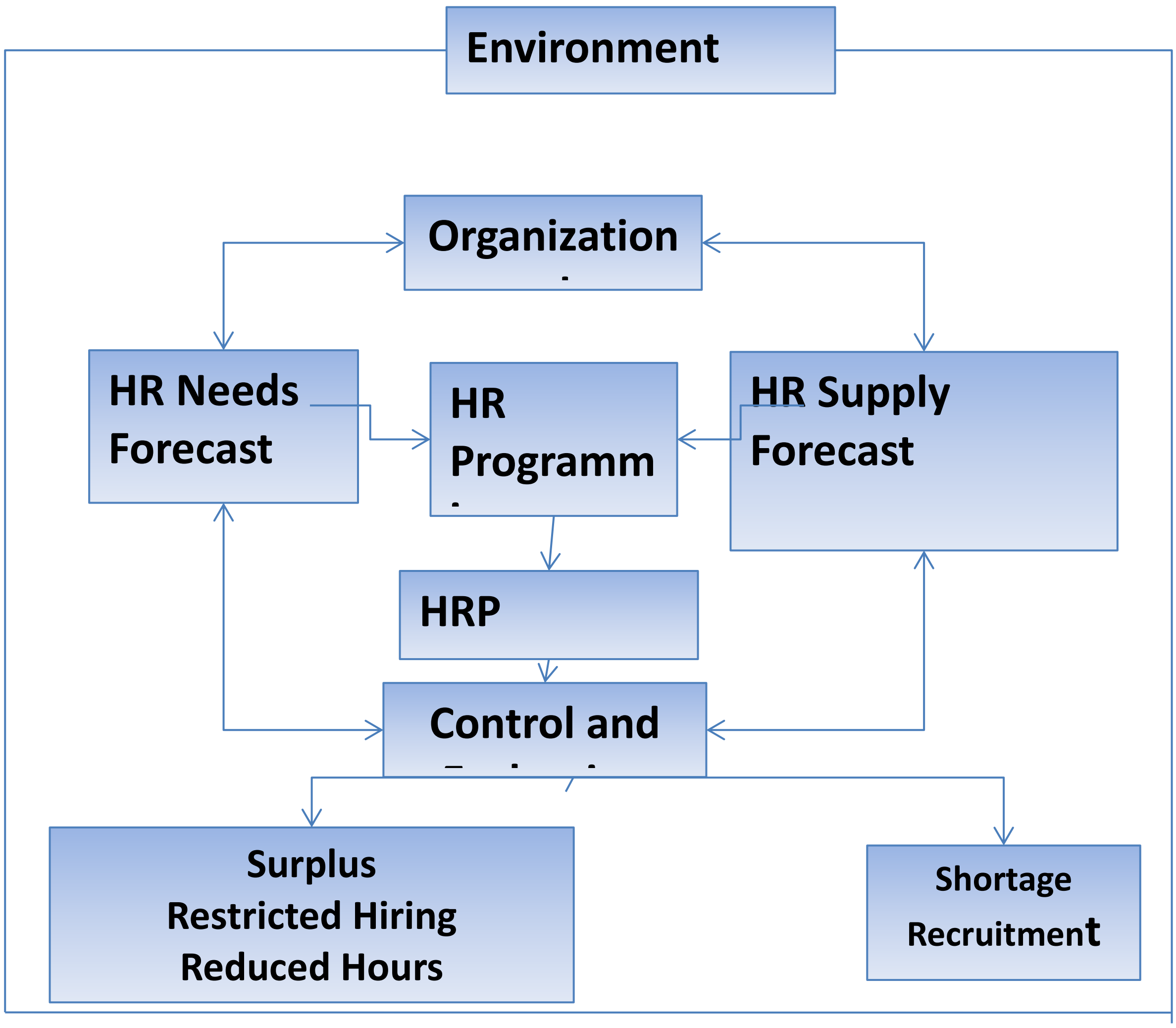
7) Trade Unions: Influence of trade unions regarding number of working hours per week, recruitment sources, etc. also affects the HRP.

Q. What is human resource planning? Briefly explain Human Resource Planning Process

HRP essentially involves forecasting personnel needs, assessing personnel supply and matching demand-supply factors through personnel-related programs. The planning process is influenced by overall organizational objectives and the environment of business.

I) Environmental Scanning:

Environmental scanning refers to the systematic monitoring of the external forces influencing the organization. Managers monitor several forces such as economic factors including general and regional conditions, technological such as IT and automation, demographic changes including age, sex composition and literacy and political, legislative and social concerns including child care, and educational facilities and priorities. By scanning the environment for changes that will affect an organization, managers can anticipate their impact and make adjustments early.



THE HRP

II) Organizational Objectives and Policies:

HR plans need to be based on organizational objectives. In practice, this implies that objectives of the HR plan must be derived from organizational objectives. Specific requirements in terms of number and characteristics of employees should be derived from the organizational objectives.

III) HR Demand Forecast: Demand forecasting is the process of estimating the future quantity and quality of people required. The basis of the forecast must be the annual budget and long term corporate plan, translated into activity levels for each function and department.

Factors Determining Forecasting Demand

i) Anticipated Growth of the Organization: This growth rate can be· calculated from the past trends on the assumption that all variables affecting this growth will remain constant.

Q. Every HR personnel faces problem while doing human resource planning. Discuss the barriers of Human Resource Planning.

1) Dependency on Accuracy of Forecasts: The effectiveness of planning depends upon the accuracy of forecasts. If the forecasts are not cent per cent accurate, planning will not be, hundred per cent accurate.

2) Identity Crisis: Many human resource specialists and the managers do not understand the whole manpower planning process. Because of this, there is generally an identity crisis, Till the specialists develop a strong sense of purpose, planning cannot be effective.·

3) Support of Top Management: Manpower planning requires full and wholehearted support from the top management. In the absence of this support and commitment, it would not be possible to ensure the necessary resources, cooperation and support for the success of the manpower planning.

4) Resistance from Employees: Employees and trade unions resist manpower planning. They feel that this planning increases their overall workload and regulates them through productivity bargaining. They also feel that it would lead to widespread unemployment, especially of unskilled labor.

5) Insufficient Initial Efforts: Successful human resource planning flourishes slowly and gradually. Sometimes sophisticated technologies are forcefully introduced, just because competitors have adopted them. These may not be successful unless matched with the needs and environment of the particular enterprise.

6) Management Information System: Effectiveness of planning depends upon the reliability of the information system. In most of the Indian industries, human resource information system has not fully developed. In the absence of reliable data, it would not be possible to have effective planning.

7) Uncertainties: It is risky, to depend upon general estimates of manpower, in the face of rapid changes in the environment. Absenteeism, turnover, seasonal employment, technological changes and market fluctuations are the uncertainties which serve as constraints to manpower planning.

8) Expensive and Time Consuming: Manpower planning is an expensive and time consuming process.

9) Coordination with Other Managerial Functions: There is generally a tendency on the part of the manpower planners to remain aloof from other operating managers and to become totally absorbed in their own world. To be effective, manpower planning must be integrated with other management functions.

10) Unbalanced Approach: Many human resource experts give more importance on the quantitative aspect of manpower to ensure that there is adequate flow of people in and out of the organization. They overlook the qualitative aspects like career development and planning, skill levels, morale, etc. which affects the effectiveness of manpower planning.

Q. Define Job Analysis.

Job-analysis is a detailed and systematic study of jobs to know the nature and characteristics of the people to be employed on various jobs. It involves collection of necessary facts regarding jobs and their analysis.

According to Dale Yoder, "Job analysis is the procedure by which the facts with respect to each job are systematically, discovered and noted. It is sometimes called 'Job study' suggesting the care with which tasks, processes, responsibilities and personnel requirements are investigated".

According to Edwin B. Flippo, "Job analysis is the process of studying and collecting information relating to the operations and responsibilities of specific job".

Q. State the nature of Job Analysis .

1) Systematic Way of Gathering and Analyzing Information about a Job: The most basic building block of HR management is job analysis which is a systematic way of gathering and analyzing information about the content, context, and human requirement of jobs.

2) Develop Jobs: Job design attempts to develop jobs that fit effectively into the flow of the organizational work that needs to be done. The narrow focus of job analysis centers on using a formal system to gather data about what people do in their jobs. This data is used to generate job descriptions and job specifications:

3) Identifies Job Factors and Duties: Various methods and sources of data can be used to conduct job analyses. The real value of job analysis begins as the information is compiled into job descriptions and job specifications for use in virtually all HR activities. To be effective, HR planning, recruiting, and selection all must be based on job requirements and the capabilities of individuals. Compensation, training, and employee performance appraisals all should be based on the specific needs of the job. Job analysis is also useful in identifying job factors and duties that may contribute to workplace health and safety issues. Finally, job analysis plays a key role in employee/labor relations issues. .

4) Redesigns Jobs: Job analysis involves collecting information on the characteristics of a job that differentiate it from other jobs. The information generated by job analysis may be useful in redesigning jobs.

Q. Briefly explain the importance of Job Analysis .

The use of job analysis is given below:

I) Human Resource Planning: Job analysis helps in forecasting human resource requirements in terms of knowledge and skills. By showing lateral and vertical relationships between jobs, it facilitates the formulation of a systematic promotion and transfer policy. It also helps in determining quality of human resources needed in an organization.

2) Recruitment: Job analysis is used to find out how and when to hire people for future job openings. An understanding of the skills needed and the positions that will be vacant in future helps managers to plan and hire people in a systematic way.

3) Selection: it is not possible to select a right person without a proper understanding of what is to be done on a job.

4) Placement and Orientation: After selecting people, they are placed on jobs best suited to their interests, activities and aptitude. This is not possible without proper job analysis. Similarly, effective job orientation cannot be achieved without a proper understanding of the needs of each job.

5) Training: Whether or not a current or potential job holder requires additional training can be determined only after the specific needs of the jobs have been identified through a job analysis.

6) Counseling: Managers can properly counsel employees about their careers when they understand the different jobs in the organization. Job analysis can point out areas that an employee might need to develop to further a career.

7) Employee Safety: A thorough job analysis reveals unsafe conditions associated with a job. By studying how the various operations are taken up in a job, managers can find unsafe practices and thereby rectify easily.

8) Performance Appraisal: By comparing what an employee is supposed to be doing (based on job analysis) to what the individual has actually done, the worth of the person can be assessed. Ultimately, every organization has to pay a fair remuneration to people based on their performance.

9) Job Design and Redesign: Once the jobs are understood properly, it is easy to locate weak spots and undertake remedial steps. We can eliminate unnecessary movements, simplify certain steps and improve the existing ones through continuous monitoring.

10) Job Evaluation: Job analysis helps in finding the relative worth of a job, based on criteria such as degree of difficulty, type of work done, skills and knowledge needed, etc. This, in turn, assists in designing proper wage policies with internal pay equity between jobs.

11) Discipline: Job analysis studies the failure of the workers to meet the required standard of performance. Corrective measures may be taken in time to avoid untoward situations. In this way, it helps in maintaining discipline in the organization.

12) Labor Relations: Job analysis will be helpful in improving labor management relations. It can also be used to resolve disputes and grievances relating to work load, work procedures, etc.

13) Compensation and Benefits: In the area of compensation, it is helpful to know the relative value of a particular job to the company before a monetary value is placed on it. From an internal perspective, the more significant its duties and responsibilities, the more the job is worth.

14) Legal Considerations: A proper prepared job analysis is particularly important for supporting the legality of employment practices. Job analysis data are needed to defend decisions involving promotion, transfers, and demotions, e.g., job analysis provides the basis for tying the functional areas together and the foundation for developing a sound human resource program.

15) Job Analysis for Teams: Historically, companies have established permanent jobs and filled these jobs with people who best fit the job description. The jobs then continued in effect for years to come.

Q. Define job analysis. Discuss various methods of Data Collection for Job Analysis

1) Questionnaire: This method is usually used to obtain information about jobs through a mail survey. The job incumbents who can easily express themselves in writing are asked to provide data about their jobs in their own words. This method is, therefore, best suited to clerical workers. But it is often a very time consuming and laborious process to analyze the data obtained in this manner.

2) Checklist: This method requires the worker to check the task he performs from a long list of possible task statements. However, in order to prepare the checklist, extensive preliminary work is required in collecting appropriate task statements. While checklists are easy for the incumbent to 'respond to, they do not provide an integrated picture of the job in question. They are easily administered to large groups and are easy to tabulate.

3) Interview: In this method a group of representative job incumbents are selected for extensive interview - usually outside of the actual job situation. The interview may be carried out either individually or in a group to save time. The replies obtained from the interviewees are then combined into a single job description. This method though very costly and time consuming helps in getting a complete picture of the job.

4) Observation: This method can be followed right on the job. The analyst observes the incumbent as he performs his work and questions him to get the required data. Besides being slow and costly, this method also interferes with normal work operations. However, it generally produces a good and complete job description. This method is particularly desirable where manual operations are prominent and where the work cycle is short. Working conditions and hazards can also be better described when observed personally by the analyst.

5) Participation: In this method the job analyst actually performs the job himself. In this way he is able to obtain first-hand information about what characteristics comprise the job under investigation. This method is fairly good for simple jobs but in case of complex jobs advance training of the analyst becomes necessary. The method is also time-consuming and expensive.

6) Technical Conference: In this method information about the characteristics of the job is collected from the expert - usually the supervisors and not from the actual job incumbents. One important drawback of this method is that the experts may at times show poor knowledge about the job which they are not actually performing themselves and may give answers based upon their past experience.

7) Self-recording of Diary: In this method the job incumbent is asked to record his daily activities each day using some type of logbook or diary. This method is good in the sense that it systematically collects a great deal of information about the nature of and the time spent on various activities during the day by each incumbent.

But it is very time-consuming and the incumbent may start complaining that he spends more time in writing his diary than in doing his job. This method is particularly useful for high-level managerial jobs.

8) Critical Incident: In this method the supervisor is asked to provide instances of on-the -job behaviors of people which he considers to be noteworthy. Such instances can be both of good and bad on-the-job behavior. The number of such instances can be as many as the supervisor can recall.

These instances can provide information about critical aspects of the job, but the method does not provide an integrated picture of the entire task.

Q. Discuss the process of Job Analysis.

1) Determination of Uses of Job Analysis: Initially, job analysis was used primarily for recruitment and selection. As the complexity of managing human resources increased, the scope of the use of job analysis also increased covering many more areas. Therefore, before undertaking the actual procedure of job analysis, the organization should define the uses of job analysis.

2) Strategic Choices in Job Analysis: With regard to job analysis, an organization is required to make at least five choices:

i) Employee Involvement: - Job analysis involves collecting job-related information-duties, responsibilities, skills and knowledge required to perform the jobs. Employees are often asked to supply vital information about the contents of job; given their familiarity with it.

ii) Level of Details: The level of analysis may vary from detailed, as in time and motion studies, to broad as in analyzing jobs based on general duties. The level of analysis affects the nature of the data collected.

iii) When and How Often: Another strategic choice relates to the timing and frequency of conducting job analysis. Job-analysis is generally conducted when:

- Any organization is newly established and the job analysis is initiated for the first time;
- A new job is created in an established company;
- A job is changed significantly due to change in technology, methods, procedures or systems;
- The organization is contemplating a new remuneration plan; or
- The employees or managers feel that there exist certain inequities between job demands and the remuneration it carries.

iv)Past-Oriented versus Future-Oriented: If an organization is changing rapidly due to fast growth or technological change, a more future oriented approach to job-analysis may be desired. Traditional job analysis information describes how the job has been done in the past and the manner in which it is being currently done. If necessary, a future orientation can be given to the job-analysis and predictions may be made as to how the job will be done in future and the way it should be done. This will allow firms to begin hiring and training people for these jobs prior to the actual change.

v) Source of Job Data: Although the most direct source of information about a job is the job holder, a number of other human and non-human sources are available. These sources may provide information which an average job holder cannot, thereby enabling the job analyst to question the job holder more effectively.

Q. Explain the Sources of Job Data .

Non-Human Sources	Human Sources
Existing job descriptions and specifications	Job analysts
Equipment maintenance records	Job incumbents
Equipment design blueprints	Supervisors
Architectural blueprints of work area	Job experts
Films of employees working	
Training manuals and other job training materials	
Popular literature such as magazines and newspapers	

3) Information Collection: This step involves collection of three types of information.

i) Types of Job Analysis Information: Considerable information. is needed for the successful accomplishment of job analysis. The job analyst identifies the job's actual duties and responsibilities and gathers the other types of data shown below:

Types of Data Collected in Job Analysis

- Work Activities,
- Worker-Oriented Activities,
- Machines, Tools, Equipment, and Work Aids Used,
- Job-Related Tangibles and Intangibles,
- Work Performance,

f) Job Context,

g) Personal Requirements for the Job.

ii) Persons Involved in Information Collection: There are three categories of persons who may be involved in information collection:

- Trained job analysts,
- Superiors,
- Job holders.

iii) Methods of Data Collection: Following methods may be used to collect information for job analysis:

- Questionnaire,
- Checklist,
- Interview,
- Observation,
- Participation,
- Technical Conference,
- Self-Recording of Diary,

h) Critical Incident.

4) Information Processing: Once the job information has been collected, it needs to be processed, so that it would be useful in various personnel functions. Specifically, job-related data would be useful to prepare job description and job specification.

5) Outputs of Job Analysis: Job analysis is the process of obtaining information about requirements of tasks and human attributes needed to meet those requirements. The immediate outputs of job analysis are job description and job specification. Job analysis is central to .human resource management system and the data generated through this process can be utilized for all personnel functions. Job analysis needs to be supplemented with the more dynamic concept of role analysis which takes into consideration changing requirements of jobs and provides a realistic picture of the way employees carry out their jobs.

Q. State the difference between job description and job specification.

Process of obtaining all pertinent job facts

Job Description	**Job Specification**
A statement containing items such as:	***A statement of human qualifications necessary to do the job usually contains such items as:***
1) Job title	**1) Education**
2) Location	**2) Experience**
3) Job summary	**3) Training**
4) Duties	**4) Judgment**

Mrs. Bidya Dash,Mrs. Malavika Pattnaik, Mrs. Jayalaxmi Samal Asst. Professor (HR)

5) Machines, tools, and equipment	**5) Initiative**
6) Materials and tools used	**6) Physical effort**
7) Supervision given or received.	**7) Physical skills**
8) Working conditions	**8) Responsibilities**
9) Hazards	**9) Communication skills**
	10) Emotional characteristics
	11) Unusual sensory demands such as sight, smell, hearing

Figure showing Job Description and Job Specification in Job Analysis

Q. What are the various problems in Job Analysis ?

1) Lack of Support from Top Management: In most cases the support from top management is missing. They refuse to appropriately describe what an employee is supposed to do in the company creating confusion in the minds of employees. The top management should make it clear to all employees that their full and honest participation is extremely important for the process.

2) Single Method: All too often, job analyst relies on only one of the methods when a combination of two or more methods might provide a better idea.

3) Lack of Training and Motivation: Job holders are a great source of information about the job, but they are not trained or motivated to generate quality data for job analysis. Further, job holders are rarely made aware of the importance of the data and are never rewarded for providing accurate data.

4) Distortion of Activities: When training or preparedness does not exist, job holders tend to submit distorted data, either intentionally or inadvertently.

Q. Define the term recruitment.

Recruitment is the discovering of potential applicants for actual or anticipated organizational vacancies. In simple terms, recruitment applies to the process of attracting potential employees to the organization or company. It is a systematic means of finding and inducing available candidates to apply to the company or enterprise for employment. Recruitment is said to be positive in its approach as it seeks to attract as many candidates as possible.

According to Flippo, "Recruitment is the process of searching for prospective employees and stimulating them to apply for jobs in the organization".

According to Dale Yoder, "Recruitment is a process to discover the sources of manpower to meet the requirements of the staffing schedule and to employ effective measures for attracting that manpower in adequate numbers to facilitate effective selection of an efficient working force".

Thus, recruitment is a linking activity bringing together those with jobs and those seeking jobs. Recruitment is therefore the process of searching prospective workers and stimulating them to apply for jobs in the organization.

Q. Discuss the nature of Recruitment.

1) It is a process: Recruitment is a continuous process or a series of activities rather than a single act or event. The basic purpose of recruitment is to locate the sources of people required to meet job requirements and attracting such people to offer for employment in the organization.

2) Linking Activity: Recruitment is a linking activity as it brings together those with jobs (employer) and those seeking jobs (prospective employees).

3) Positive Function: Recruitment is a positive function as it seeks to develop a pool of eligible persons from which most suitable ones can be selected. It is a positive process which stimulates the prospective employees to apply for the job.

4) Important Function: Recruitment is an important function as it makes it possible to acquire the number and type of persons necessary for the continued functioning of the organization.

5) Pervasive Function: Recruitment is a pervasive function as all organizations engage in recruiting activity. But the volume and nature of recruitment varies with the size, nature and environment of the particular organization. .

6) Two-Way Process: Recruitment is a two-way process as it takes a recruiter and a recruitee to be successful. Just as the recruiter has a choice whom to recruit or not, similarly the prospective employee can choose for which organization to apply for a job.

7) It Identifies Human Resource: Recruitment treats applicants as a precious resource in an organization. It is all about knowing the competition and recruiting needs. It is a process of identifying sources of human force, attracting and motivating them to apply for the job in organizations.

8) Fulfillment of Manpower Needs: As recruiting is the discovering of potential applicants for actual and anticipated organizational vacancies, it fulfills the present and future manpower needs.

9) Dependency: Recruitment which is the first step of appointment is based on job description, job analysis and job specification.

10) Complex Job: Recruitment is a complex job because too many factors affect it, e.g., image of the organization, nature of jobs offered, organizational policies, working conditions and compensation levels in the organization, rate of growth of the organization, past recruitment record, employment conditions in the community, trade union attitudes, labor laws, culture and environment, government policies, e.g., reservation for SC/ST. Most of these factors serve as constraints restricting the freedom of management in recruitment.

Q. Writes down the objectives of Recruitment

1) Attract People: To attract people with multi-dimensional skills and experiences that suits the present and future organizational strategies.

2) Induct Outsiders: To induct outsiders with a new perspective to lead the company and to infuse fresh blood at all levels of the organization.

3) Development of Organizational Culture: To develop an organizational culture that attracts competent people to the company.

4) Search People: To search or head hunt people whose skills fit the company's values.

5) Devise Methodologies: To devise methodologies for assessing psychological traits.

6) Search Talent Globally: To search for talent globally and not just within the company.

7) Design Entry Pay: To design entry pay that competes on quality but not on quantum.

8) Anticipate People: To anticipate and find people for positions that does not exist yet.

Q. Point out the Factors Affecting Recruitment .

Policies or directives provide continuous framework for executive actions on recurrent managerial problems. Such a policy asserts the objectives of the recruitment and provides a framework of implementation of the recruitment program in the form of procedures.

There are two factors that affect recruitment policy. They are external factors and internal factors.

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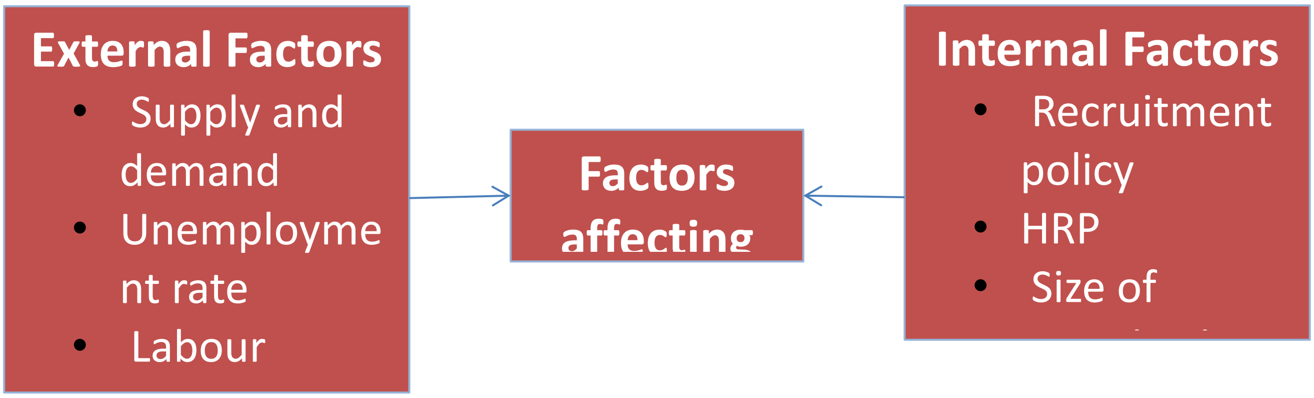
FACTORS RECRUITMENT AFFECTING



I) External Factors: There are various external factors which have their impact on recruitment and an organization does not have control over these factors. The major external factors are of the following types:

i) Supply and Demand of Human Resources: Nature of competition for human resources determines the organizational approach towards its recruitment program to a great extent. In India, there is abundant supply of unskilled workers which far exceeds their demand, but there is battle among organizations for certain other categories of personnel such as managerial talents - both fresh and experienced, computer software professionals, etc.

ii) Unemployment rate: When the unemployment rate in a given area is high, the company's recruitment process may be simpler. The number of unsolicited applicants is greater and the increased size of the labour pool provides better opportunities for attracting qualified applicants. On the other hand, as the unemployment rate drops, recruiting efforts must be increased and new sources explored.

iii) Labour market conditions: In a local area, this is of primary importance for recruitments of non-managerial and supervisory positions. For executives and managerial positions, conditions of all India market are considered.

iv) **Political and legal considerations:** Reservation of jobs for SCs, STs, minorities, and other backward classes is a political decision. There is a strong case for giving preference to people hailing from less-advantaged sections of the society. There are various legal provisions, which affect the recruitment policy of an organization. Various Acts which provide the restrictions to free recruitment are Child Labor (prohibition and Regulation) Act 1986, Employment Exchange (Compulsory Notification of Vacancies) Act 1959, The Apprentices Act 1961, the Factories Act 1948 and the Mines Act 1952. Besides, provisions regarding mandatory employment of certain categories of personnel such as scheduled castes/tribes. OBCs, etc. impinge upon recruitment policy of an organization, more particularly in public sector.

v) **Sons of the soil:** Political leaders clamor that preference must be given to the people of their respective states in matters of employment.

vi) **Company's image:** The company's image also matters in attracting large number of job seekers. Blue chip companies attract large number of applications. It is the perception of the job-seekers about the company that matters in attracting qualified prospective employees.

II) Internal Factors: Besides the various external factors, there are various internal factors in the organization which affect the recruitment program. These factors are as follows:

i) **Recruiting policy:** Most firms have a policy on recruiting internally or externally. Generally, the policy is to prefer internal sourcing as own employees know the company well and can recommend candidates who fit the organization's culture.

ii) **Human resource planning:** A company cannot attract prospective employees in sufficient numbers and with required skills overnight. It takes time to examine the alternatives regarding the appropriate sources of recruits and the most productive methods for obtaining them. Effective HRP greatly facilitates the recruiting efforts.

iii) **Size of Organization:** Size of an organization is another factor which determines the degree of attractiveness to the prospective candidates. A small organization cannot have the same recruitment practices which a large organization may have; it may not be able to attract highly talented personnel.

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iv) **Cost:** Recruiting costs are calculated per new hire and the figure is considerable now a days. Recruiters must therefore operate within budgets. Careful HRP and forethought by recruiters can minimize recruitment costs.

v) **Growth and expansion:** An organization registering growth and expansion will have more recruiting on hand than the one which finds its fortunes declining.

Q. Outline the recruitment procedure briefly.

Recruitment is a process consisting of various activities, through which search of prospective personnel both in quantity and quality - as indicated by human resource planning and job description and job specification is made. This process includes recruitment planning, identification of recruitment sources, contacting those sources, and receiving applications from prospective employees.

1) Recruitment Planning: Recruitment process starts with its planning which involves the determination of number of applicants and type of applicants to be contacted.

i) Number of Contacts: Organizations, generally, plan to attract more applicants than what they intend to select as they wish to have option in selecting the right candidates. The option is required because some of the candidates may not be interested in joining the organization; some of them may not meet the criteria of selection. Therefore, each time a recruitment program is contemplated, the organization has to plan about the number of applications it should receive in order to fulfill all its vacancies with right personnel.

ii) Type of Contacts: This refers to the type of personnel to be informed about the job openings based on job description and job specification. This determines how the prospective personnel may be communicated about the job openings.

2) Sources of Recruitment: After the finalization of recruitment plan indicating the number and type of prospective candidates, they must be attracted to offer themselves for consideration to their employment. This necessitates the identification of sources from which these candidates can be attracted.

3) Contacting Sources: After the finalization of sources from where the prospective candidates will he selected, the process of contacting these sources starts. Recruitment involves both recruiter and recruitee. A recruiter has the choice of whom, to recruit based on the various information about the candidates. In the same way, a recruitee must have information about the organization to decide whether to join it or not. Therefore, before making the contact with the sources, particularly the external ones, the organization must decide the information which must be shared with the candidates.

4) Application Pool: Whatever the method of recruitment is adopted, the ultimate objective is to attract as many candidates as possible so as to have flexibility in selection. When the sources of recruitment are contacted, the organization receives applications from prospective candidates. The number of applications depends on the type of organization, the type of jobs, and the conditions in specific human resource market. An organization having better perceived image is able to attract more number of applications. Various applications received for a particular job are pooled together which become the basis for selection process.

5) Selection: Selection is the process of differentiating between applicants in order to identify (and hire) those with a greater likelihood of success in a job. In selection process, highly specialized techniques are required. Therefore in the selection process, only personnel with specific skills like expertise in using selection tests, conducting interviews etc. are involved.

Q. What are the merit and demerits of different sources of recruitment?

Normally for an ongoing organization, there are· two sources of supply of manpower: internal and external. Each of these sources has its own merits and demerits. Therefore, both sources are to be tapped in varying proportions.

1) Internal Source: They include those who are already on the payroll of the organization and those who served the organization in the past (but quit voluntary or due to retrenchment) and would like to return if the organization likes to reemploy. There is merit in looking for internal resources since they provide opportunities for better deployment and utilization of existing human resources through planned placements and transfers or to motivate people through planned promotions and career development where vacancies exist in higher grades. The law provides preference to retrenched employees when vacancies arise in future.

Merits of Internal Source

i) Familiarity: The organization and its employees are familiar to each other. The organization knows the ability and skills of the likely candidates since they are insiders. Similarly, employees also know about the working conditions and job requirements of the vacancies.

ii) Better Utilization of Internal Talent: Reliance on internal recruitment enables the enterprise to make the best use of the capabilities of its employees. For example; some employees may be so talented that they deserve promotion or some may do better on transfer to other jobs.

iii) Economy: The cost of recruiting internal employees is minimal. The enterprise need not incur any expenditure on informing and inducing its employees to apply.

iv)Motivational Value: Internal recruitment is a source of encouragement and motivation for employees. The employees can look for promotion and transfer with hope and thereby do their jobs well so as to earn the desired promotion/transfer.

Demerits of Internal Source

i) Restricted Choice: Internal recruitment restricts the options and freedom for the enterprise in hiring the most suitable candidates for the vacancies. It has a narrow base. The enterprise may have to compromise on quality of its choice of candidates.

ii) Inbreeding: If the enterprise depends too much on internal recruitment, it means that the enterprise denies itself fresh talent and 'new blood' available outside. Existing employees, even if promoted or transferred may continue to work and be behave in their old ways, without any dynamism.

iii) Absence of Competition: In the absence of competition from qualified candidates from outside employees are likely to expect automatic promotion on the basis of seniority and thus may lose the drive for proving their worth.

iv) Conflict: There may be chance of conflict and infighting among those employees who aspire for promotion to the available vacancies. Those who will not be promoted may beome demotivated and their efficiency may decline.

2) External Source: Organizations may look for people outside it. Entry level jobs are usually filled by new entrants from outside. Organizations may resort to outside sources in the following circumstances:

(a)when suitably qualified people are not available; (b) when the organization feels it is necessary to inject new blood into it for fresh ideas, initiatives, etc; (c) when it is diversifying into new avenues and (d) when it is merging with another organization.

Merits of External Source

i)Wide Choice: The organization has the freedom to select candidates from a large pool. Persons with requisite qualifications could be picked up.

ii) Injection of Fresh Blood: People with special skills and knowledge could be hired to stir up the existing employees and pave the way for innovative ways of working.

iii) Motivational Force: It helps in motivating internal employees to work hard and compete with external candidates while seeking career growth.

iv) Long-term Benefits: Talented people can join higher ranks, new ideas can find meaningful expression, a competitive atmosphere will compel people to. give out their best and earn rewards, etc.

Demerits of External Source

i) Expensive: Hiring costs could go up substantially. Tapping numerous sources of recruitment is not an easy task either.

ii) Time Consuming: It takes time to advertise, screen, to test and to select .suitable employees.

iii) Demotivating: Existing employees who have put in considerable service may resist the process of filling up vacancies from outside. The feeling that their services have not been recognized by the organization forces them to work with less enthusiasm and motivation.

iv) **Uncertainty:** There is no guarantee that the organization ultimately will be able to hire the services of suitable candidates. It may end up hiring someone who does not 'fit' arid who may not be able to adjust in the new set-up.

Q. Discuss the different Sources of Recruitment used by an organization.

1) Internal Sources: Internal method seeks applicants for positions from those who are currently employed. It includes transfers and promotions of present employees, job posting, and employee referrals.

i) Promotions and Transfers: This is a method of filling vacancies from within through transfers and promotions. A transfer is an internal movement within the same grade from one job to another. It may lead to changes in duties and responsibilities, working conditions, etc., but not necessarily salary. Promotion, on the other hand, involves movement of employee from a lower level position to a higher level position accompanied by (usually) changes in duties, responsibilities, status and value.

ii) Job Posting: Job posting is another way of hiring people from within. In this method, the organization publicizes job openings on bulletin boards, electronic media and similar outlets.

iii) Employee Referrals: Employee referral means using personal contacts to locate job opportunities. It is a recommendation from a current employee regarding a job applicant.

2) External Sources:

i) Professional or Trade Associations: Meetings, conferences, seminars, and other social functions, social professional associations/bodies of major professionals like doctors, Engineers, Auditors, Chartered Accountants, and managers also provide ample opportunity to locate potential candidates for technical, scientific and managerial cadre vacancies. Many associations provide placement services for their members.

ii) Advertisements: This method is appropriate when the organization intends to reach a large target group and wants a fairly good number of talented people who are geographically spread out. To apply for the advertised vacancies there are wide variety of alternatives available to a company such as:

a) News Paper Ads: Here it's easy to place job ads without much of a lead time. It has flexibility in terms of information and can conveniently target a specific geographic location.

b) Television and Radio Ads: These ads are more likely to reach individuals who are not actively seeking employment; they are more likely to stand out distinctly, they help the organization to target the audience more selectively and they offer considerable scope for designing ads creatively.

iii) Employment Exchanges: Employment Exchanges have been set all over the country in deference to the provisions of the Employment Exchanges (Compulsory Notification of Vacancies) Act 1959. The Act requires all the industrial establishments having 25 workers or more each to notify the vacancies before they are filled. These agencies provide a wide range of services - counseling, assistance in getting jobs, information about the labor market, labor and wage rates.

iv)Campus Recruitment: It is a method of recruiting by visiting and participating in college campuses and their placement centers. Here the recruiters visit reputed educational institutions such as IITs, IIMs, colleges and universities with a view to pick up job aspirants having requisite technical or professional skills.

v) Walk-ins and write-ins: The most common and least expensive approach for candidates is direct applications in which job seekers submit unsolicited application letters or resumes. From candidates' viewpoint, walk-ins are preferable as they are free from the hassles associated with other methods of recruitment. Unsolicited applicants, casual callers and job seekers at the factory and unsolicited applicants are other sources of direct recruitment.

vi) Consultants: Private Employment Agencies are widely used for filling up of vacancies in the organizations. They charge fees ranging from 20 to 50 percent of the first year salaries of the individuals placed. They also keep prospective employer and the employee anonymous. The specialization to these agencies enhances their capacity to interpret the needs to their clients, to seek out particular types of persons and to develop proficiency in recognizing the merit of specialized personnel.

v) Competitors: Recruiting personnel from reputed firms is popular practice. Certain companies and firms have built-up good reputation on efficiency, productivity and industrial peace. Many firms attempt to locate suitable candidates from such firms for filling up vacancies. This is also known as employee poaching.

vii) Casual Labor or Applicant at the Gate: Most industrial units rely to some extent on the casual labor, which presents itself daily at the factory gate or employment office. Trade Unions also provide manual and skilled workers in sufficient numbers.

viii) Voluntary organizations: Organizations such as private clubs, social organizations may also provide candidates who are handicaps, widowed or married women, old persons, retired hands, etc. in response to advertisements.

ix) E- recruiting or Computer Data Banks: When a company desires a particular type of employee, job specifications and requirements are fed into a computer, where they are matched against the resume data stored in there.

Selection: Meaning:

Q. define the term Selection.

Selection is the process of examining the applicants with regard to their suitability for the given job or jobs, and choosing the best from the suitable candidates and rejecting the others. Thus, selection is negative its application in as much as it seeks to eliminate as many unqualified applicants as possible in order to identify the right candidates.'

According to Steven P. Robbins and Mary Coulter, "Selection is the process of screening job applications to ensure that the most appropriate candidates are hired".

Q. State few purposes of Selection.

The purposes of selection are as follows:

1) Select Suitable Candidate: The purpose of selection is to pick up the most suitable candidate who would meet the requirements of the job as the most suitable person is picked up after eliminating the unsuitable applicants through successive stages of selection process.

2) Determines Applicant's Capabilities: The purpose of selection is to determine whether the applicants have required capabilities or not. In other words, the needs of the job are matched with the profile of candidates.

3) Place Right candidate at Right Job: The primary purpose of selection is to place individuals who can make effective and worthwhile contributions to an organization into appropriate jobs or roles.

4) Generate Information about Candidate: The purpose of selection is to generate information about the candidate in order to enable candidate in order to enable comparisons with other candidates and thus assist in decision-making.

5) To Save Cost: How well an employee is matched to a job is very important because it directly affects the amount and quality of employees work. Any mismatch in this regard can cost an organization a great deal of money time and trouble especially, in terms of training and operating costs. In course of time the employee may find the job distasteful and leave in frustration. He may even circulate 'hot news' and juicy bits of negative information about the company, causing incalculable hann in the long run. Effective selection, therefore, demands constant monitoring of the 'fit' between person and the job.

Q. State the difference between Recruitment and Selection

Basis	Recruitment	Selection
Meaning	It is an activity of establishing contact between employers and applicants.	It is a process of picking up more competent and suitable employees.
Objective	It encourages large number of Candidates for a job.	It attempts at rejecting unsuitable candidates.
Process	It is a simple process.	It is a complicated process.
Hurdles	The candidates have not to cross over many hurdles.	Many hurdles have to be crossed.
Approach	It is a positive approach.	It is a negative approach.
Sequence	It proceeds selection.	It follows recruitment.
Economy	It is an economical method.	It is an expensive method.
Time Consuming	Less time is required.	More time is required.

Q. Is it essential to evaluate the effectiveness of selection process? If yes, justify.

Clearly a great deal is involved in the process of establishing and maintaining a selection system. Once such a system is set-up, however, it is just as important to evaluate its effectiveness.

Once an organization has made a commitment to investigate what types of selection devices it will use, it must attempt to evaluate whether its efforts will be worthwhile. Ultimately, a large part of the answer to this question involves the utility of the selection process. Utility refers to the degree to which using a selection system improves the quality of the individuals being selected by the organization. Utility analysis is an attempt to determine the extent to which a selection system provides real benefit to the organization. This method assesses the practical pay-off for any selection system.

Utility has two related components, which are as follows:

1) Statistical Utility: It is the extent to which a selection technique allows an organization to better predict who will be successful.

2) Organizational Utility: It is dependent in part, on statistical utility and an organization's costs and benefits. In other words, answering the question whether the selection system should be developed and used is ultimately an issue of whether it saves the organization more money than it costs.

Generally speaking, an analysis of the costs versus the benefits of selection requires estimates of the direct and indirect costs associated with the selection system. Direct costs include such things as the price of the tests, the salary paid to an interviewer, and the equipment used in a work sample test. Indirect costs include change in public image associated with implementing procedures such as drug testing.

The organization must also estimate how much money it will save by hiring more qualified employees using the selection system. These savings can come from improved outcomes such as higher levels of quality or quantity of output, reduced absenteeism, lower accident rates, and less turnover.

Sometimes, when an organization's managers see how costly systematic selection can be, they wonder whether it will ever have benefits. The answer to this basis question depends on many factors. But valid selection procedures can yield enormous benefits, especially in situations where the direct and indirect costs of hiring a poor performer are high. Imagine the costs associated with a single wrong hiring decision, when airlines are selecting pilots. Pilot errors can cost the company millions of dollars in destroyed or damaged equipment, and no amount of money can offset the potential loss of human life that may be involved.

One final thing about selection and cost-benefit analysis is that the way an organization hires employees is directly tied to other human resource programs. Perhaps the most important linkage is with training. Many trade off decisions must be made between selection and training. At the very least, the organization should realize that putting more money into selection can significantly reduce the amount of money it must spend on training, especially if the increased commitment to selection allows the organization to hire a more capable workforce.

Q. Elaborate the Selection Procedure followed by an organization.

Selection is usually a series of hurdles or steps. The basic idea is to solicit maximum possible information about the candidates to ascertain their suitability for employment. Since the type of information required for various positions may vary, it is possible that selection process may have different steps for various positions. But, a standard selection process has the following steps:

Hiring Decision	**Step 8**
Reference Checks	**Step 7**
Medical examination	**Step 6**
Selection Interview	**Step 5**
Selection Tests	**Step 4**
Application Blank	**Step 3**
Screening Interview	**Step 2**
Reception	**Step 1**

1) Screening of Applicants (Application Blank): Prospective employees have to fill up some sort of applications forms. These forms have variety of information about the applicants like their personal biodata, achievements, experience, etc. Such information is used to screen the applicants who are found to be qualified for the consideration of employment. The information may also be used to keep permanent records of those persons who are selected. Based on the screening of applications, only those candidates are called for further process of selection that are found to be meeting the job standards of the organization.

2) Selection Method/Tests: Many organizations hold different kinds of selection tests to know more about the candidates or to reject the candidates who cannot be called for interview etc. Selection tests normally supplement the information provided in the application forms. These tests are designed to give information about the candidate’s intelligence, aptitude, attitude, interests, personality etc.

3) Interview: Selection tests are normally followed by personal interview of the candidates. The basis idea here is to find out overall suitability of candidates for the jobs. It also provides opportunity to give relevant information about the organization to the candidates. In many cases, interview of preliminary nature can be conducted before the selection tests.

4) Medical Examination: Certain jobs require unusual stamina, strength or tolerance of hard working conditions. A physical examination reveals whether or not a candidate possesses these qualities. It brings out deficiencies, not as a basis of rejection but as a positive aid to selective placement and as indicating restrictions on his transfer to other positions.

5) Reference and Background Verification: Many organizations ask the candidates to provide the name of referees from whom more information .about the candidates can be solicited. Such information may be related to character, working, etc. The usual referees may be previous employers, persons associated with the educational institutions from where the candidates have received education or other persons of prominence who may be aware of the candidate's behaviors and abilities.

6) Approval by Appropriate Authority or Hiring Decisions: On the basis of the above steps, suitable candidates are recommended for selection by the selection committee or personnel department. Though such a committee or personnel department may have authority to select the candidates finally, often it has staff authority to recommend the candidates for selection to the appropriate authority. Organization may designate the various authorities for approval of final selection of candidates for different categories of candidates. When the approval is received, the candidates are informed about their selection and asked to report for duty to specified persons.

7) Placement: After all the formalities are completed, the candidates are placed on their jobs initially on probation basis. The probation period may range from 3 months to 2 years. During this period, they are observed keenly and when they complete this period successfully, they become the permanent employees of the organization.

Q. What is the Significance of Selection Procedure?

The selection procedure adopted by an organization is mainly tailor made to meet its particular needs. The thoroughness of the procedure depends on three factors:

1) Nature of the Selection: Whether faulty or safe, because a faulty selection affects not only the training period that may be needed, but also results in heavy expenditure on the new employee and the loss that may be incurred by the organization in case the job occupant fails in their job.

2) Policy of Company and the Attitude Management: As a practice, some companies usually hire more the actual number needed with a view to remove the unfit persons from the jobs.

3) Length of the Probation or the Trial Period: The longer the period, the greater the uncertainty in the minds of the selected candidates about their future.

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Q. What are the Outcomes of the effective Selection Decision ?

Success	**False Negative Error**	**True Positive (High Hit)**
Failure	**True Negative (Low Hit)**	**False Positive Error**
	Failure Predicted	**Success Predicted**

The figure above shows four probable outcomes of selection decision. Two of these "true positive" (high hit) and "true negative"(low hit) are right selection decisions. The other two outcomes represent selection errors. In the "false positive", a decision is made to hire an applicant based on predicted success, but failure results. In "false negative error", applicant who would have succeeded on actual job is rejected based on prediction of failure. In either case, selectors will have erred. An organization where selectors make a false positive error incurs three types of costs:

i)This cost is incurred while the person is employed. This can be the result of production or profit losses, damaged company reputation, accidents due to negligence, absenteeism etc.

ii)This type of cost is associated with the training, transfer or terminating the services of the employee.

iii) The third type is cost of replacing an employee with a fresher, the cost of hiring, training and replacement. Generally, the most important the job, the greater is the cost of the selection error.

In the case of “false negative error”, an applicant who would have succeeded is rejected because of predicted failure. Most of the false negative errors go unnoticed except when the applicant belongs to a reserve category and files a discrimination charge. Costs associated with this type error are generally opportunity costs which are difficult to estimate.

Tests

- **Intelligence test:**

  These are mental ability. They measure the incumbent’s learning ability and also the ability to understand instructions and make judgment. The basic objective of intelligence tests is to pick up employees who are alert and quick at learning things so that they can be offered adequate training to improve their skills for the benefit of the organization.

- **Aptitude test:**

  Aptitude test measured an individual's potential to learn certain skills- clerical, mechanical, mathematical etc. these tests indicate whether or not an individual has the ability to learn a given job quickly and efficiently. In order to recruit efficient office staff, aptitude tests are necessary. Ex- clerical test, for example, may measure the incumbent's ability to take notes, perceive things correctly and quickly locate things, ensure proper movement of files.

- **Personality test:**

  Of all the tests required for selection, personality tests have generated lot of heat and controversy. The definition of personality, methods of measuring personality factors and the relationship between personality factors and actual job criteria have been the subject of much discussion. There are three types of personality test

  Projective test: interpret the picture or situation based on your own attitude, motives and values. These test expect the candidates to interpret problems or situation based on their own motives, attitudes, value etc. many personality tests are projective in nature.

- **Thematic appreciation test (TAT):** The testee is shown a picture and is asked to make up a story based on the picture. The responses are analyzed and a profile of personality is developed. These are design to measure what the applicant can do on the job currently. whether the testee actually knows what he or she claims to know. Ex- typing proficiency, a shorthand test measures It is also known as work sampling test. Two type. 1. motor . Involving physical manipulation of things, 2. verbal , involving problem, situations that are primarily language oriented.

- **Interest test: these** are meant to find how a person in tests compare with the interest of successful people in a specific job. These tests show the areas of work in which a peson is most interested. The basic idea behind the use of interests tests is that people are most likely to be successful in jobs they like.

- **Preference test:** these tests try to compare employee preferences with the job and organizational requirements. The job diagnostic survey developed by Hackman and Oldham, is an example of a preference test.

  - **Achievement test:** these are designed to measure what the applicant can do on the job currently. i.e whether the testee actually knows what he or she claims to know. Typing test shows typing proficiency, a shorthand test measures the testee; ability to take dictation and transcribe etc.

- **Simulation tests:** it is a test which duplicate many of the activities and problems an employee faces while at work. Such exercise are commonly used for hiring managers at various level.
- **Assessment center:** it is an extended work sample. It uses procedures that incorporate group and individual exercise. These exercises are designed to stimulate the type of work which the candidate will be expected to do.

1. **In basket- exercise:** here the candidate is faced with an accumulation of reports, memos, letters and other materials collected in the in-basket of the simulated jobs he is supposed to take over. He is asked to take necessary action within a limited amount of time on each of these materials , say, by writing letter, notes, agenda for meeting within a limited time. Measure oral, written, skills, planning, Decisiveness., initiative and organizing skills.
2. **Business games:** here participants try to solve the problems, usually as members of two or more simulated companies that are competing in the market place. Decision might include how to advertise and produce, how to penetrate the market, how much to keep in stock. Participants thereby exhibit planning and organizational abilities, interpersonal skills and leadership abilities.
3. **Individual presentation:** participants are given a limited amount of time to plan, organize and prepare a presentation on an assigned topic. This exercise is meant to assess the participants' oral communication skill, self-confidence, persuasive abilities.

- **Graphology tests:** It involves using a trained evaluator to examine the lines, loops, curves and flourish in handwriting to asses the personality and emotional make-up.
- **Polygraph test:** consists of a rubber tube around the chest, a cuff round the arm, and sensors attached to ginger that record the physiological changes in the examine as the examiner puts questions that call for an answer of yes or no.
- **Integrity test: these are designed to** measure employee honesty to predict those who are more likely to steal from an employer)
- have you ever told a lie?
- do you report to your boss if you know of another employee stealing from the store?
- Do you carry office stationary back to your home for occasional use?

- Do you mark attendance for your college also?

Q. What do you mean by Selection interview? Discuss the selection interview briefly.

Interview is the oral examination of candidates for employment. This is the most essential steps in the selection process. In this step , the interviewers tries to obtain and synthesize information about the abilities of the interviewee and the requirement of the job.

Types of interviews:

- **Non- directive interview:** These **interview questions** are open-ended and give you the opportunity to decide what direction you will take in answering them.

1. Tell me about yourself?
2. What are your long-term goals?
3. How do you define success?
4. What is your philosophy of life?
5. What are your strengths and weaknesses? Please give examples.
6. Why do you want this job?

- **Directive or structural interview:** These **interview questions** are usually based on your resume.
   1. What kinds of work have you done which would prepare you for the duties of this position?
   2. What kinds of machines/equipment can you operate?
   3. How does your education equip you for the job at hand?
- **Situational interview:** During a nondirective interview, you could be asked to render your expert advice on a challenge the organization is facing. For example, "Our company's technology solutions are fast becoming obsolete and we'd like to integrate cloud computing into our network to expand our capabilities and capacity for information. Tell me about organizations you've dealt with that are having the same issues and the advice you've provided. This is a situational, nondirective interview question because it requires the candidate to demonstrate an area of functional expertise, but doesn't set parameters for how the candidate should respond.
- **Behavioural interview:** Focuses on actual work incidents in the applicant’s past. Ex- how he disciplined an employee who was smoking inside the factory premises.
- **Stress interview: in the stress interviewer** attempts to find how applicants would respond to aggressive, embarrassing, rude and insulting questions. The whole exercise meant to see

whether the applicant can cope with highly stress- producing, anxious and demanding situations while ate work, in a calm and composed manner.

- **Panel interview:** in a typical panel interview, the applicants meets with three to five interviewers who take turns asking questions. After the interview, the interviewers pool their observations to arrive at a consensus about the suitability of the applicant. The panel members can ask new and incisive questions based on their expertise and experience and elicit deeper and more meaningful responses from candidates.

Q. Define the term Induction .

Induction: An induction programme is the process used within many businesses to welcome new employees to the company and prepare them for their new role. Induction serves the following objectives:

- **Removes fears:** a newcomer steps into an organization as a stranger. He is new to the people, workplace and work environment. He is not very sure about what he is supposed to do. Induction helps a new employee overcome such fear and perform better on the job. It assists him in knowing more about:

- The job, its content, policies, rules and regulations.
- The people with whom he is supposed to interact.
- The terms and conditions of employment.
- **Creates and good impression:** another purpose of induction is to make the newcomer feel at home and develop a sense of pride in the organization. Induction helps him to :

- Adjust and adapt to new demands of the job.
- Get along with people.
- Get off to a good start.
- **Acts as a valuable source of information:** induction serves as valuable source of information to new recruits. It classifies many things through employee manuals. Informal discussion with colleagues may also clear the fog surrounding certain issues.

Q. Discuss the Induction programme steps followed by every organization.

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

1. Welcome to the organization
2. Explain about the company

3. Show the location/ department where the new recruit will work
4. Give the company’s manual to the new recruit.
5. Provide details about various work group and the extent of uniform within the company.
6. Give details about pay, benefits, holiday, leave etc. emphasize the importance of attendance or punctuality.
7. Explain about future training opportunities and career prospect.
8. Clarify doubts, by encouraging the employee to come out with questions.
9. Take the employee on a guided tour of building, facilities.

Induction programme topics:

Organizational issues:

- History
- Nam and titles of key executives
- Employees' title
- Layout of physical
- Probationary period
- Product and service offered
- Overview of production process
- Company policies and rules
- Disciplinary procedures
- Employees 'handbook
- Safety steps

Employee benefit:

- Pay scales, pay days
- Vacations, holidays
- Leave
- Training avenues
- Counselling
- Insurance, medical, recreation, retirement benefits.

Job duties:

- Location
- Job tasks
- Job safety needs

- Job objectives
- Relationship with other jobs

Introductions :

- To supervisors
- To co- workers
- To trainers
- To employee counselor

Q. What do you mean by Socialization?

socializations is a process through which a new recruit begins to understand and accept the values, norms, and beliefs held by others in the organization. HR department representatives help new recruits to "internalize the way things are done in the organization.". orientation helps the newcomers to interact freely with employees working at various levels and learn behaviors that are acceptable. Through such formal and informal interaction and discussion, newcomers begin to understand how the department is run, who holds power and who does not, who is politically active within the department.

Q**. Discuss about the types of socialization.**

Besides the involvements of various agents during this process, different types of socialization can be identified and these help us to assess the contribution of these agents in the process.

1. **Primary socialization:**

The first one is known as primary socialization and it refers to basic socialization that takes place between the individual and a group of people with whom he/she has intimate contact. This is mostly prevalent during childhood and it is normally the family and peer group who are involved.

2. **Secondary socialization:**

The second one is known as secondary socialization and this occurs in usually more formal situations, which are not personal. Secondary socialization comes to take over when agents of primary socialization seem to decrease in their influence. Some major powerful agents of secondary socialization are the school, the mass media and the workplace.

3. Adult socialization:

Adult socialization, since the individual can discard old ways for new ideas, attitudes, perceptions, priorities and objectives. This is because the individual adults have more choices over the activities they are engaged into and can definitely control over the content and direction of their socialization.

4. Anticipatory socialization:

Anticipatory socialization is another form of socialization that tend to take place when the individual anticipate some future roles and this occurs when, for instance, an individual visualizes himself/herself as being a parent before he/she actually becomes one or a child imitating the roles of her mother preparing the dinner or his father going to work while playing with his/her peers. Adolescence is also a period of anticipatory socialization since aspirants of a particular social role might begin to discern what it will be to occupy this position.

5. Resocialization:

Resocialization, on the contrary, refers to the acquisition of a new social position or status in society. This process can be deliberate and done with the consent of the individual or be imposed against the will of the individual. Some examples of resocialization done at free will can be an alcoholic, drug addict or HIV/AIDS patient looking for help in a rehabilitation center with his/her consent or own willingness. But resocialization can become constraining when, for instance, an individual is forced to certain settings that will eventually demand that he/she learn new ways of life. Resocialization can also take place in certain religious sects or organisation that brainwash their members so that the latter follow certain norms and beliefs.

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Module- II

Q. Define the Concepts of Career?

Career Planning is the systematic process by which one selects career goals and the path to these goals. From the organization's viewpoint, it means helping the employees to plan their career in terms of their capacities within the context of organization's needs. It involves designing an organizational system of career movement and growth opportunities for employees from the employment stage to the retirement stage. Individuals who can fill planned future positions are identified and prepared to take up these positions. It is a managerial technique for mapping out the entire career of young employees. It requires discovery, development, planned employment and re-employment of talents.

According to Edwin B. Flippo, "A career as a sequence of separate but related work activities that provide continuity, order and meaning in a person's life" to Douglas T. Hall, "An individually perceived sequence of attitudes and behaviors associated with work related experiences and activities over the span of the person's life".

Q. Point out some Characteristics of Career Planning .

The main characteristics of career planning are:

1) Participative Process: Career planning is a participative process and under it, job assignments are based on merit alone. This helps to improve employee morale and productivity.

2) Involve Survey of Employee's Abilities .and Attitudes: Career planning involves a survey of employee's abilities and attitudes. It becomes possible, therefore, to group together people talking on a similar wavelength and place them under supervisors who are responsive to that wavelength. This results in more homogenous or cohesive work teams. The organization can identify the employee who can be promoted from within.

3) Developmental Process: Career planning is a process of developing human resources, rather than event. It is not an end in itself but a means of managing people to obtain optimum results.

4) Continuous Process: Career planning is a continuous process due to changing environment.

5) Pervasive Process: Basically, career planning is an individual's responsibility. But it is the responsibility of an organization to provide guidance and counseling to its employees in planning their careers and in developing and utilizing their knowledge and skills. Goals of employees should be integrated with the organizational goals.

Q. Discuss the various Objectives of Career Planning ?

Career planning seeks to achieve the following aims:

1) To Attract and Retain the Right Type of Persons: Career planning helps to retain hard-working and talented employees. Workforce becomes more stable due to low employee turnover. The very fact that the organization provides opportunity for promotion and career progress increases the loyalty of employees. This helps to reduce the cost of hiring new people. Moreover, a unique corporate culture can develop and thrive, when people grow inside the organization.

2) To Develop an Awareness of Each Employee's Uniqueness: Career planning maps out careers of employees suitable to their ability, and their willingness to be trained and developed for higher positions.

3) To Provide Guidance and Encourage Employees: Career planning provides guidance and encourages employees to fulfill their potentials. It also identifies personal interests, abilities, strengths and weaknesses and how they relate to careers.

4) To Anticipate Future Vacancies: Career planning anticipates the future vacancies that may arise due to retirement, resignation, death, etc., at managerial level. Therefore, it provides a fairly reliable guide for manpower forecasting. A forward career plan helps to avoid dislocation in managerial positions.

5) To Facilitate Expansion and Growth of Enterprise: Career planning facilitates expansion and growth of the enterprise. The employees, required to fill job vacancies in future, can be identified and developed in time. Through systematic career planning, jobs enlargement can be introduced to meet future needs arising from job design and technological changes. It also helps to achieve higher productivity and organizational development.

6) To Utilize Managerial Talent Available at all Levels within the Organization: Career planning ensures better use of human resources through more satisfied and productive employees. It also ensures that promising persons get experiences that will equip them to reach responsibility for which they are able.

7)To Integrate Individual and Organizational Needs: The basic aim of career planning is integration of individual and organizational needs. Career Planning identifies positive characteristics about employees, which can harnessed for organizational development. It helps in understanding of the relationship between personality and occupational/professional goals and how they can be aligned to organizational mission and objectives.

8) To Improve Employee Morale and Motivation: Career planning improves employee morale and motivation by matching skills to job requirements and by providing opportunities for promotion.

Q. What are the Need for Career Planning?

1) To attract competent persons and to retain them in the organization.

2) To provide suitable promotional opportunities.

3) To enable the employees to develop and take them ready to meet the future challenges.

4) To increase the utilization of managerial reserves within an organization.

5) To correct employee placement.

6) To reduce employee dissatisfaction and turnover.

7) To improve motivation and morale.

Q. Explain the Career Planning Process in an organization.

Career planning is not an event or an end in itself but is a process of human resource development. Being a process, career planning involves certain steps as shown in figure below:

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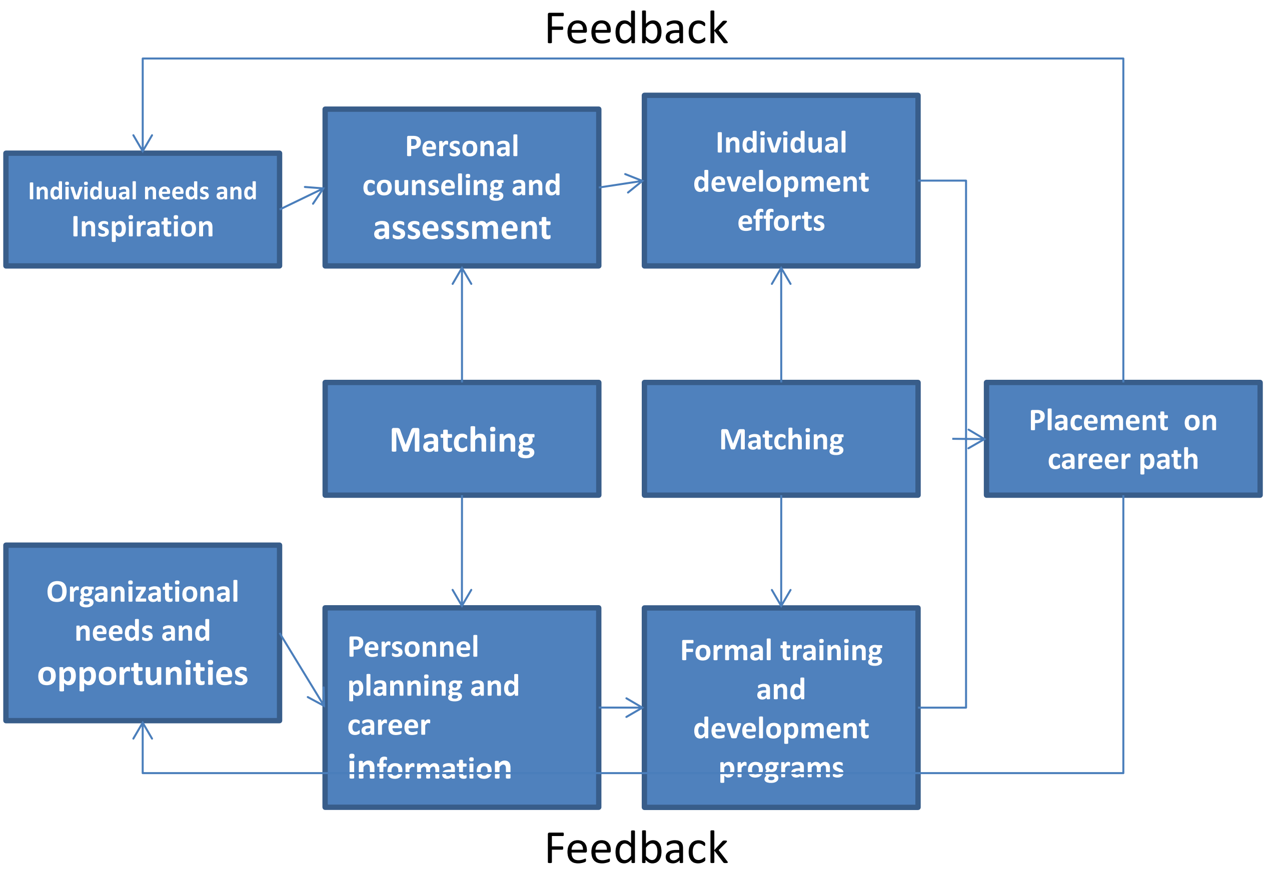
A Career Planning



1) Identification of Individual Needs and Aspirations: When an individual joins an organization as an employee, he wants to fulfill his own needs and aspirations. His needs and aspirations may be expressed in forms such as earning more money, achieving status in the society, challenging jobs, higher responsibility, career progression, and so on. Career planning meant for an individual should aim at providing such a satisfaction. Therefore, identification of these needs and aspirations may be taken as a starting point from the view of an individual.

2) Identification of Organizational Needs and Opportunities: When individuals emphasize personalizing process, an organization emphasizes socializing process. Socializing process is that by which an organization makes individuals agents for achieving its own objectives. Thus, while going through career planning process, the organization is concerned with own needs and the opportunities that it can provide to individual employees.

If an organization prepares its long-term human resource plan, it will come to know what kind of opportunities it can provide to employees. Therefore, the organization may not be in a position to provide career desired and demanded by every individual in the organization. This phenomenon may be delirious to both the organization and individuals. However, much impact of this phenomenon can be overcome at the stage of employee recruitment and selection where emphasis can be placed on matching between individual needs and aspirations and organizational needs and opportunities. The nature of organizational jobs are changing fast in which people have to match jobs with their multi-skilling rather than matching jobs with· individuals.

3) Assessment of individual's Strengths and Weaknesses: Before finalizing career plan for an individual and placing him on career path, it is necessary to assess his strengths and weaknesses. Every individual has certain strengths and weaknesses. Therefore, there is a need for objective assessment of individual strengths and weaknesses in the light of organizational needs and opportunities. While assessing strengths, it should be borne in mind that strengths are not fixed features but go on changing over the period of time because of continuous learning. Therefore, strengths should be assessed both in terms of present and potential (in terms of learnability and motivation to learn).

4) Placement on Career Path: The next step of career planning process is to place an individual on a chosen career path. A career path is the logical possible sequence of positions that could be held by an individual based on how he performs in the organization. Placing an individual on a career path indicates how the individual will progress to those positions. This placing is essentially determined by the alignment of individual needs, his strengths and weaknesses, and organizational opportunities. Thus, a career plan emerges for each employee of the organization.

5) Review of Career Plans: Career plans, emerging out of career planning exercise, have long-term orientation. A career plan is developed based on assumptions about how the environment relevant to human resource management will behave in future. However, whatever .the techniques for forecasting HRM environment are used, such a forecast may not always match with the actual environmental happenings. Therefore, there may be inbuilt system of reyiewing the career plans periodically in the career planning itself. A periodic review of career plans is necessary to know whether the career plans are contributing to the effective utilization of human resources or not. Review will also enable the employees to know in which direction the organization is moving, what changes are likely to take place, and what skills are needed to adapt to the organizational needs.

Q. What are the various Benefits of Career Planning ?

1) Career Planning Benefits to Employees: A properly designed and implemented system of career planning can provide the following benefits to employees:

i)Explicit Career Path: Career planning helps an employee to know the career opportunities available in an organization. A person comes to know in advance the level to which he can rise and the potential and aptitude he has. This knowledge enables the employee to select the career most suitable to his potential and aptitude. It also encourages him to avail the training and development facilities in the organization so as to improve his ability to handle new and higher assignments.

ii) Focused Self-Development: Contrary to popular belief that an organization develops its employees, the fact is that employees develop themselves more through self development methods. Once an individual is clear about his career path, he can make concerted efforts to develop himself by using a variety of methods. This self-development, based on explicit career path, takes the individual to a much greater height than what could have been possible otherwise.

iii) Increased Productivity: Career unrest, which means dissatisfaction with work content of the chosen career is a major source of decreased productivity. On the other hand, positive work content of the chosen career is a major source of increased productivity because work content is an intrinsic factor, and an intrinsic factor is valued more by people than an extrinsic factor. They derive meaning out of what they do. On accomplishing the work, people develop a feeling that they have achieved something meaningful for themselves, organization, and society. This feeling leads to higher motivation to work, increased potential for self-development, and ultimately increased productivity. Through proper career planning, an individual can ensure a work content that he likes.

2) Career Planning Benefits to Organization:

i) Assured Availability of Talent: Successful organizations put emphasis on developing new managers internally by promotion from within. For developing managers internally, it is essential that there is a well-worked out career path for every manager and every manager is developed to proceed effectively on this career path. From this point of view, organization-wide career planning becomes a pre-requisite. Working with individual employees to help them align their needs and aspirations with those of the organization increases the probability that the right people will be available to meet the organization's changing human resource requirements.

ii) Attracting and Retaining Talent: Talented people are always scarce and they can be attracted and retained in the organization only when the organization ensures them a bright future. This can be done to a very large extent by effective career planning. An organization with well-designed career plans has a better image in the job market. Therefore, it can attract competent employees. As more individuals seek jobs that offer challenge, responsibility, and opportunity for advancement, effective career planning becomes increasingly necessary, Not only career planning helps in attracting talented people, it also helps in retaining these people by matching personal and work requirements.

iii)Promoting Organizational Image: Every year, some kind of survey is conducted by professional associations to identify the best employer in a country or in a geographical region. In this survey, high weightage is given to "matching individual and job requirements". The phenomenon of matching individual and job requirements emerges out of effective career planning. In fact, employees are one of the best media to project the image of an organization.

iv) Protecting Interests of Special Groups of Employees: An organization, being a social entity, is responsible for the society at large. Therefore, it has to take care of those social groups which are in disadvantageous position like women, weaker section of the society, physically handicapped, ex-service men, and so on. There is a social necessity to bring these groups at par with others. From the organizational side, this can start at human resource planning followed by career planning and development.

Q. Every function has certain limitation. Discuss the various Limitations of Career Planning .

They are as follows:

1) Dual Career Families: With the increase in career orientation among women, number of female employees is on increase giving rise to the dual career families. So whenever a spouse is transferred to a different city, the other also seeks transfer making career planning a complicated problem for organizations. Consequently, other employees may be at disadvantage.

2) Low Ceiling Careers: Some careers do not have scope for much advancement. Employees cannot get promotions despite their career plans and development in such jobs.

3) Declining Career Opportunities: Career opportunities for certain categories reach the declining stage due to the influence of the technological or economic factors. Career shift is the only solution for such problem.

4) Downsizing/Delayering and Careers:-Business process reengineering, technological changes and business environmental factors force the business firms to restructure the organizations by delayering and downsizing. Downsizing activities result in fixing some employees, and degrading some other employees.

Q. Define the term Training .

Training is the important subsystem of human resource development. Training is sspecialized function and is one of the fundamental operative functions of human resource management.

Training is a short-term process utilizing a systematic and organized procedure by which non-managerial personnel acquire technical knowledge and skills for a definite purpose. It refers to instruction related to technical and mechanical operations, like operation of some machine. It is designed primarily for non-managers; it is for a short duration and it is for a specific job-related purpose.

According to Dale S Beach, "Training is the organized procedure by which people learn knowledge and skill for a definite purpose".

Michael Armstrong points “training is the systematic modification of behavior through learning which occurs as a result of education, instruction, development and planned experience”.

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

Q. Write down certain Objectives of Training.

Every organization, irrespective of the size or nature of operations, needs to provide training to the organizational members at various stages of their career with the following objectives:

1) Enhancing Employee Performance: Imparting new skills help in performance enhancement of the employees assigned with specific tasks. Training helps to bridge the gap between actual performance and expected performance.

2) Updating Employee Skills: In the changing environment, technological changes are taking place at a faster rate. Organizations must keep a track of the speed and direction of changes. It is the organizational and moral responsibility of the management to keep employees equipped with the knowledge and skills required to cope with technological changes. Training systems enable employees to update their abilities and integrate the technological changes successfully into organizational systems and processes.

3) Avoiding or Delaying Managerial Obsolescence: A manager's inability to cope with technological advancements is referred to as managerial obsolescence, as it is the management's failure to adopt new methods and processes. The obsolescence, in turn, retards organizational performance; Rapid changes affect the business scenario in regard to technical, legal, and social environments, impacting the way managers perform their jobs. Those who do not adapt become obsolete and ineffective.

4) Preparing for Promotion and Managerial Succession: An employee acquires new skills in a training program. He/she accepts challenging tasks and does not hesitate to assume higher responsibilities. Training makes the transition of the employee from the present job to the next job easier, faster and smoother.

5) Motivating and Preventing Employee Attrition: An employee needs continuous development to move along the career path as per the career planning. Training motivates and reinstates organizational commitment. Managers must provide adequate training facilities to all the employees, particularly to the promising ones.

6) Gaining Organizational Excellence: Knowledge, skill, and motivation are the dominant determinants of human performance. A trained person needs less time and attention from the supervisor as training makes him/her self propelled. Thus, training substantially saves the time of supervisors. Training, additionally, reduces accident rates, break-down of machines and facilities, rejections and wastes, and enhances labor and material productivity. These factors improve organizational stability through the creation of a reservoir of a knowledgeable and skilled workforce who can help an organization to sustain the competitive edge and advantages.

Q. What is the difference between Training and Development ?

Basis	Training	Development
Nature	**Training focuses on technical, mechanical oriented operations.**	**Development focuses on theoretical skill and conceptual ideas.**
Emphasis	**Training is concerned with specific job skills and behaviour.**	**Is concerned with related enhancement of general knowledge and understanding of non-technical organization functions.**
Relevance	**It is mostly for non-managers.**	**It is mostly for managers and executives.**
Focus	**It focuses on current jobs.**	**This prepares for future jobs.**
Goals	**It focuses on short-term gains.**	**Development focuses long-term accruals.**
Orientation	**The training is job-oriented process and is vocational in nature.**	**It is general in nature and strives to inculcate initiative, enterprise, creativity, dedication and loyalty amongst executives.**

Process	**Training is one shot deal.**	**Development is a continuous on-going process.**
Growth Opportunity	**Training may result in enhancement of a particular job skill.**	**May result in personal growth and development of ove**
Motivation	**Training is the result of organizational initiative and hence motivation is extrinsic.**	**The motivation is intrinsic for development.**
Classification	**Classified into two types: On-the job and off-the job training.**	**No such classification.**
Voluntary/Imposed	**Is generally imposed.**	**Development activities are generally voluntary.**
Relationship with Career Development Evaluation	**The employees may have no clear perception of the relationship between learning and career development. Evaluation for training is considered to be essential.**	**The employees have experience and knowledge of direct relationship between self-development & career process. No evaluation for development is possible.**

Q. **What is Training need analysis? Why it is essential for an organization before conducting any training session for an employees?**

Need for Training

Every organization should provide training to all employees irrespective of their qualification, skill, suitability for the job etc. Further, technological changes, automation, require up-dating the skills and knowledge and the organization has is bound to retrain the old employees. Specifically, the need for training arises due to the following reasons:

1)To Match the Employee Specifications with the Job Requirements and Organizational Needs: An employee's specifications may not exactly suit to the requirements of the job and the organization irrespective of his past experience, qualifications, skills, knowledge etc. Thus, management may find deviations between employee's present specifications and the job requirements and organizational needs. Training is needed to fill these gaps by developing and molding the employee's skill, knowledge, attitude, behavior etc. to the tune of job requirements and organizational needs.

2) Organizational Viability and the Transformation Process: The primary goal of most of the organizations is their viability and efficiency. But the organizational viability is continuously influenced by environmental pressures. If the organization does not adapt itself to the changing factors in the environment, it will lose its market share. If the organization desires to adopt these changes, first it has to train the employees to impart specific skills and knowledge in order to enable them to contribute to the organizational efficiency and to cope with the changing environment.

3) Technological Advances: Every organization, in order to survive and to be effective, should adopt the latest technology i.e. mechanization, computerization and automation. Technology alone does not guarantee success unless it is supported by people possessing requisite skills. So, organization should train the employees to enrich them in the areas of changing technical skills and knowledge from time to time.

4) Organizational Complexity: With the emergence of increased mechanization and automation, manufacturing of multiple products and by products or dealing in services of diversified lines, extension of operations to various regions of the country or in overseas countries, organization of most of the companies has become complex. This situation calls for training in the skills of co-ordination, integration and adaptability to the requirements of growth, diversification and expansion.

5) Change in the Job Assignment: Training is also necessary when the existing employee is promoted to the higher level in the organization and when there is some new job or occupation due to transfer. Training is also necessary to equip the old employees with the advanced disciplines, techniques or technology.

Training is also needed to:

i) Increase productivity,

ii) Improve quality of the product/service,

iii) Help a company to fulfill its future personnel needs

iv) Improve organizational climate,

v) Improve health and safety,

vi) Prevent obsolescence,

vii) Effect personal growth,

viii) Minimize the resistance to change.

Q. What are the various areas of Training?

The areas of training in which training is offered may be classified into the following categories:

1) Knowledge: Here the trainee learns about a set of rules and regulations about the job, the staff and the products or services offered by the company. The aim is to make the new employee fully aware of what goes inside and outside the company.

2) Technical Skills: The employee is taught a specific skill (for example, operating a machine, handling computer etc.) so that he can acquire that skill and contribute meaningfully.

3) Social Skills: The employee is made to learn about himself and others, develop a right mental attitude towards the job, colleagues and the company. The principal focus is on teaching the employee how to be a team member and get ahead.

4) Techniques: This involves the application of knowledge and skill to various on the job situations.

Q. Define TNA.

According to Allison Rossett, "Training need assessment is the systematic effort that we make to gather opinions and ideas from a variety of sources on performance problems or new systems and technologies".

A "training needs assessment", or "training needs analysis", is the systematic method of determining if a training need exists and if it does, what training is required to fill the gap between the standard and the actual performance of the employee.

A needs assessment is the process of identifying performance requirements and the "gap" between what performance is required and what presently exists.

Q. what is the Purpose of TNA ?

The following are the reason of training needs assessment:

1) To identify performance requirement or need within the organization in order to help in directing resources to the area of greatest need.

2) To improve productivity of the employee.

3) To provide quality goods and services.

4) To fulfill the objective and goal of the organization.

5) It determines the benchmark for evaluation of training.

6) To identify the gap between the prevalent employee's skills and skills required for effective current performance.

7) To reduce the cost and time on training program.

8) To align the training activities with the overall strategic plan of the organization.

9) It increases the motivation of the participants.

10) To identify the working environment for HRD activity.

Components of Needs Assessment

Training needs can be expressed in terms of components such as information, knowledge, skills and competencies, attitudes, and values. This categorization is helpful in converting the training needs into topics, training areas, and modules, and provides a sound basis for determining the nature of inputs required, by voicing two major concerns:

1) How each type of training need emerges?

2) How each type of training need is catered to?

1) **Information:** Information can be provided in the form of study material or documents. These may be given in advance or as a part of the training kit. However, it is important that the participants know about the use and application of the information.

Examples of such a kind of training need involve lack of information about:

i) Legal provisions or legislation,

ii) Job specifications,

iii) Staff rules and regulations, and

iv) Performa for completing performance report.

2) Knowledge: Knowledge means dynamic and analytical understanding of theories, concepts, principles, and issues related to the job of the participants and their application to specific situations in the performance of the job or in social interactions. Development of knowledge in a training program means becoming familiar with interpretations of different theories. They also establish a functional linkage between knowledge and actions in discharge of their functional responsibilities.

Examples of this kind of training need would involve lack of knowledge of the following: i) Principles of effective management,

ii) Concepts like Kaizen, Six Sigma, TPM, ISO 14001, etc.

iii) Dynamics of human behavior,

iv) Strategies and approaches to development,

v) Theories on Leadership, Team Building, Conflict Management, Reward System, etc.

3) Skills and Competencies: Skills and competencies are manifested in any action, whether in the actual performance of a job-related task or in any other aspect of life. Here, it is necessary to make a distinction between physical and mental skills. Technical training emphasizes development of physical skills. For example, driving a motorcycle, operating a machine, conducting agricultural operations, or flying an aircraft.

However, if an individual has the capability to plan a project or construct an instrument for carrying out a survey, the relative skills could be referred to as mental skills. In a training program, skills or competencies are developed through exercise and practice. The ways in which it is facilitated is left to the decision of the trainer, keeping in view the nature of the assignment and the level of participants.

4) Attitudes and Values: The extent to which a training program emphasizes development of attitudes and values, depends on the nature and scope of training. Some ‘Personal Development Programs’ may specifically aim to bring about changes in the behavior patterns and personal traits of the participants through laboratory training and specially designed exercises. Training will involve identifying desirable attitudes and values that contribute to the improvement of work climate and the participant's relationships with subordinates, colleagues, and supervisors.

Q. Discuss the various Levels of Need Assessment?

There are three levels of needs assessment:

1) Organizational analysis,

2) Task analysis, and

3) Individual analysis.

Organizational Analysis

Training need analysis at organizational level focuses on strategic planning, business need, and goals. It starts with the assessment of internal environment of the organization such as, procedures, structures, policies, strengths and weaknesses, and external environment such as opportunities and threats.

After doing the SWOT analysis, weaknesses can be dealt with the training interventions, while strengths can further be strengthened with continued training. Threats can be reduced by identifying the areas where training is required. And, opportunities can be exploited by balancing it against costs.

For this approach to be successful, the HR department of the company requires to be involved in strategic planning. In this planning, HR develops strategies to be sure that the employees in the organization have the required Knowledge, Skills, and Attributes (KSAs) based on the future KSAs requirements at each level.

Organizational analysis focuses on the strategies of the organization, the resources in the organization, the allocation of these resources, and also the total internal environment. According to Goldstein, an organizational analysis should identify:

1) Organizational Goals: Understanding the organization's goals and strategy, is the starting point for the organizational analysis. Areas where the organization is meeting its goals are not and areas where goals are not being met will be an input for deciding improvement areas or potential problem areas. Further examination of the areas where goals are not being met will provide insight for HRD or any managerial intervention.

2) Organizational Resources: Awareness of the resources of the organization and the allocation of resources is very useful for establishing the HRD needs. Amount of money available for such activities, facilities, materials on hand, and the expertise available within the organization all go about to influence how HRD is conducted.

3) Organization Climate: The climate within the organization is very much important for the success of any HRD intervention. The climate may reveal the factors in the internal environment that may cause the problem. For example, lack of trust between members of the organization, misunderstanding and non-co operational if prevalent in the organization will not be conducive for effective training or transfer of training back to the job.

4) Environmental Constraints: These include legal, political, and social issues faced by the organization. Technological changes, market competition, economic conditions all have an impact on the HRD activities of an organization. For example, staff reduction in lieu of cost saving measure may propel HRD people to arrange training program for the retained staff to carry-out the additional work of the retrenched workforce.

Thus, organizational analysis identifies the organization goals, resources, climate, and the environmental constraints. This analysis will bring out where training and development effort is needed and also the organizational and environmental conditions that may affect the HRD effort. This analysis will also help in aligning the HRD effort with that of the organization's strategy and mission

Q. What are the Factors Affecting Organizational Analysis ?

Organizational analysis focuses on three factors to examine if training is the appropriate intervention to be taken-up by the HRD specialists, which are as follows:

1) The organization's strategic direction influences training to the extent that, in companies where training plays a significant strategic role, more money is invested in training and the training function is more likely to be structured as a virtual training organization or a corporate university.

2) Support of managers and peers for training activities is critical:

i) A key factor is a positive attitude among peers and managers about participation in training.

ii) Another key factor is managers' and peers' willingness to help to create opportunities to use new skills, knowledge, and behaviors back on the job and to make trainees aware of those.

3) Training resources, including money, time and expertise, need to be identified in the organizational analysis phase:

i) When external consultants will be used for training, a Request for Proposal (RFP), or a document outlining to potential consultants what services the company is seeking, the time line, funding, etc., may be made. This creates a standard set of criteria upon which to evaluate consultants.

ii) Questions to ask vendors and consultants include:

a) What type of experience does the company have?

b) What are the qualifications and expertise of their staff?

c) What evidence do they have that their programs have been effective?

iii) When choosing an external consultant, it is important to consider how customized the training will be to one's company.

When an organizational analysis is done in response to a particular performance discrepancy (reactive) it is usually of less magnitude than one done to match the strategic planning (proactive). Such an analysis could be triggered when a unit fails to meet the objective like drop in sales, production or increase in wastage or increased quality rejects, etc.

Techniques for Conducting Organizational Analysis

Techniques for conducting organizational analysis are as follows:

1) Literature Review: One way of conducting organization analysis is to do a literature review of the need analysis from the available organization documents. It would be advisable for an HRD specialist to continuously monitor the organization's environment, goals, and effectiveness by taking advantage of the information already collected by the organization. Some of the sources include organization goals and objectives, human resource manpower inventory, skill inventory, organization climate index, and exit interviews. Such document analysis itself will provide details as to where the HRD effort is needed. Such analysis will also help in ensuring the HRD efforts are in line with the overall organizational strategic orientation.

2) Employee Survey Administration: Administrating an employee survey is another method used for organizational analysis. This may bring out the organizational climate. These surveys can be designed by the organization or purchased commercially.

3) Interviews with Higher Officials: It may also bring out the objectives and resources available in the organization to the forefront. The questions that can be asked during an organizational need analysis phase are:

i) Are there any unspecified organizational goals that should be translated into training objectives?

ii) Are the various levels in the organization committed to the training objectives?

iii) Have the various participating units in the organization been involved with developing the program, starting with assessment of the desired end-result of the training?

iv) Are key individuals in the organization ready to accept the behavior of the trainees, and also to serve as models of appropriate behavior?

v) Will trainees be rewarded on the job for the appropriate learned behavior?

vi) Is training being utilized as a way of overcoming organizational problems or conflicts that actually require other type of solutions?

vii) Is top management willing to commit the necessary resources to maintain the organization and workflow while individuals are being trained?

As the environment in which organizations are operating is becoming more and more turbulent and competitive, it becomes essential for organizations to carry out such organization need analysis from time-to-time in order to be updated.

Task Analysis

Task analysis provides data about a job or a group of jobs and the knowledge, skil1s, attitudes and abilities needed to achieve optimum performance.

Training need analysis at operational level focuses on the work that is being assigned to the employees. The job analyst gathers the information on whether the job is clearly understood by an employee or not. He gathers this information through technical interview, observation, psychological test, questionnaires consisting of the closed ended as well as open-ended questions, etc. The job analyst also gathers information on the tasks needed to be done plus the tasks that will be required in the future. Based on the information collected, Training Need Analysis (TNA) is done.

Techniques for Conducting Task Analysis

Different approaches are given out by different researchers as to how to conduct a task analysis. These approaches are combined and provided as five step process, which are as follows:

Step 1: Overall Job Description: The first step in the process is to develop an overall description of the job that is being analyzed. This consists of major activities involved in performing the job and the conditions under which these activities are performed. If the job description is readily available in the organization, then it can be taken up for review. Proper and accurate JD is necessary for job analysis.

A job analysis is a systematic study of a job to identify the major components. It involves observing the job being performed, asking job incumbents and supervisors questions about the job, task, working condition, and KSAs, etc.

Step 2: Task Identification: Here the focus is on the behaviors performed within the job. The following information about the job is determined and described:

1) The major task within the job,

2) How the task should be performed, and

3) How the tasks are actually performed in day-to-day operation.

For an effective need analysis both performance standards and. performance variability are needed. That is, what should be done and what is done is analyzed. This activity allows the HRD professionals to identify discrepancy that should be remedied.

Step 3: Description of the KSA Needed to Perform the Task: Any task to be done successfully requires the employees possessing the adequate KSAs to perform the tasks. A thorough job analysis will contain this information which will be available in the job specification section.

If it is not available or if not updated, information required to perform the job is valuable to determine the preceding HRD efforts in the organization.

Step 4: Identification of the Area that can benefit from the Training Program: From the KSAs identified and listed for the job to be performed, those tasks and capabilities that could be trained through programs has to be identified. The important task identified in the previous step should be matched with the KSAs that could be trained. Based on the prioritizing, the candidate to be included for the training program has to be decided.

Step 5: Prioritize the Training Needs: The task and the KSA that could be benefited from training after being identified, the one which receives highest priority has to be taken-up in order of priority.

The next important activity in the TNA process is the task analysis which involves identifying the important tasks performed as well as the knowledge, skills, and behaviors that are required to perform those tasks. The task analysis will bring-out in what area or task the individuals' needs training.

Individual Analysis

Training need analysis at individual level focuses on each and every individual in the organization. At this level the organization checks whether an employee is performing at desired level or the performance is below expectation. If the difference between the expected performance and actual performance comes out to be positive, then certainly there is a need of training.

Techniques for Conducting Individual Analysis

Techniques for individual analysis include:

1) Performance Evaluation: Identifies weaknesses and areas of improvement.

2) Performance Problems: Productivity, absenteeism or tardiness, accidents, grievances, waste, product quality, down time, repairs, equipment utilization, customer complaints.

3) Observation: Observe both behavior and the results of the behavior.

4) Work Samples: Observe products generated.

5) Interviews: Talk to manager, supervisor and employee. Ask employee about what he/she believes he/she needs to learn.

6) Questionnaires: Written form of the interview, tests, must measure job-related qualities such as job knowledge and skills.

7) Attitude Surveys: Measures morale, motivation, satisfaction.

8) Checklists or Training Progress Charts: Up-to-date listing of current skills.

Methods of training (on-the-job and off-the-job training):

Training programmes are means of attaining desired objectives set for a training programme. In practice, a variety of training methods are employed for achieving these objectives. But, an organisation can not use all types of training methods for the reasons like cost involved and also their relevance to organisational needs. Hence, organisation needs to select a method or mix of methods to meet its training needs. The choice of training methods would depend on a variety of factors, such as purpose of training, nature of contents, relevance to the participants, level of trainees, competence of trainers and instructors, cost, etc.

Q. **Depending on the training results and the process employed to attain these, the**

various training methods adopted by an organization. Discuss the four groups of training methods.

1. On-the-job oriented training methods
2. Simulation methods
3. Knowledge-based methods
4. Experiential methods

Now, these are described one by one.

1. On-the-job oriented training methods

As the name itself denotes, methods included in this cluster are those whose main objectives are centered around the job, i.e., learning on the job itself by a variety of methods. The main methods which fall into this category are discussed here under:

(i) **On-the-job Training (OJT):** On-the-job training is probably the most common approach to training which can range from relatively unsophisticated "observe and copy" method to highly structured courses. In this method, the new employee is placed on a job and taught the skills necessary to perform it. A trainer or superior teaches the employee. Since trainee learns by observing and handling the job, this method is also termed as 'observing, and copying' or 'learning by doing'.

(ii) **Job Instruction Training (JIT) :** In this method, a trainer or supervisor gives instructions to an employee how to perform his job. This method of' training is appropriate for acquisition or improvement of motor skills and routine and repetitive operations. There are four steps involved in this form of training.

(a) **Preparation:** Trainee is prepared in terms of his existing skills, securing his interest and attention.

(b) **Presentation:** The trainee is presented job operations as a model to copy.

(c) **Performance:** The trainee is asked to try out the trainer's instructions.

(d) **Follow up:** The trainee does the job independently without supervision and gets feedback on the same.

(iii) **Coaching:** This is similar to the JIT. In this method, the superior teaches or guides the new employee about the knowledge and skills of a specifically defined job. The superior points out the mistakes committed by the new employee and then also give suggestions to improve upon. For coaching the trainee or new employee effectively, the superior must have interpersonal competence and be able to establish helping relationship with the trainee.

(iv) **Job Rotation:** In this method, a trainee moves from one job to another and from one department/division to another. This type of training method is more appropriate for developing multi skilling, operational flexibility, providing satisfaction from routine jobs and broadening the overall perspective of the trainee.

Off-the job training

2. Simulation Methods: Simulation is a technique which duplicates, as nearly as possible, the actual conditions encountered on a job. These methods have been most widely used in the aeronautical industry. The methods falling under this category are discussed as follows:

(i) **Role Play:** This is just like acting out a given role as in a stage play. In this method of training, the trainees are required to enact defined roles on the basis of oral or written description of a particular situation. This method is mostly used for developing interpersonal interactions and relations among the employees working in sales, marketing, purchasing and the supervisors who deal with people.

(ii) **Case Method:** The case is an actual event or situation on organisational problems which is a written description for discussion purpose. Trainees are asked to analyze the event or circumstances with an objective to identify the problem, trace out the causes for it and find out the solution to solve the problems. This method of training is based on this realization that, on many occasions in the real world, managers may not have all the relevant information with them before taking a decision. This is also called decision-making under uncertainty. Therefore, this method is suitable for developing decision-making skills among the top and senior level managers.

(iii) **Management Games:** The game is devised on the model of a business situation. Then, trainees are divided into groups who represent the management of competing companies. They make decisions just like these are made in real-life situations. Decisions made by the groups are evaluated and the likely implications of the decisions are fed back to the groups.

The game goes on in several rounds to take the time dimension into account.

(iv) **In-Basket Exercise:** This is also called 'In-Tray' method of training. This is built around the incoming mail of a manager. The trainee is presented with a pack of papers and files in a tray containing administrative problems and is asked to take decisions on these within a specified time limit. The decisions taken by the trainees are compared with one another. The trainees are provided feedback on their decisions. This forces them to reconsider their administrative actions and behavioural style. Here occurs the learning of trainee.

(v) **Vestibule Training:** This is a system in which employees learn their jobs on the equipment they will be using, but the training is conducted away from the actual work floor. This type of training is commonly used for training personnel of clerical and semi-skilled grades. The duration of training ranges from a few days to a few weeks. This method relates theory with practice.

3. **Knowledge-Based Method:** In this method, an attempt is made to impart employees' knowledge in any subject area covering the aspects like its concepts and theories, basic principles and pure and applied knowing of the subject. The common methods that fall into this category are described hereunder:

(i) **Lectures:** Lecture is by far the most commonly used direct method of training. In this method, the trainer provides knowledge to the trainees usually from prepared notes. Notes are also given to the trainees. This method is found more appropriate in situations where some information is required to be shared to a large number of audiences and which does not require more participation from the audience. It is a low cost method. The major limitation of this method is that it does not provide for active involvement of the trainees.

(ii) **Conferences/Seminars:** In this method, the trainer delivers a lecture on the particular subject which is followed by queries and discussions. The conference leader must have the necessary skills to lead the discussion in a meaningful way without losing sight of the topic or theme. This method is used to help employees develop problem-solving skills.

(i) **Programmed Instructions:** This is the recently developed technique based on the principle of positive reinforcement developed by B.F. Skinner. This technique is used to teach non- motor and behavioural skills. The subject matter to be learned is prepared and condensed into logical sequence from simple to more complex. The trainer monitors trainee's independent progress through the programme. The trainee gets instant feedback on his learning. However, this method is expensive and time consuming also.

4. Experiential Methods: The objective of these methods is to help an individual understand oneself and others. This is done through attitudinal change. Such understanding helps an individual understand the dynamics of human relationships in a work situation, including at times his managerial style. Some of the methods used for this purpose are:

(i) **Sensitivity Training:** Sensitivity training is also known by a variety of names such as T- Groups, laboratory training and encounter groups. (The "T" is for training). The objective of sensitivity training is to increase participants' insights into their behaviour and the behaviour of others by encouraging an open expression of feelings in the trainer guided T-group. This is based on this assumption that newly sensitized employees will then find it easier to work together amicably as a group or team. Sensitivity training seeks to accomplish its aim of increasing interpersonal openness, greater concern for others, increased tolerance for individual differences, enhanced listening skills, and increased trust and support. T-group meets continually for periods as long as 1 or 2 weeks. It is less artificial than role playing in as much as the trainee plays himself rather than a structured role. The first sensitivity training session was held in 1946 in the State Teachers College, New Britain, USA.

(ii) **Transactional Analysis:** It is a technique of training developed by Eric Berne and popularised by Thomas Harris of U .S.A. It is a tool of improving human relations and interactions, and of promoting rationale and mature behaviour. It identifies three main aspects of human personality: *Parent* (taught behaviour), *Adult* (thought behaviour), *Child* (felt behaviour). Its basic proposition is that people have to behave as adults, although sometimes parent and child behaviour is also useful depending upon the situations and the individual's personal need and goal. Adult behaviour is characterised by objectivity, problem-solving orientation, mutual respect and understanding. Parent behaviour takes the form of authoritarianism, protective and patronizing instances. Child behaviour pertains to rebellions, angry, dependence-oriented moods. Tantrums, though creative, spontaneous, obedient stances, are not ruled out.

This approach is useful for understanding people's behaviour particularly when they are involved in inter-personal relationships. Development of positive thinking, improvement in inter-personal relationships, proper motivation of people and organizational development are some of the important benefits of transactional analysis, as a technique of training.

To conclude, each method of training has some strengths and weaknesses. Given the purpose of a training programme, the level of participants, the competence of trainers, etc., the appropriate method has to be chosen to impart training. Carrol *et. al.* have conducted a study and measured the effectiveness of various training methods on several dimensions in rank order.

Q. "Evaluation of Training effectiveness is essential for the organization." Discuss.

Training evaluation checks whether has had the desired impact or not. It also tries to ensure whether candidates are able to implement their learning in their respective workplace or not. The process of training evaluation has been defined as " any attempt to obtain information on the effects of training performance and to assess the value of training in the light of that information."

Metrics for evaluation of training program.

Process of training evaluation

- **Before training:** The learner's skills and knowledge are assessed before the training programme. During the start of training, candidates generally perceive it as a waste of resources because at most of the times candidates are unaware of the objectives and learning outcomes of the programme. Once aware, they are asked to give their opinions on the methods used and whether those methods confirm to the candidates preference and learning style.
- **During training:** It is the phase at which instruction is started. This phase usually consist of shorty tests at regular intervals.
- **After training:** It is the phase when learner's skills and knowledge are assessed again to measure the effectiveness of the training. This phase is designed to determine whether training has had the desired effect at individual department and organizational levels.

Five levels of training evaluation:

Reactions: Trainees reaction to the overall usefulness of the training including the coverage of the topics, the method of presentation, the techniques used to clarify things, often throw light on the effectiveness of the programme. Potential questions to trainees might include:

- What are your learning goals for the program?
- Did you achieve them?
- Did you like this programme?
- Would you recommend it to others who have similar learning goals?
- What suggestions do you have for improving the programme?
- Should the organisation continue to offer it?

Learning: training programme, trainer's ability and trainee's ability are evaluated on the basis of quantity of content learned and time in which it is learned and learner's ability to use or apply the content learned.

Job behavior: this evaluation includes the manner and extent to which the trainee has applied his learning to his job.

Organisation: this evaluation measures the use of training, learning and change in the job behavior of the department in the form of increased productivity, quality, morale, sales turnover and the like.

Ultimate value: It is the measurement of ultimate result of the contribution of the training programme to the company goals like survival, growth profitability etc., and to the individual goals like development of personality and social goal like maximizing social benefit.

Q. Discuss the Kick Patrick evaluation model also applicable in training evaluation.

The Four Levels

Donald Kirkpatrick, Professor Emeritus at the University of Wisconsin and past president of the American Society for Training and Development (ASTD), first published his Four-Level Training Evaluation Model in 1959, in the US Training and Development Journal.

The model was then updated in 1975, and again in 1994, when he published his best-known work, "Evaluating Training Programs."

The four levels are:

1. Reaction.
2. Learning.
3. Behavior.
4. Results.

Let's look at each level in greater detail.

Level 1: Reaction

This level measures how your trainees (the people being trained), reacted to the training. Obviously, you want them to feel that the training was a valuable experience, and you want them to feel good about the instructor, the topic, the material, its presentation, and the venue.

It's important to measure reaction, because it helps you understand how well the training was received by your audience. It also helps you improve the training for future trainees, including identifying important areas or topics that are missing from the training.

Level 2: Learning

At level 2, you measure what your trainees have learned. How much has their knowledge increased as a result of the training?

When you planned the training session, you hopefully started with a list of specific learning objectives: these should be the starting point for your measurement. Keep in mind that you can measure learning in different ways depending on these objectives, and depending on whether you're interested in changes to knowledge, skills, or attitude.

It's important to measure this, because knowing what your trainees are learning and what they aren't will help you improve future training.

Level 3: Behavior

At this level, you evaluate how far your trainees have changed their behavior, based on the training they received. Specifically, this looks at how trainees **apply** the information.

It's important to realize that behavior can only change if conditions are favorable. For instance, imagine you've skipped measurement at the first two Kirkpatrick levels and, when looking at your group's behavior, you determine that no behavior change has taken place. Therefore, you assume that your trainees haven't learned anything and that the training was ineffective.

However, just because behavior hasn't changed, it doesn't mean that trainees haven't learned anything. Perhaps their boss won't let them apply new knowledge. Or, maybe they've learned everything you taught, but they have no desire to apply the knowledge themselves.

Level 4: Results

At this level, you analyze the final results of your training. This includes outcomes that you or your organization have determined to be good for business, good for the employees, or good for the bottom line.

Q. Define the term ROI. Briefly sate its usage in training program.

Return on investment (**ROI**) is the concept of an investment of some resource yielding a benefit to the investor. A high ROI means the investment gains compare favorably to investment cost. As a performance measure, ROI is used to evaluate the efficiency of an investment or to compare the efficiency of a number of different investments. In purely economic terms, it is one way of considering profits in relation to capital invested. In business, the purpose of the "return on investment" (ROI) metric is to measure, per period, rates of return on money invested in an economic entity in order to decide whether or not to undertake an investment. It is also used as indicator to compare different project investments within a project portfolio. The project with best ROI is prioritized. ROI and related metrics provide a snapshot of profitability, adjusted for the size of the investment assets tied up in the enterprise. ROI is often compared to expected (or required) rates of return on money invested. ROI is not Net Present Value adjusted and most school books describe it with a "Year 0" investment and two to three years income. Marketing decisions have obvious potential connection to the numerator of ROI (profits), but these same decisions often influence assets usage and capital requirements (for example, receivables and inventories). Marketers should understand the position of their company and the returns expected. In a survey of nearly 200 senior marketing managers, 77 percent responded that they found the "return on investment" metric very useful. Return on investment may be calculated in terms other than financial gain. For example, social return on investment (SROI) is a principles-based method for measuring extra-financial value (i.e., environmental and social value not currently reflected in conventional financial accounts) relative to resources invested. It can be used by any entity to evaluate impact on stakeholders, identify ways to improve performance, and enhance the performance of investments.

Risk with ROI usage: As a decision tool it is simple to understand. The simplicity of the formula allows to freely choose variables e.g., length of the calculation time, if overhead cost should be included, or details such as what variables are used to calculate income or cost components. To use ROI as an indicator for prioritizing investment projects is risky, since usually little is defined together with the ROI figure that explains what is making up the figure. When long term investments take place, the need for Net Present Value adjustment is high. Similar to Discounted Cash Flow you should use Discounted ROI instead.

Calculation : For a single-period review, divide the return (net profit) by the resources that were committed (investment). Return on investment (%) **=** (Net profit / Investment) × 100

Net profit=gross profit-expenses. investment= stock+ market outstanding +claims. **Return on investment** = (gain from investment - cost of investment) / cost of investment

Q. What is Promotion?

It refers to upward movement of an employee from current job to another that is higher in pay, responsibility in organizational level. promotions brings enhanced status, better pay, increased responsibilities and better working conditions to the promotes. There can be of course be **dry promotion** where a person is moved to a higher level job without increase in pay.

According to Paul Pigors and Charles A. Myers, "Promotion is advancement or an employee to a better job Ðbetter in terms of greater responsibility, more prestige or status, greater skill and especially increased rate of pay or salary."

According to Arun Monappa and MirZa S. Saiyadain, "Promotion is the upward reassignment of an individual in an organization's hierarchy, accompanied by increased responsibilities, enhanced status and usually \\'ith increased income though not always so".

According to Yoder, "Promotion provides incentives to initiative, enterprise and ambition; minimizes and unrest; attracts capable individuals; necessitates logical training for advancement and forms an effective reward for loyalty and cooperation, long service etc.'

Q. Discuss the various types of Promotion .

A promotion involves increase in status and responsibility and pay. Increase in these elements may be in varying proportion in different types of promotion. Let us see what these types are:

I) Horizontal Promotion: This type of promotion involves an increase in responsibility and pay with the change in the designation. However, the job classification remains the same. For example, a lower-division clerk is promoted as higher-division clerk. In such a case, the position of the employee concerned has been upgraded with some pay increase but the nature of his job remains the same. This is known as upgradation of an employee. In universities and other academic institutions, the system of this type of promotion is in the form of lecturer-senior lecturer-selection grade lecturer, etc.

2) Vertical Promotion: Most of the time, when we refer the term promotion, we refer in this context. In vertical promotion, there is a change in the status, responsibilities, job classification, and pay. For example, a production superintendent is promoted as production manager. Sometimes, this type of promotion changes the nature of job completely, for example, a functional head is promoted as chief executive of the organization. The jobs involved at these two positions are completely different.

3) Dry Promotion: Dry promotion refers to increase in responsibilities and status without any increase in, pay or other financial benefits. For example, a Professor in a university becomes Head of the Department. It is, just an elevation of the Professor without any increase in financial benefits.

Q. What is the basic purposes of promotion?

- Powerful motivational value.
- Forces an employee to use his knowledge, skills and abilities.
- Paves the way for employee self development.
- Remain loyal and committed to their job.

Q. Discuss the various Bases of promotion.

Organization adopt different bases of promotion depending upon their nature, size, management etc. generally they may combine two or more bases of promotion. The well established bases of promotion are seniority based and merit based.

Merit based promotion: Employee is promoted because of superior performance in the current job. Merit- individual knowledge, skills and abilities and efficiency(qualification, experience, training and past employment records.

The **advantages of this system are fairly obvious:**

- It motivates employees to work hard, improve their knowledge, acquire new skills and contributes to organizational efficiency.
- Helps the employer to focus attention on talented people, recognize and reward their meritorious contribution.
- Inspire other employee to improve their standards of performance.

Disadvantage:

However , the system may fails to deliver the results, because

1. It is not easy to measure merit. Personal prejudices, biases and union pressures may come in the way of promoting the best performer.
2. When young employees get ahead of other senior employees in an organization, frustration and discontentment may spread among the ranks.

Seniority based promotion: Seniority refers to the relative length of service in the same organisation. There is no scope of favoritism, discrimination, and subjective judgment.

Merits of Promotion on the Basis of Seniority

- It is relatively easy to measure the length of service and judge the seniority.
- There would be full support of the trade unions to this system.
- Every party trust the management's action as there is no scope for favoritism and discrimination and judgment.
- It gives a sense of certainty that every employee's chance for promotion will come.
- 5)Senior employees will have a sense of satisfaction for this system as the older employees are respected and their inefficiency cannot be pointed out.
- It minimizes the scope for grievances and conflicts regarding promotion.
- This system seems to serve the purpose in the sense that employees may learn more-with increase in the length of service.

Disadvantage

- Assumption that the employees learn more with length of service.
- It demotivate the young and more competent employees.
- It kills the zeal and interest to contribute.
- Is it job seniority, company seniority, zonal/regional seniority

Promotion on Merit-cum-Seniority Basis

Promotion on merit or seniority taken individually has certain demerits. None of these can be adopted as criterion for promotion in all cases. Therefore, for taking the advantages of both, many organizations adopt the policy of promotion on merit-cum-seniority basis with varying emphasis on merit and seniority as shown in figure below:

Merit-cum-Seniority

If we exclude first and last criteria of promotion, the remaining criteria of promotion have a combination of merit and seniority in varying proportion. These combinations are as follows:

I) In order to give adequate importance to merit, an organization can promote the employee who is senior most out of all the employees who are above the cut-off point in terms of merit.

2) For determining promotion on merit basis, an organization can prescribe minimum length of service for employees on a particular position. Only those employees would be considered for promotion on merit basis who have put in the minimum length of service prescribed.

3) To give weightage on seniority along with merit, an organization may promote employees on seniority basis after excluding those employees who are really incompetent.

An organization can choose any combination out of the above. In general, the practice is that organizations put more emphasis on seniority while promoting employees in lower job classes and mote emphasis on merit while promoting employees in higher job classes. The primary reason behind this practice is the amount of influence an employee can rightly be expected to exert in two types of jobs. In the lower jobs, where an employee is more restricted and controlled, job-knowledge factors are more important. In the higher jobs, where an employee can exert a stronger influence on the manner in which the job is performed, personality factors are more important. Thus, by adopting a proper combination of merit and seniority as bases of promotion, organizations can take care of employees' need for promotion working at different levels of organizational hierarchy.

Q. What are merits and demerits of Promotion?

Promotion is one of the sources of recruitment. Promotions offer following advantages:

- Promotions provide an opportunity to the present employees to move into jobs that provide greater personnel satisfaction and prestige.
- Promotions offer opportunities to management to provide recognition and incentives to the better employees, to correct initial mistakes in appointments and to freeze inefficient personnel.
- Promotions generate within an organization beneficial pressures on work performance and desired behavior on all its members.
- Promotions serve as an orderly, logical and prompt source of recruitment for management to fill vacancies as they arise.
- Insiders shall have no problem in handling the new jobs because they are intimately connected with the organization structure and different problems. Cost of training will be much lesser.
- A sound policy of promotion will keep the morale of' the employees high and will solve many personnel problems automatically such as absenteeism, discipline, accidents, etc.

Demerits of Promotion

Though promotion benefits the employee and the organization, it creates certain problems. They are as follows:

- Promotion disappoints some employees: Some employees who are not promoted will be disappointed when their colleagues with similar qualifications and experience are promoted.
- Some employees refuse promotion if promotion comes with transfer to an unwanted place, or is promoted to that level where the employee feels that he will be quite incompetent to carry out the job, delegation of unwanted responsibilities, and trade-union leaders feel that promotion causes damage to their position in trade union.

Promotion at TCS

Tata Consultancy Services (TCS), the Indian IT export giant is reviving its promotion policy for senior level management in a bid to retain more staffers. TCS used to have two cycles of promotion at the senior level. Last quarter TCS made similar announcement for the junior employees to make promotions on the quarterly basis . Ahoy Mukherjee, Vice- President, Global Head of Human Resources said, "Starting from this January we will make the senior promotions twice a year. During the course of the year, several employees go through a change in their roles due to dynamic business environment. Such employees will be eligible for promotions in January and the second round will happen in June."

Promotion policy:

- Establish a fair and equitable basis for promotion.(merit and seniority both).
- It should provide equal opportunities for promotion in all categories of jobs, departments and regions of an organisation.
- Open system that every eligible person is considered.
- Appropriate authority should be entrusted.
- Detailed record of service, performance should be maintained and use at the time of promotion.

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 emotional and financial loss in form of lower rank, power and status, lower pay, poor working condition.

Causes:

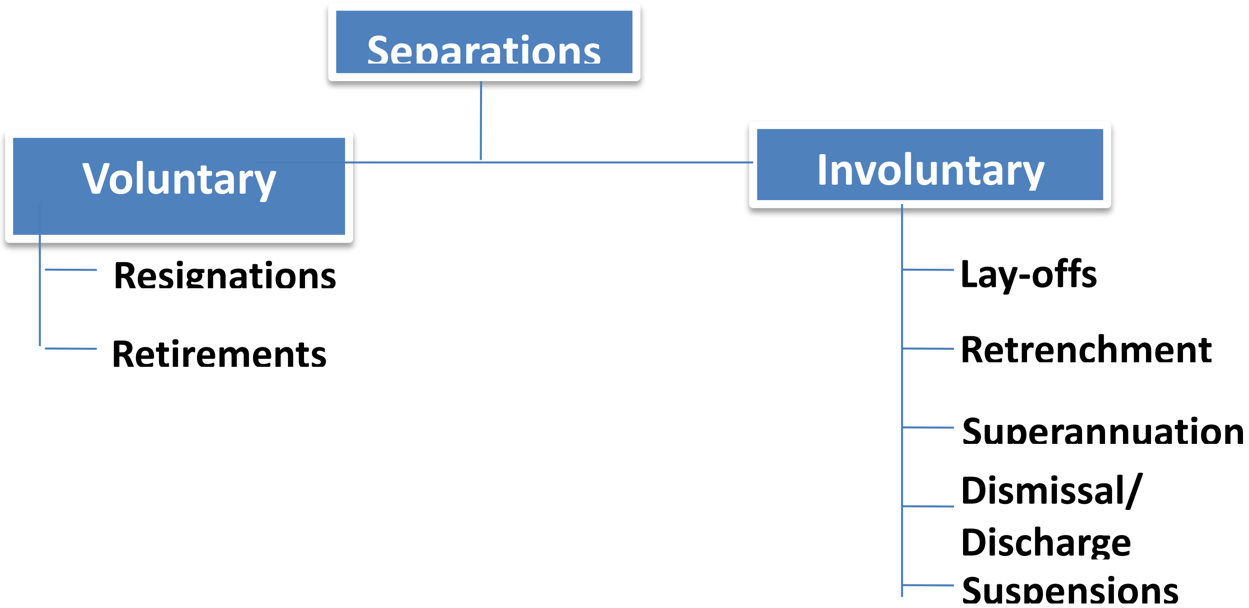
- A promote is unable to meet the challenges posed by the new job.
- Due to adverse business conditions, organization may decide to lay off some and downgrade other jobs.
- Demotions may be used as disciplinary tools against errant employees.

Q. What is Employee separation?

It occurs when an employees cease to be members of an organisation. Or the service agreement between the employee and the employer comes to an end and the employee decides to leave the organisation. "Separation" means cessation of service of agreement with the organization for one or other reason. Lay-offs, resignations and dismissals separate employees form their employers. Separations are painful to both the parties and should, therefore, be administered carefully.

According to Kumen ;labour law; Bunning; etc. Separation can take several methods :

Separation occurs when an employee leaves the organization. Reasons for employee separations may be voluntary or involuntary. In the former, initiation for separations is taken by the employee himself or herself. Where the employer initiates to separate an employee, it becomes involuntary separation. In the latter, the employee entertains the feeling of injustice and seeks legal protection to undo it. Figure below shows both voluntary and involuntary separations.



Q. Discuss the Voluntary and involuntary Separations .

Voluntary separations occur when the employee decides to terminate his or her relationship with the organization. Resignations and retirements are the most manifestations of voluntary separations which are explained as follows:

1) Resignation: A resignation refers to the termination of employment at the instance of the employee. An employee decides to quit when his or her level of dissatisfaction with the present job is high or a more attractive alternative job" is awaiting the individual. The reasons for dissatisfaction may be because of the job itself or because of job extrinsic factors such as supervision, company policy, compensation, advancement opportunities, health, spouse relocation, etc.

Jobs are available in plenty due to economic boom and competent people get multiple offers at any given time. Some of them stay with the organization in the name of loyalty or some other commitment but majority accept the more attractive offers and prefer to leave the company.

Reasons for Resignation

There are four basic reasons for resignation:

- Dissatisfaction: It may be due to job content, salary, welfare, benefits, unfair treatment, physical working conditions, personality clash, hours of work etc.
- Domestic Problems: Includes marriage, pregnancy, increased domestic responsibilities, removal from district etc.
- Personnel Circumstances: It includes ill health, transport difficulty, early retirement, cash gain, accident etc.
- Promotional Gains: Includes lack of prospects in the company continually overlooked etc.

2) Voluntary Retirement Schemes: Organizations often encourage quits through cash incentives. Popularly called Voluntary Retirement Schemes (VRS), these separations are resorted to when organization are experiencing losses. They resort to cost saving to save the bottom-line and believe that the best way of cutting-down the cost is through reducing the wage and salary bill. A business firm may opt for a voluntary retirement scheme under the following circumstances:

- Due to recession in the business.
- Due to intense competition, the establishment becomes unviable unless downsizing is resorted to.
- Due to joint-ventures with foreign collaborations.
- Due to takeovers and mergers.
- Due to obsolescence of product/technology.

Though the eligibility criteria for VRS varies from company to company, but usually, employees who have attained 40 years of age or completed 10 years of service are eligible for voluntary retirement.

The scheme applies to all employees including workers and executives, except the Directors of a company. The employee who opts for voluntary retirement is entitled to get forty five days emoluments for each completed year of service or monthly emoluments at the time of retirement multiplied by the remaining months of service before the normal date of service, whichever is less. Along with these benefits, the employees also get their provident fund and gratuity dues. Compensation received at the time of voluntary retirement is exempt from tax under Section 10 (10C) of the Income Tax Act, 1961 up to the prescribed amount upon fulfilling certain stipulated conditions. However, the retiring employee should not be employed in another company or concern belonging to the same management. VRS should meet the following requirements:

- It applies to an employee of the company who has completed ten years of service or completed 40 years of age.

- It applies to an employees including workers and executives of the company excepting Directors of the company.
- The scheme of voluntary retirement has been drawn to result in overall reduction in the existing strength of the employees of the company.
- The vacancy caused by voluntary retirement is not to be filled-up, nor the retiring employee is to be employed in another company or concern belonging to the same management.
- The employee has not availed in the past the benefit of any other voluntary retirement scheme.

Some companies offer very attractive package of benefits to the employees who opt for VRS. For example, the VRS scheme may also include providing counseling to employees about their future; managing of funds received under the scheme; offering rehabilitation facilities to them, etc.

A company may make the following announcements while implementing a voluntary retirement scheme:

- The reasons behind downsizing the organization;
- The eligibility criteria for voluntary retirement scheme;
- The age limit and the minimum service period of employees who can apply for the scheme.
- The benefits that are offered to the employees who offer to retire voluntarily;
- The rights of the employer to accept or reject any application for voluntary retirement.
- The date up to which the scheme is open.
- The income tax benefits and income tax incidence related to the scheme.

It should also indicate that the employees who opt for voluntary retirement and accept the benefits under such scheme shall not be eligible in future for employment in the organization.

Merits of VRS

- It offers the best and humane route to retrenching excess work force.
- Lucrative settlement prevents resentment.
- Voluntary nature precludes the need for enforcement.
- It allows specific divisions to be downsized.
- If allows for lowering the overall wage bills and enables for increase in salaries.

Demerits of VRS

- The highly talented employees of the company may accept the deal and leave the company.
- 2) It creates a sense of fear and uncertainty among those employees who stay with the company.
- 3) Severance costs may outpace productivity gains.

- 4) Trade unions and individual workers may protest the operation of the scheme and these protests may disrupt operations.

Compulsory retirements: government employees retire compulsorily after attaining the age of superannuation (either 58 or 60). In the private sector, the retirement age may well go beyond 60,depending on a person's ability to perform well in a competitive scenario.

Death: some employees may die in service. When the death is caused by occupational hazards, the employee gets compensation as per the provisions of workmen's compensation act, 1923.

Involuntary Separations

Employers resort to terminate employment contract with employees for at least three reasons:

- Organization is passing through lean period and is unable to maintain the existing labor.
- Initial faulty hiring resulting in mismatch between job and employee fit.
- Employee exhibits deviant behavior vitiating the environment around.

Involuntary separations are of the following types:

- Lay-off
- Retrenchment
- Superannuation
- Dismissal or Discharge
- Suspension

1) Lay-off: A lay-off is a temporary separation of the employee from his or her employer at the instance of the latter without any prejudice to the former. Section 2 (KKK) of the Industrial Disputes Act 1947, defines lay-off as the failure, refusal or inability of an employer to give employment to a worker whose name is present on the muster rolls but who has not been retrenched. A lay-off may be for a definite period on the expiry of which the employee will be recalled by the employer for duty.

Reasons for Lay-off

The lay-off may be because of the following reasons:

- Decline in sales.
- Shortage of raw materials.
- Displacement caused by technology.
- Delay in production.
- Accumulation of inventory in large quantity.
- vi Breakdown of machine.

Factors Determining Lay-off

The policy of lay-off must be decided considering following factors:

- It must be made clear at the time of lay-off that all the best efforts will be made to call the employees back.
- In case of long term lay-off or the lay-off for the indefinite term, sufficient notice should be served to the concerned employees.
- All the best efforts must be made to get the laid off employees appointed in other enterprises.
- iv)The policy of lay-off must he made clear to the employees, right at the time of their appointment so that they may come to know the situations in which they may be laid off.
- In the situations leading to layoff, the reasons of layoff must be made clear to the concerned employees.

Cases in which Workmen are not entitled to Lay-off Compensation -

A workman is not entitled to compensation for lay-off under the following cases:

- If he refuses to accept any alternative employment in the same establishment from which he has been laid-off, or in any other establishment belonging to the same employer situated in the same town or village or situated within a radius of five miles from the establishment to which he belongs provided that wages which would normally have been paid to the workman are offered for the alternative employment also;
- ii)If he does not present himself for work at the establishment at the appointed time during normal working hours at least once a day; and
- iii)If such laying-off is due to a strike or slowing down of production on the part of workmen in another part of the establishment.

2) Retrenchment:

It is a termination of service for reasons of redundancy or surplus to requirement. The Industrial Disputes Act defines retrenchment as the termination by the employer of the service of a workman for any reason whatsoever, other than as a punishment, but does not include voluntary retirement, retirement and termination on the grounds of ill health. By a recent amendment, non-renewal of contract is not to be regarded as retrenchment. In other words, retrenchment is termination of service, but all terminations of service are not retrenchment. According to the ruling of the Supreme Court "retrenchment" as defined in the Act is not to be given any wider meaning than the ordinarily accepted connotation of the word and termination of service of a workman for any reason other than that he was surplus would not constitute retrenchment.

Retrenchment differs from dismissal as well. An employee is dismissed because of his or her own fault. Retrenchment, on the other hand, is forced on both the employer and his employees. Moreover, retrenchment involves the termination of the services of several employees, but dismissal generally involves the termination of the services of one or two employees.

Q. Define the term Transfer.

A transfer is change in job assignment. It may involve a promotion or demotion or no change at all in status and responsibility. A transfer has to be viewed as a change in assignment in which an employee moves from one job to another in the level of hierarchy, requiring similar skills, involving approximately same level of responsibility, same status and same level of pay.

According to Yoder and associates "Transfer is a lateral shift causing movement of individuals from one position to another usually without involving any marked change in duties, responsibilities, skills needed or compensation".

According to Edwin B. Flippo, "Transfer is a change in job where the new job is substantially the equal to the old in terms of pay, status and responsibilities".

Q. What are the Purposes of Transfer ?

Transfers are generally affected to build up a more satisfactory work team arid to achieve the following purposes:

- **To Meet Organizational Requirements:** To satisfy such needs of an organization as may arise out of a change in the quantity of production, fluctuations in work requirements, and changes in the organizational structure; the introduction of' new lines of production, the dropping of existing product lines, the reallocation of, or reduction in the workforce due to a shortage or a surplus in same section so that lay-offs may be avoided; filling in off the vacancies which may occur because of separations or because of the need for suitable adjustment in business operations. Such transfers are known as production transfers, flexibility transfers, or organizational transfers. The purpose of such transfers is to stabilize employment in an organization. They are generally controlled centrally through and by the personnel department.
- **To Meet Employees' Request:** To meet an employee's own request, when he feels uncomfortable on the job because of his dislike 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 transfers generally have their root in faulty selection and erroneous placement, and are known as personal transfers. They enable employees to feel at home in the work of their choice.

- **3)To Increase Productivity of Employees:** To utilize properly the services of an employee when he is not performing satisfactorily and adequately and when the management feels that he may be more useful or suitable elsewhere, where his capacities would be better utilized. Such transfers are called remedial transfers. They act as a follow-up measure of the selection-and-placement procedure and help employees to adjust themselves to suitable jobs.
- **To Make Employee's More Versatile:** To increase the versatility of the employee, by shifting him from one job to another so that he may have ample opportunities for gaining a varied and broader experience of work. Such transfers are known as versatility transfers. They make it possible for an employee to enjoy the facility of job enrichment, which in turn, gives to the management a more effective and experienced employee for a higher job.
- **Adjusting the Work Force:** To adjust the workforce of one plant with that of another, particularly when one is closed down for reasons beyond the control of the employer. Such transfers are known as plant transfers and are generally affected on humanitarian grounds to ensure that persons who have been long in service of an organization are not thrown out of employment.
- **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 transfers, the purpose being to give some relief to an old employee from the heavy pressure of work.
- **Adjusting the Employee's Timing:** To help employees work according to their convenience so far as timings are concerned; of example, an employee is transferred from night shift to morning shift or from the first to the second shift (as in the case of women workers who may like to look after their children and do the necessary domestic work in the morning hours). Such transfers are known as shift transfers.
- **Penalizing Employees:** To penalize the employee, transfers are also done under which either a difficult trade union activist or sea lawyer may be transferred to a remote branch or office where he cannot continue his activities. In Government organizations, this practice is widespread, and is also preferred by the employee to the grim alternative of disciplinary action.
- **Maintenance of a Tenure System:** In senior administrative services of the Government and also in industries, or where there is a system of annual intake of management trainees, such transfers are common. Here the employee holds a certain job for a fixed tenure but he is made to move from job to job with a view to enabling him to acquire a variety of experience and skills and also to ensure that he does not get involved in politicking informal groups.

Q. Discuss the different types of Transfer .

I) On the Basis of Purpose

- **Production Transfers:** These transfers are made from one department where the employees' requirements are generally reduced to departments where employees needs have increased or vacancies have occurred through separations. Such production transfers are made to prevent lay-offs. Thus, production transfers, at about the same occupational level, help to stabilize employment in an organization and therefore need some form of centralized control, say through the Personnel Department. Sometimes, production transfers may involve downgrading, i.e., being transferred to less skilled jobs. Although it is called production transfer, similar situations can also exist in non-manufacturing enterprises or divisions where an employee is transferred from one department to another for similar reasons.
- **Replacement Transfers:** Replacement transfers are similar to production transfers as they also try to avoid lay-offs. However, replacement transfers are used to replace a new employee with an employee who has been in the organization for a long time.
- **Shift Transfers:** This is a common type of transfer of an employee from one shift to another on the same type of work. Workers generally dislike a second shift assignment as it affects their participation in community life. Therefore, to minimize this, shift transfers are introduced.
- **Remedial Transfers:** These transfers are made to remedy the situation. For example, if the initial placement has been faulty, or the employee cannot get along with his superior, a transfer to a more appropriate job or more agreeable superior might result in better performance. This transfer is also used to relocate the spouses working in different cities to the same city so that they can lead a normal family life. In this way, a good organization treats its employees as individuals, of course, within the broad policy, framework.
- **Versatility Transfers:** The objective of these transfers is to increase the versatility of the employee by shifting him from one job to another. In this way, the employee is provided a varied and broader job experience. This is done through job enrichment and job enlargement. It can also help him in preparing for future promotions. Besides, it helps the organization, as enrichment of an employee would make him not only more effective but also ready for higher openings.
- **vi)Precautionary Transfers:** Such transfers are made as a precautionary measure to avoid the misuse of office or misappropriation of funds by the employees.

2) On the Basis of Unit

- **Sectional Transfers:** These transfers are made within the department from one section to another. The main purpose of such transfers may be to train the workers and prepare them to handle the operations of the different sections of the department.
- **Departmental Transfers:** Transfers from one department to another department within the plant is called departmental transfer. Such transfers are made if the nature of work is same or substantially the same in both the departments such as clerical or routine jobs.
- **Inter-Plant Transfers:** If there are more than one plant under the control of same management, transfer may be made from one plant to another on varied reasons. Such transfers are called inter-plant transfers.

Q. Point out certain Principle of Transfer .

In formulating the transfer policy following principles should be followed:

- It should be in writing and be made known to all the employees of the organization.
- The policy should clearly state the types of transfers and the circumstances under which transfers will be made.
- The policy should also mention the basis for or grounds of transfers.
- The policy should indicate the authority in some officer who will be responsible for initiating and implementing transfers.
- The policy should specify the units or areas over which transfer would take place, i.e., whether transfers can be made only within a sub-unit or also between departments, divisions and plants.
- The policy should also specify the rate of pay to be given to the transferee.
- The policy should ensure that fact of transfer would be intimated to the person concerned well in advance.
- It should be mentioned whether an employee will retain the seniority at his credit permanently or for a temporary period or lose it altogether.
- It should be prescribed in the policy whether the training or retraining is required on the new job.
- The policy should ensure that transfers should not be made frequently and not for the sake of transfer only.

Q. Discuss the advantages and disadvantages of Transfer .

The following are some of the benefits of a good transfer policy:

- 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 through avoidance of monotony.
- It improves supervisor-employee relations.
- It develops the employees for future promotions.

Disadvantages of Transfer

Despite these benefits some problems are associated with transfers. They are:

- Adjustment problems to the employee to the new job, place, environment, superior and colleagues.
- Transfers from one place to another cause much inconvenience and cost to the employee and his family members relating to housing, education to children etc.
- Transfer from one place to another result in loss of man days.
- Company initiated transfers result in reduction in employee contribution.
- Discriminatory transfers affect employee morals, job satisfaction, commitment and contribution.

Q. Elaborate some Transfer Policy in an organization.

- Every organization should have a just and impartial transfer policy which should be known to each employee. The responsibility for effecting transfers is usually entrusted to an executive with power to prescribe the conditions under which requests for transfers are to be approved.
- For successful transfer policies, it is necessary to have a proper job description and job analysis. Care should be taken to ensure that frequent or large-scale transfers are avoided by laying down adequate selection and placement procedures for the purpose.

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Unit – III

Q. What do you mean by Performance Appraisal?

Performance Appraisal is an objective assessment of an individual's performance against well defined benchmarks. Performance Appraisal, the systematic evaluation of the performance of employees and to understand the abilities of a person for further growth and development. Performance appraisal is generally done in systematic ways which are as follows:

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1. The supervisors measure the work of employees and compare it with targets and plans.
2. The supervisor analyses the factors behind work performances of employees.
3. The employers are in position to guide the employees for a better performance.

Q. State the Objectives of performance appraisal?

Performance Appraisal is done with following objectives:

1. To maintain records in order to determine compensation packages, wage structure, salaries raises, etc.
2. To identify the strengths and weaknesses of employees to place right men on right job.
3. To maintain and assess the potential present in a person for further growth and development.
4. To provide a feedback to employees regarding their performance and related status.
5. It serves as a basis for influencing working habits of the employees.
6. To review and retain the promotional and other training programmes.

Objectives of appraisal as stated above include effecting promotions and transfers, assessing training needs, awarding pay increases, and the like. The emphasis in all these is to ***correct*** problems. These objectives are appropriate as long as the approach in appraisal is individual. Appraisal in future, would assume systems orientations. In the systems approach, the objectives of appraisal stretch beyond the traditional ones.

In the systems approach, appraisal aims at ***improving*** the performance, instead of merely assessing it. Towards this end, an appraisal system seeks to evaluate opportunity factors. Opportunity factors include the physical environment such as noise, ventilation and lightings, available resources such as human and computer assistance and social processes such as leadership effectiveness. These opportunity variables are more important than individual abilities in determining work performance.In the systems approach the emphasis is not on individual assessment and rewards or punishments. But it is on how work the work system affects an individual's performance. In order to use a systems approach, managers must learn to appreciate the impact that systems levels factors have on individual performance and subordinates must adjust to lack of competition among individuals. Thus, if a systems approach is going to be successful, the employee must believe that by working towards shared goals, everyone will benefit.

Not that the role of the individual is undermined. The individual is responsible for a large percentage of his or her work performance. Employees should not be encouraged to seek organizational reasons for his failures. The identifications of systems obstacles should be used to facilitate development and motivation, not as an excuse to poor performance.

Q. What is the Purposes of Performance Assessment?

General Applications	Specific Purpose
Developmental Uses	Identification of individual needs Performance feedback Determining transfers and job assignments Identification of individual strengths and developmental needs
Administrative users/decisions	Salary Promotion Retention or termination Recognition of individual performance Lay offs Identification of poor performers
Organizational maintenance/ objectives	HR planning Determining organization training needs Evaluation of organizational goal achievement Information for goal identification Evaluation of HR systems Reinforcement of organizational development Needs
Documentation	Criteria for validation research Documentation for HR decisions Helping to meet legal requirements

Q. What are the advantages of Performance Appraisal?

It is said that performance appraisal is an investment for the company which can be justified by following advantages:

Promotion: Performance Appraisal helps the supervisors to chalk out the promotion programmes for efficient employees. In this regards, inefficient workers can be dismissed or demoted in case.

Compensation: Performance Appraisal helps in chalking out compensation packages for employees. Merit rating is possible through performance appraisal. Performance Appraisal tries to give worth to a performance. Compensation packages which includes bonus, high salary rates, extra benefits, allowances and pre-requisites are dependent on performance appraisal. The criteria should be merit rather than seniority.

Employees Development: The systematic procedure of performance appraisal helps the supervisors to frame training policies and programmes. It helps to analyze strengths and weaknesses of employees so that new jobs can be designed for efficient employees. It also helps in framing future development programmes.

Selection Validation: Performance Appraisal helps the supervisors to understand the validity and importance of the selection procedure. The supervisors come to know the validity and thereby the strengths and weaknesses of selection procedure. Future changes in selection methods can be made in this regard.

Communication: For an organization, effective communication between employees and employers is very important. Through performance appraisal, communication can be sought for in the following ways:

- Through performance appraisal, the employers can understand and accept skills of subordinates.
- The subordinates can also understand and create a trust and confidence in superiors.
- It also helps in maintaining cordial and congenial labour management relationship.
- It develops the spirit of work and boosts the morale of employees.

All the above factors ensure effective communication.

Motivation: Performance appraisal serves as a motivation tool. Through evaluating performance of employees, a person's efficiency can be determined if the targets are achieved. This very well motivates a person for better job and helps him to improve his performance in the future.

Q. Who does performance appraisal?

In most organizations, self-appraisals are commonly used. Apart from this, the appraisal process may also be done by supervisors, peer group, HR managers, consultants etc. Usually, the appraisal process is carried out once a year, but there are instances where the appraisal is also done half-yearly or quarterly.

Q. Elaborate the Process of appraisal.

The steps usually involved in the appraisal process are:

1. establishing standards of performance,
2. communicating the performance,

3. measuring the actual performance,
4. comparing the actual performance with the established standards and discussing the appraisal process, and
5. taking corrective actions wherever necessary.

Methods:

Various methods are involved in performance appraisal. Some methods measure absolute standards, some measure relative standards, and others measure standards in relation to objectives. Further, in the last 30 years, the appraisal process has undergone a lot of changes, and in line with its importance, new methods have also resulted. Hence, methods of performance appraisal can be divided under two headings: traditional methods and modern methods. These methods have been listed in Figure below:

Methods of performance appraisal

Traditional methods

1. Graphic rating scales
2. Ranking method
3. Paired comparison method
4. Forced distribution method
5. Checklist methods

(a) simple checklist

(b) weighted checklist

(c) critical incident method

6. Essay form appraisal
7. Group appraisal
8. Confidential reports

Modern methods

1. Behaviorally anchored rating scales
2. Assessment centres
3. Human-asset-accounting method
4. Management by objectives
5. 360^0 performance appraisal

Traditional Methods

The traditional methods of performance appraisal have been briefly discussed below.

Graphic rating scales

This is the oldest and most commonly used method. It is also known as the linear rating scale or simple rating scale. In this method, a printed form is used to evaluate the performance of each employee. A variety of traits such as employee initiative, leadership, attitude, loyalty, creativity, cooperation, quality and quantity of work done, goals achieved, coordination towards co-workers and supervisors, etc. are included. These traits are then evaluated on a rating scale by the rater according to the employee performance. The advantage of this method is that it is easy to use, easy to understand, and many employees can be evaluated quickly. The drawback is its low reliability, subjectivity, and the descriptive words used in such scales, which may have different meaning to different raters.

Ranking method

This is a relatively easy method. In this method, each person in the group is assigned a rank in comparison with others in the group. Normally, the ranking is done based on the performance of the employees. The top performer is usually assigned rank I and the ranks decline as the performance level decrease. Even though ranking is done, it is difficult to evaluate and assign ranks to average employees. The method also has its limitations. Only a relative ranking of the employee is obtained but not the degree of difference in proficiency. Another limitation is only the work-related aspects are compared and not other behavioural aspects. This method is not practicable for a large group.

Paired comparison method

Paired comparison method is a systematic method where each employee is compared with all other employees in the group, for each trait, one at a time.

Forced distribution method

In this, the system rater appraises the employee on two dimensions: job performance and other factors of promotability. A five-point performance scale is used to describe and classify the employees. The extreme ends denote good and bad performances. For example, employees with outstanding performance may be placed among the top ten per cent of the scale. An advantage of this method is it brings about uniformity among the rates. Since performance depends on many factors, employees who have been classified as low performers may experience low morale.

Checklist methods

It is a simple rating method in which the rater is given a list of statements and is asked to check the statements representing the characteristics and performance of each employee. There are three types of checklist methods- simple checklist, weighted checklist, and forced-choice method.

Simple checklist method It consists of a large number of statements concerning employee behavior. The rater's task is simply to check if the behaviour of an employee is positive or negative to each statement. Employee performance is rated on the basis of the number of positive checks, negative checks are not considered.

Weighted checklist method The weighted checklist method involves weighting the different statements about an individual to indicate that some are more important than others. The rater is expected to look into the questions which relate to the employee's behavior and tick such statements that closely describe the behavior of employees. In the weighted method, the performance ratings of the employee are multiplied by the weights of the statements and the coefficients are added up. This cumulative coefficient is the weighted performance score of the employee, which, in turn, is compared with the overall assessment standards in order to find out the overall performance of the employee. However, this method is expensive to design and time consuming in nature.

Critical incident method In the critical incident method, the rater or manager prepares a list of statements on the basis of the effective and ineffective behaviour of an employee. These incidents represent the behaviour of employees on their job. The rater periodically records the critical incidents and maintains it. At the end of the rating period, these critical incidents are used to evaluate the overall employee performance.

Essay-form appraisal

In an essay form appraisal the manager writes a short essay describing the employee's performance. This form, prepared during the rating period, emphasizes the evaluation of the overall performance on the basis of their strengths/weaknesses. A major limitation of this method is that the quality of ratings depends on the writing skills of the manager, rather than the performance of an employee.

Group appraisal

In this method, an employee is appraised by a group of appraisers. The group consists of the immediate supervisor of the employee, manager or head of the department, and consultants. The group may use one or multiple methods. The group first appraises the performance of the employee, compares the actual performance with the standards, finds out the deviations, and discusses the reasons for it in order to suggest ways for improving the performance of the employee. The group also prepares a plan of action, studies the need for change in job analysis and standards, and recommends change. This method is used for the purpose of promotion, demotion, and retrenchment appraisal.

Confidential reports

Under this method, the supervisor appraises the performance of his subordinates on the basis of his observations, judgment, and intuitions. This method is usually used in government organizations and is prepared at the end of every year. The report states the strengths, weaknesses, sincerity, punctuality, attitude, knowledge, skills, conduct, and character of the employee.

Q. What the Modern Methods performance appraisal adopted by organization to assess the performance of its employees?

The modern methods of performance appraisal are discussed below:

Behaviorally anchored rating scales (BARS)

This is recently developed appraisal method. It is a combination of the rating scale and critical incident method. The five-step procedure for BARS are discussed below:

Step I: Collect critical incidents People with knowledge of the job that will be appraised are asked to describe specific illustrations of effective and ineffective performance behavior.

Step II: Identify performance dimensions These people then c1uster the incidents into a smaller set (of say, 5-10) of performance dimension. Each cluster (dimensions) is then defined.

Step III: Re-classify the incidents Another group of people, who has knowledge about the job, reclassify the critical incidents. They are various cluster definitions and critical incidents, and asked to re-design each incident to the dimension it best describes. Typically, a critical incident is retained some percentage (usually 50% to 80%) of this group assigns it to the sa cluster as the previous group did.

Step IV: Rate the incidents This second group is generally asked to rate (7 or 9-point scales are typical) the behavior described in the incident on how effectively or ineffectively it represents performance on the appropriate dimension.

Step V: Develop the final instrument A subset of incidents (usually 6 or 7 per cluster) is used as 'behavior anchors' for the performance dimensions.

Assessment-centre method

This method is used to test candidates in a social situation, using a variety of procedures and a number of assessors. The most important feature of the assessment centre is job-related simulations. These simulations involve characteristics that managers feel are important to job success. The evaluators observe and evaluate participants (in several situations) as they perform activities commonly found in these higher-level jobs. Assessments are made to determine employee potential for the purpose of promotions.

Assessment centers are used for the following purposes:

To measure the potential for first-level supervision, sales and upper management positions, and also for higher levels of management for development purposes:

- to determine the individual training and development needs of employees
- to select recent college students for entry-level positions
- to provide more accurate human resource planning information
- to make an early determination of potential
- to assist in implementing affirmative action goals

Human-asset-accounting method

Human-asset accounting is a sophisticated method which deals with the cost and contribution of human resources to the organization. Cost of employee includes cost of manpower planning, recruitment, selection, induction, placement, training, development and benefits, etc. Employee contribution is the employee's service towards the organization. Employee performance is positive if the employee contribution is more than his/her cost to the company.

Management by objectives

Management by objectives is described as a process whereby the superior and subordinate managers of an organization jointly identify its common goals, define each individual's major areas of responsibility in terms of results expected of him and use these measures as guides for operating the unit and assessing the contributions of each of its members. MBO is a modern method of evaluating the performance of employees-it measures each employee's contribution to the success of the organization.

To establish objectives, the key people involved should engage in the following three activities:

- meet to achieve the objectives within a given period of time.
- develop plans to accomplish the objectives.
- agree on the 'yardsticks' for determining whether the objectives have been met.

So, MBO is a complete system of planning, control, and philosophy of management.

360^0 performance appraisal

The appraiser can be any person who has knowledge about the job done, the contents to be appraised, the standards of contents, and observes the employee while performing a job. The comprehensive appraisals from the supervisors, peers, subordinates, and the employee himself/herself are called 360^0 performance appraisal. The appraiser should assess the performance without bias and must also be capable of determining what is more important and what is less important.

Q. Discuss the problems of performance appraisal.

The performance appraisal process and techniques that have been suggested make an assumption that the rater is free from all biases and is very objective in his assessment. There are a few common errors which might accidentally occur in the rating process. Some of them are as follows:

Leniency Error

Every rater has his or her own way of evaluating individuals against or irrespective of a standard of performance. Sometimes, this might result in a high marking or a low marking. This is referred to as the leniency error. When raters are positively lenient in their appraisal, an individual performance becomes overstated, resulting in a positive leniency error. Similarly, a negative leniency error understates the performance, giving the individual a lower appraisal.

Halo Error

The halo effect is a tendency to rate high or low on all factors due to the impression created by a high or low rating on some specific factor. For example, if an employee is found to be dependable and sincere, there will be a tendency to rate the individual high on other positive personal attributes. One way to avoid this error is to rate the individual on all dimensions before the final rating. This procedure can be practiced by involving many raters.

Similarity Error

Usually, people tend to perceive and interpret behavior by projecting their own perceptions on others. When evaluators do so, it is called a similarity error. For example, the rater who perceives himself/herself as honest may evaluate others by looking for honesty.

Error of Central Tendency

It is possible that the general findings of the appraisal results might fall in the average category. Very few people might fall in the extremes. Here, the rater shows reluctance to give absolute markings either on the positive or on the negative side. This is referred to as the error of central tendency. Failure to rate the employees in the extreme categories, even when they deserve it, might create some problems for the employees.

Despite the above errors, the appraisal process is a powerful tool to enhance and motivate an employee's performance. The data from the appraisal may be utilized effectively for performance planning and improvement.

First impression (primacy effect): the appraiser's first impression of a candidate may colour his evaluation of all subsequent behavior. In the case of negative primacy effect, the employee may seem to do nothing right, in the case of positive primacy effect, the employee can do no wrong.

Horn effect:

The rater's bias is in the other direction, where one negative quality of the employee is being rated harshly. For example, the rate rarely smiles so he cannot get along with people.

Stereotyping: stereotyping is a mental picture that an individual holds about a person because of the person's sex, age, religion, caste. By generalizing behavior on the basis of such blurred images, the rater grossly overestimates or underestimates a person's performance.

Recency effect: in this case, the rater gives greater weightage to recent occurrences than earlier performance. Ex- an excellent performance that may be six or seven months old is conveniently forgotten while giving a poor rating to an employee's performance which s not so good in recent weeks.

Q. What are the legal issues associated with performance appraisal?

Performance appraisal data, as stated earlier, are used to make many important HR decisions (eg pay, promotion, training, transfer and termination). The appraisal system is a common target of legal disputes by employees involving charges of unfairness and bias. An employee may seek the legal recourse to obtain relief from a discriminatory performance appraisal.

There are several recommendations to assist employees in conducting fair performance appraisal and avoiding legal suits. Gleaned from case laws, these recommendations are intended to be prescriptive measures that employers should take to develop fair and legally defensible performance appraisal systems.

1. **Legally Defensible Appraisal Procedures**
    - All personnel decisions should be based on a formal standardized performance appraisal system.

- Any performance appraisal process should be uniform for all employees within a job group, and decisions based on those performance appraisals should be monitored for differences according to race, sex, national origin, religion or age of the employees. While obtained differences as a function of these variables are not necessarily illegal, an organization will have more difficulty defending an appraisal system with ratings related to these variables.
- All specific performance standards should be formally communicated to employees.
- All employees should be able to review their appraisal results.
- There should be a formal appeal process for the rate to rebut rater judgments.
- All raters should be provided with written instructions and training on how to conduct appraisals properly to facilitate systematic, unbiased appraisals.
- All personnel decision-makers should be well informed of anti-discrimination laws.
- They should be made aware of the fine distinctions between legal and illegal activities regarding decisions based on appraisals.

2. **Legally Defensible Appraisal Content**
   - Any performance appraisal content should be based on a job analysis.
   - Appraisals based on traits should be avoided.
   - Objectively verifiable performance data (e.g. sales, productivity, not ratings) should be used whenever possible.
   - Constraints on an employee's performance that are beyond the employee's control should be prevented from influencing the appraisal to ensure that the employee has an equal opportunity to achieve any given performance level.
   - Specific job-related performance dimensions should be used rather than global measures or single overall measures.

   • The performance dimensions should be assigned weights to reflect their relative importance in calculating the composite performance score.
3. **Legally Defensible Documentation of Appraisal Results**
   - A thoroughly written record of evidence leading to termination decisions should be maintained (e.g. performance appraisal and performance counseling to advise

employees of performance deficit, and to assist poor performers in making needed improvements)

- Written documentation (e.g. specific behavioural examples) for extreme ratings should he required and they must be consistent with the numerical ratings.
- Documentation requirements should he consistent among the raters.

4. **Legally Defensive Raters**
    - The raters should be trained in how to use an appraisal system
    - The raters must have the opportunity to observe the ratee first-hand or to review important ratee performance products
    - Use of more than rater is desirable in order to lessen the amount of influence of any one rater and to reduce the effects of biases. Peers, subordinates, customers, and clients are possible sources.

Q. What is Potential Appraisal?

The potential appraisal refers to the appraisal i.e. identification of the hidden talents and skills of a person. The person might or might not be aware of them. Potential appraisal is a future – oriented appraisal whose main objective is to identify and evaluate the potential of the employees to assume higher positions and responsibilities in the organizational hierarchy. Many organisations consider and use potential appraisal as a part of the performance appraisal processes.

Q. What are the purposes of a potential review are:

1. to inform employees of their future prospects;
2. to enable the organisation to draft a management succession programme;
3. to update training and recruitment activities;
4. to advise employees about the work to be done to enhance .their career opportunities.

Q. Discuss some of the requirements and steps to be followed when introducing a potential appraisal system.

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

Qualities Required: Besides job descriptions, it is necessary to have a detailed list of qualities required to perform each of these functions. These qualities may be broadly divided into four categories -
(1) technical knowledge and skills,
(2)managerial capabilities and qualities,
(3) behavioural capabilities, and
(4)conceptual capabilities.

Indicators of Qualities: A good potential appraisal system besides listing down the functions and qualities would also have various mechanisms for judging these qualities in a given individual. Some of the mechanisms for judging these qualities are -
(a) rating by others,
(b) psychological tests,
(c) simulation games and exercises,
(d) performance appraisal records.

Organising the System: Once the functions, the qualities required to perform these functions, indicators of these qualities, and mechanisms for generating these indicators are clear, the organisation is in a sound position to establish and operate the potential appraisal system. Such establishment requires clarity in organisational policies and systematisation of its efforts.

Feedback: If the organisation believes in the development of human resources it should attempt to generate a climate of openness. Such a climate is required for helping the employees to understand their strengths and weaknesses and to create opportunities for development. A good potential appraisal system should provide an opportunity for every employee to know the results of assessment. He should be helped to understand the qualities actually required for performing the role for which he thinks he has the potential, the mechanisms used by the organisation to appraise his potential, and the results of such an appraisal.

A good potential appraisal system provides opportunities continuously for the employee to know his strengths and weaknesses. These are done through periodic counseling and guidance sessions by either the personnel department or the managers concerned. This should enable the employee to develop realistic self-perceptions and plan his own career and development.

Q. What do you mean by job evaluation? Discuss the objectives of job evaluation.

Job evaluation is the process of analyzing and assessing the various jobs systematically ascertain their relative worth in an organization. Jobs are evaluated on the basis of their content and are placed in the order of their importance. In this way, a job hierarchy is established in the organization, the purpose being fixation of satisfactory wage- differentials among various jobs.

According to Dale Yoder, "Job evaluation is a practice which seeks to provide a degree of objectivity in measuring the comparative value of jobs within an organization and among similar organizations. It is essentially a job rating process, not unlike the rating of employees.

Objectives of Job Evaluation

- To secure and maintain complete, accurate and impersonal descriptions of each distinct job or occupation in the entire plant.
- To provide a standard procedure for determining the relative worth of each job in a plant.
- To determine the rate of pay for each job that is fair and equitable with relation to other jobs in the plant, community or industry.
- To ensure that wages are paid to all qualified employees for like work.
- To promote a fair and accurate consideration of all employees for advancement and transfer.
- To provide the consideration of wage rates for similar jobs in a community and in an industry.
- To provide information for work organization, employees' selection, placement, training and numerous other similar problems.

Q. What do you mean by job evaluation? Discuss its methods of job evaluation.

Methods of Job Evaluation

Following are the methods of job evaluation:

I) Non Quantitative Methods

1. Ranking Method
2. Job Classification or Grading System

II) Quantitative methods

1. Factor Comparison Method

2. Point Method

<u>I) Non-Quantitative Methods</u>

<u>1) Ranking System:</u> In this system all jobs are arranged or ranked in the order of their importance from the simplest to the hardest or in the reverse order each successive job being higher or lower than the previous one in the sequence. It is not necessary to have job descriptions, although they may be useful. Sometimes, a series of grades or zones are established and all the jobs in the organization are arranged into these. A more common practice is to arrange the jobs according to their requirements by them to establish the group or classification. The usually adopted technique is to rank jobs according to "the whole job" rather than a number of compensable factors.

The ranking system of job evaluation usually measures each job in comparison with other jobs in terms of the relative importance of the following five factors:

- Supervision and leadership of subordinates.
- Co-operation with associates outside the line of authority.
- Probability and consequences of errors (in terms of waste, damage to equipment, delays, complaints, confusion, spoilage of product, discrepancies etc).
- Minimum experience requirement
- Minimum education required.

Merits of Ranking System

- The system is simple, easily understood and easy to explain to employees (or a union). Therefore, it is suitable for small organizations with clearly defined jobs.
- It is far less expensive to put into effect than other systems and requires little effort for maintenance.

It requires time, fewer forms and less work, unless it is carried to a detailed point used by company.

Demerits of Ranking System

- Specific job requirements (such as skill, effort and responsibility) are not normally analyzed separately .Often a rater's judgment is strongly influenced by present wage rates.
- The system merely produces a job order and does not indicate to what extent it is more important than the one below it. It only gives rank or tells that it is higher or more difficult than another; but it does not indicate how much higher or more difficult.

<u>2) Job Classification or Grading Method:</u>

In this system, a number of pre-determined grades or classifications are first established by a committee and then the various jobs are assigned within each grade or class. Grade descriptions are the result of the basic job information which is usually derived from a job analysis. After formulating and studying job description and job specifications, job are grouped into classes or grades which represents different pay levels ranging from low to high. Common tasks, responsibilities, knowledge and experience can be identified by the process of job analysis. Certain job may then be grouped together into a common grade or classification. General grade descriptions are written for each job classification and finally these are used as a standard for assigning all the other jobs to a particular pay scale. The fo1lowing 5 steps are involved:

- Preparation of job descriptions.
- Preparation of grade description.
- Selection of grades and key jobs.
- Grading the key jobs.
- Classification of all jobs.

Description of Job Classification

Merits of Job Grading

- This method is simple to operate and understand, for it does not take much time or require technical help.
- The use of fully described job classes meets the need for employing systematic criteria in ordering jobs to their importance. Since many workers think of jobs in, or related to, cluster or groups, this method makes it easier for them to understand ranking.
- The grouping of jobs into classifications makes pay determination problems administratively easier to handle. Pay grades are determined for, and assigned to, all the job classification.
- It is used in important government services and operates efficiently; but it is rarely used in an industry.

Demerits of Job Grading

- Although it represents an advance in accuracy over the ranking method, it still leaves much to be desired because personal evaluations by executive establish the major classes, and determine into which classes each job should be placed.

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- Since no detailed analysis of a job is done, the judgment in respect of a whole range of jobs may produce an incorrect classification.
- It is relatively difficult to write a grade description. The system becomes difficult to operate as the number of jobs increases.
- iIt is difficult to know how much of a job's rank is influenced by the man on the job.
- The system is rather rigid and unsuitable for a large organization for very varied work.

Quantitative Methods

1) The Factor Comparison Method: Under this system, jobs are evaluated by means of standard yardsticks of value. It entails deciding which jobs have more of certain compensable factors than others. Here, the analyst or the evaluation committee selects some 'key' or 'benchmark' jobs for which there are clearly understood job descriptions and counterparts in other organizations, and for which the pay rates are such as are agreed upon and are acceptable to both management and labor. Under this method each job is ranked several times-once for each compensable factor selected.

The major steps in this system consist of the following:

- Clear-cut job descriptions are written and job specifications then developed.
- Selecting of key job.
- Ranking of 'key' jobs.
- Valuing the factors.
- Comparing all jobs with key jobs.
- Establishing the monetary unit value for all jobs.

Merits of Factor Comparison Method

This system enjoys the following benefits:

- It is a systematic, quantifiable method for which detailed step by step instructions are available.
- Jobs are compared to other jobs to determine a relative value.
- It is a fairly easy system to explain to employees.
- There are no limits to the value which may be assigned to each factor.

Demerits of Factor Comparison Method

The system suffers from the following shortcomings:

  - It is costly to install, and somewhat difficult to operate for anyone who is not acquainted with the general nature of job evaluation techniques.

- Wage levels change from time to time, and their minor inconsistencies may be adjusted to bring all the jobs into alignment.
- Money rates when used as a basis of rating tend to influence the actual rate more than the abstract point.
- The system is complex and cannot be easily explained to, and understood by, every day non supervisory organizational employee.

2) Point Method: This method is the most widely used type of job evaluation plan. It requires identifying a number of compensable factors (i.e., various characteristics of jobs) and then determining degree to which each of these factors is present in the job. A different number of points are usually assigned for each degree of each factor. Once the degree to each factor is determined, the corresponding number of points of each factor is added and an overall point value is obtained. The point system is based on the assumption that it is possible to assign points to respective factors which are essential for evaluating an individual's job. The sum of these points gives an index of the relative significance of the jobs that are rated.

The steps in this method followed are:

Step 1: The jobs have to be determined first which are to be evaluated. They are usually clustered. The jobs which require:

- Similar activities,
- The same worker characteristics or traits, (corresponding machines, tools, materials and instruments) and work on the same kind of material (say wood or metal) are placed in the same cluster or family.

Step 2: For the purpose, a pre-determined number of factors are arbitrarily selected by raters. The number of factors used varies a great deal from company to company, ranging from as few as 3 to as many as 50, although most companies use less than 15. Sometimes, only three factors job conditions, physical ability and mental requirements may be used. Another company may use 4 factors like skill, effort, responsibility and job conditions. As far as possible, the factors selected are such as are common to all the jobs.

Step 3: The next step is to break down each factor into degrees or levels, and to assign a point value to each level or degree. For example, experience, which is one of the most commonly used job factors, may be sub-divided into 5 degrees. The first degree, three months or less may be assigned 5 points; the second degree, 3 to 6 months, given 10 points, the third degree, 6 to 12 months, assigned 15 points; the fourth degree 1 to 3 years, assigned 20 points; and the fifth degree is over 3 years, and is assigned 25 points. This same procedure is followed for each factor at each level or degree represented by an appropriate number of points.

Step 4: Determination of relative values or weights to assign to each factor. For each job or cluster of jobs some factors are more important than others. For example, for executives, the "mental requirements" factor would carry more weight than "physical requirements". The opposite might be true of "factory jobs".

Step 5: The next step is to assign money values to points. For this purpose, points are added to give the total value of a job; its value is then translated into terms of money with a pre-determined formula.

Merits of Point Method

- It gives a numerical basis for wage differentials. By analyzing a job by factors it is usually possible to obtain a high measure of agreement on job value.
- Once the scales are developed, they can be used for a long time.
- Jobs can be easily placed in distinct categories.
- Definitions are written in terms applicable to the type of jobs being evaluated, and these can be understood by all.
- Factors are rated by points which make it possible for one to be consistent in assigning money values to the total job points.
- The workers' acceptance of the system is favorable because it is more systematic and objective than other job evaluation methods.
- Prejudice and human judgment are minimized, i.e., the system cannot be easily manipulated.
- It has the ability of handling a large number of jobs and enjoys stability as long as the factors remain relevant.

Demerits of Point Method

- The development and installing of the system calls for heavy expenditure.
- The task of defining job factors and factor degrees is a time-consuming and difficult task.
- If many rates are used, considerable clerical work is entailed in recording and summarizing the rating scales.
- It is difficult to determine the factor levels within factors and assign values to them.

- The non-quantitative or non-analytical or summary methods utilize non-quantitative methods of listing jobs in order of difficulty. They are simple methods. The job is treated as a whole and job descriptions rather to job specifications are often utilized. On the other hand, quantitative or analytical methods use quantitative techniques in listing the jobs. They are more complex and are time consuming.

Q. Discuss few Limitations of Job Evaluation.

Not a Scientific Technique: Job evaluation is a systematic technique and not a scientific technique of rewarding the job. Job evaluation backs scientific precision because all factors cannot be measured accurately.

Problem of Adjustment: Though many ways of applying the job evaluation techniques are available rapid changes in technology and in the supply and demand of particular skills have given rise to problem of adjustment.

Unrealistic: Substantial differences exist between job factors and the factors emphasized in the market. These differences are wider in cases in which the average pay offered by a company is lower than that prevalent in other companies in the same industry or in the same geographical area.

Organizational Limitations: A job evaluation scheme takes a long time to install. It requires specialized personnel and it is costly.

Opposition by Workers: Job evaluation is regarded by the trade unions with suspicion because it is made on certain principles and results are generally ignored. Some of the methods of job evaluation are not easily understood by workers. Workers fear that job evaluation will do away with collective bargaining.

Subjective: Too many factors are used in job evaluation and more over there is no understanding of the factors to be considered. Definitions of factors vary from organization to organization. Many researches show that the factors used are not independently valued at all. It gives more reliance on international standards and evaluation of fixing wage rates.

Limitations of Evaluator: If evaluator is not well-versed in techniques and principles of job evaluation, job classification and job grading the results of the job evaluation will be quite inconsistent. Moreover, if evaluator is biased to a particular job, it will be assigned more weightage.

Nature of Job: It is presumed that jobs of equal worth are equally attractive to all workers but it is not so. If the job offers bright prospects it will attract more people. A job having no prospect should be offered higher wages.

Q. What do you mean by Wages and Salaries?

Wages and salaries in cash consist of wages or salaries payable at :

- regular weekly, monthly or other intervals, including payments by results and piecework payments;
- plus allowances such as those for working overtime;
- plus amounts paid to employees away from work for short periods (e.g., on holiday);
- plus ad hoc bonuses and similar payments;
- plus commissions, gratuities and tips received by employees.

Q. Discuss the nature of compensation?

Compensation offered by an organization can come both directly through bas pay and variable pay and indirectly through benefits.

Base pay: it is the basic compensation and employee gets, usually as a wage or salary.

Variable pay: it is the compensation that is linked directly to performance accomplishment.

Benefits: these are indirect rewards given to an employee or group of employees as part of organizational membership.

Q. What are the objective of compensation planning?

The most important objective of any pay system is fairness or equity. The term equity has three dimensions.

Internal equity: These ensure that more difficult jobs are paid more.

External equity: this ensures that jobs are fairly compensation to similar jobs in the labour market.

Individual equity: it ensures equal pay for equal work, i.e. each individual's pay is fair comparison to others doing the same jobs.

Q. Is the **Effective compensation management is essential for an organization? If, yes, why?**

Attract talent: compensation needs to be high enough to attract talented people. Since many firms compete to hire the services of competent people, the salaries offered must be high enough to motivate them to apply.

Retain talent: if compensation levels fall below the expectations of employees or are not competitive, employees may quit in frustration.

Ensure equity: pay should equal the worth of job. Similar jobs should get similar pay. Likewise, more qualified people should get better wages.

New and desired behavior: pay should reward loyalty, commitment, experience, risks taking, initiative and other desired behaviors. Where the company fails to reward such behaviors, employee may go in search of greener pasture outside.

Control costs: the cost of hiring people should not be too high. Effective compensation management ensures that workers are neither overpaid nor underpaid.

Comply with legal rules: compensation programme must invariably satisfy governmental rules regarding minimum wages, bonus, allowances, benefit.

Q. What the various Components of Wages?

Under the payment of wage Act 1936 " any award of settlement and production bonus, if paid, constitutes wages." The tem allowance includes amounts paid in addition to wages over a period of time.

- **Basic Pay/Salary:** provides the foundation of pay pocket. It is price for service rendered.
- **Bonus:** The word Bonus refers to extra pay due to good performance.
- **Dearness Allowance:** This allowance is given to an employee to compensate him for the loss in the purchasing power of money due to increase in prices.
- **House Rent Allowance:** House Rent Allowance is given by the employer to the employee to meet the expenses in connection with rent of the accommodation which the employee might have to take.
- **City Compensatory Allowance:** It is paid to employees serving in big cities for the purpose of compensating them for the increased cost of living of big cities. City compensatory allowance is paid to meet additional expenditure, it is additional salary and, consequently, chargeable to tax.
- **Fixed Medical Allowance:** It is paid regularly at a fixed rate irrespective of the actual expenditure on medical treatment. It is fully taxable.
- **Conveyance Allowance:** Any allowance which is granted to meet the expenditure on conveyance in performance of duties of an office is termed as conveyance allowance. It is exempt from tax to the extent it is spent on such conveyance provided that free conveyance is not provided by the employer.

- **Children Education:** Any allowance which is granted to an employee to meet the cost of education (including hostel allowance) of his children subject to a maximum of two children is exempted from tax.

Q. Elaborate the method of Wage Determination.

Fixation of wages is a recent phenomenon in India. There was no effective machinery until second World War for settlement of disputes for fixation of wages. After independence of India, industrial relations became a major issue and there was a phenomenal increase in industrial dispute mostly over wages leading to substantial loss of production. Realizing that industrial peace is essential for progress on industrial as well as economic front, the Central Government convened a tripartite conference consisting of representatives of employers, labor and government in 1947. Government of India formulated industrial policy resolution in 1948.

Objectives of wage determination by Government of India are:

- Statutory fixation of minimum wages,
- Promotion of fair wages.

To achieve the first objective, the minimum wages and salary in India are fixed through several institutions. These are:

1) Collective Bargaining

- Collective bargaining relates to those arrangements under which wages and conditions of employments are generally decided by agreements negotiated between the parties.
- Broadly speaking the following factors affect the wage determination by collective bargaining process:

a) Alternate choices and demands,

b) Institutional necessities,

c) The right and capacity to strike.

- In a modem democratic society wages are determined by collective bargaining in contrast to individual bargaining by working.
- In the matter of wage bargaining, unions are primarily concerned with:

1. General level of wages rates.
2. Bonus, incentives and fringe benefits, and administration of wages.

2) Industrial Wage Boards

- Concept of wage board was first enunciated by committee on fair wages.

  - It was commended by first five year plan and second five year plan also considered wage board as an acceptable machinery for setting wage disputes.
  - Wage boards in India are of two types:
    - Statutory Wage Board: It means a body set up by law or with legal authority to establish minimum wages and other standards of employment which are then legally enforceable in particular trade or industry to which board's decision relate.
    - Tripartite Wage Board: It means a voluntary negotiating body set up by discussions between organized employers, workers and government to regulate wages, working hours and related conditions of employment.
- Wage board decisions are not final and are subjected to either executive or judicious review or reconsideration by other authority or tribunals.
- The powers and procedure of wage boards are same as those industrial tribunals unsaturated under ID Act 1947.

3) Pay Commissions

- First pay commission was appointed by Government of India in 1946 under chairmanship of justice Vardachariar to enquire in to conditions of service of central government employees.
- The Vardachariar Commission in its report said that in no case should a man's pay less than living wage.
- The 2nd pay commission was appointed in August 1957 and the commission submitted its report in 1959, examined the norms for fixing a need based minimum wage.
- Govt. of India appointed third pay commissions in 1970s which submitted its report in April 1973. In this report, commission supported for a system in which pay adjustments should occur automatically upon an upward movement in consumer price index.
- After thirteen years, government appointed fourth central pay commissions to examine structure of all central government employees, including those of union territories and officers belonging to all India service and armed forces. The commission submitted its report on July 30, 1986 and recommended drastic changes in pay scale.
- The 5th pay commission (1952-1996) made certain recommendations regarding restricting of the pay scales.

- The 6th pay commission was established in 2006 and its report was submitted in March 2008.

4) Adjudication: Since independence adjudication has been one of the main instruments for settlement of disputes, improvement in wage scales and standardization of wages and allowances. Though courts and tribunals were primarily intended to deal with settlement of industrial disputes, in practice, wage fixation has become an important element in their work and functioning. This is because of large number of disputes concerning wages and allowances. Many industries have referred numerous wage disputes for adjudication to labor courts and tribunals during last ten decades. The high courts and Supreme Court have adjudicated upon such disputes. The awards given by these authorities not only helped in formulation of a body of principles governing wage fixation but laid foundation for present wage structure in many of major industries. Some major legislation which governs the principles of wage fixation are Minimum Wages Act 1948, Payment of Wages Act 1936, Remuneration Act 1976, Industrial Act 1947, and Companies Act 1956.

Q. What are the various types of Wage Payment

There are three methods of wage payment. These are as given below:

1) Time wage system,

2) Piece wage system, and

3) Balance or debt method

Time Wage

This is the oldest and the most common method of fixing wages. Under this system, workers are paid according to the work done during a certain period of time, at rate of so much per hour, per day, per week, per fortnight or per month or any other fixed period of time. The essential point is that the production of the worker is not taken into consideration in fixing the wages; he is paid at the settled rate as soon as the time contracted for is spent.

Advantages of Time Wage System

- It is simple to measure.
- The quality of the work is not degraded as the workers are in no hurry to increase the output.
- As all the workmen employed for doing a particular kind of work receive the same wages, ill-will and jealousy among them are avoided.
- Due to the slow and steady pace of the worker, there is no rough handling of machinery, which is a distinct advantage for the employer.

- It is the only system that can be used profitably where the output of an individual workman or groups of employees cannot be readily measured.
- Trade unions accept this form of wage payment quite willingly because it does not create any distinctions on the rank of workers on account of differences inefficiency.

Disadvantages of Time Wage System

- It does not take into account the fact that men are of different abilities and that if all the persons are paid equally, better workmen will have no incentive to work harder and better.
- As there is no specific demand on the worker that a piece of work needs to be complete in a given period of time, there is always the possibility of systematic evasion of work by workmen.
- As the employer does not know the amount of work that will be put in by each worker, the total expenditure on wages for turning out a certain piece of work cannot be adequately assessed.
- As no record of an individual worker's output is maintained, it becomes difficult for the employer to determine his relative efficiency for purpose of promotion.
- It destroys the morale of workers and efficient workers are either driven out or their efficiency is pulled down to the level of inefficient workers.

Suitability of Time Wage System

- Where supervision is close as in small concerns.
- Where quality is more important than quantity.
- Where measurement of work is not simple or not possible.
- Where specialized skills are required to perform the job.
- Where work is not repetitive and standardized.
- Where collective efforts of a group of worker are required for the performance of work.
- Where work is machine paced and an individual worker has no control over the number of units produced.

Piece Wage System

Under this system, workers are paid according to the amount of work done or the number of units completed, the rate of each unit being settled in advance irrespective of the time taken to do the task.

Under this system, wage payable to an employee are related directly to the quantity of work done by him. The work may be measured in terms of units of output or piece and the payment is made per piece.

Wage (W) = Number of pieces produced (N) x rate per piece (R)

The piece wage system is sometimes caned incentive system because the piece rate is directly related to the efforts put in by the worker.

Advantages of Piece Wage System

- It pays the workman according to his efficiency as reflected in the amount of worth turned out by him. It satisfies an industrious and efficient worker, for he finds that his efficiency is adequately rewarded. This gives him a direct stimulus to increase his production.
- The total unit cost of production comes down with a larger output because fixed overhead burden can be distributed over a greater number of units.
- It requires less supervision because the workers are themselves in hurry to do all.
- It avoid frequent industrial disputes which otherwise are inevitable.

Disadvantages of Piece Wage System

- Payment under this system is irregular and uncertain, and thus creates uncertainty in the life of workers as well as he feels unable to maintain a desirable standard of life because of the uncertainty of the amount of wages.
- During the periods of illness, or disability, the worker is not paid any amount, whereas in fact, during these periods monetary need becomes more pressing.
- Too much emphasis on the quantity of production may lower the quality of products.
- The establishment of piece rates is difficult and often becomes a source of grievances on the part of workers. Without undertaking time and motion study and having past experience, piece rate may be set at so low a level that it exercises a demoralizing effect on the workers.
- There is a greater chance of deterioration in the quality of work owing to over zealousness on the part of workers to increase production. This may effect upon their health resulting in a loss of efficiency.

Suitability of Piece Wage System

- Where specialized artistic skills or craftsmanship is not required for the performance of the job, i.e. where work is not art based or craft man oriented. Where quantity of output is more important than its quality.

- Where the work is of standardized and repetitive character.
- Where units of output are measurable.

Balance or Debt Method

This method is not separate rather a combination of time and piece wage system. The worker is guaranteed a time rate along with an alternative piece rate. If the wages calculated at piece rate exceed the time rate, the worker gets credit. On the other hand, if time wages exceed piece wages, the worker is paid time wage and the deficit is carried- forward to be reconsidered in future.

This method provides a sense of security to employees. At the same time an employee is given the opportunity to increase his earnings beyond the guaranteed time wage. This method is appropriate in industries where the flow of work is minimum. But rates in this method have to be fixed on most scientific basis.

Q. What do you mean by Wages Differentials?

Wage differential refers to differences in wage rates due to working conditions, type of product manufactured, location of company, hours of work, or other factors. It may be the difference in wages between workers with different skills working in the same industry or workers with similar skills working in different industries or regions.

Q. Discuss the various types of Wage Differentials.

Differentials in wages for jobs are inevitable in any industry. Wage differentials arise because of the following factors:

Inter-Industry Differential: These differentials arise when workers in the same occupation and the same area but in different industries are paid different wages. Inter-industry differential reflect skill differentials. Factors affecting this differential include extent of unionization, the structure of product markets, the ability to pay, labor-capital ratio and the stage of development of an industry.

Inter-Personal Differentials: These arise because of differences in the personal characteristics (age or sex) of workers who work in the same plant and the same occupation. "Equal pay for equal work" has been recommended by ILO Convention and also by Industrial Courts, labor Tribunals, Minimum Wages Committee and the Fair Wage Committee. This has been converted into Equal Remuneration Act, 1984.

Inter-Occupational Differentials: It may comprise of skilled, unskilled and manual wage differentials, non manual and manual (white and blue collar) and general skill differentials. Occupational wage differentials generally follow the changes in the relative supplies of labor to various occupations.

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Inter-Area Differentials: They are the result of living and working conditions, such as unsatisfactory or isolation, sub-standard housing, disparities in the cost of living and the availability of manpower. In some cases, regional differentials are also used to encourage planned mobility of labor.

Inter-Firm Differentials: It reflect the differences in wage of workers in different plants in the same area and occupation. The main causes of inter-firm wage differentials are:

- Difference in the quality of labor employed by different firms,
- Imperfections in the labor market, and
- Difference in the efficiency of equipment, supervision and other non-labor factors.

Q. Discuss the Wage Law in India.

The **Minimum Wages Act 1948** is an Act of Parliament concerning Indian labour law that sets the minimum wages that must be paid to skilled and unskilled labours. The Indian Constitution has defined a 'living wage' that is the level of income for a worker which will ensure a basic standard of living including good health, dignity, comfort, education and provide for any contingency. However, to keep in mind an industry's capacity to pay the constitution has defined a 'fair wage'.

Fair wage is that level of wage that not just maintains a level of employment, but seeks to increase it keeping in perspective the industry’s capacity to pay. To achieve this in its first session during November 1948, the Central Advisory Council appointed a Tripartite Committee of Fair Wage. This committee came up with the concept of Minimum Wages. A minimum wage is such a wage that it not only guarantees bare subsistence and preserves efficiency but also provides for education, medical requirements and some level of comfort.[1] India introduced the Minimum Wages Act in 1948, giving both the Central government and State government jurisdiction in fixing wages. The act is legally non-binding, but statutory. Payment of wages below the minimum wage rate amounts to forced labour. Wage Boards are set up to review the industry’s capacity to pay and fix minimum wages such that they at least cover a family of four’s requirements of calories, shelter, clothing, education, medical assistance, and entertainment. Under the law, wage rates in scheduled employments differ across states, sectors, skills, regions and occupations owing to difference in costs of living, regional industries' capacity to pay, consumption patterns, etc.

The Act provides for fixing wage rate (time, piece, guaranteed time, overtime) for any industry that has at least 1000 workers.

1) While fixing hours for a normal working day as per the act should make sure of the following:

- The number of hours that are to be fixed for a normal working day should have one or more intervals/breaks included.
- At least one day off from an entire week should be given to the employee for rest.
- Payment for the day decided to be given for rest should be paid at a rate not less than the overtime rate.

2) If an employee is involved in work that categorizes his service in two or more scheduled employments, the employee's wage will include respective wage rate of all work for the number of hours dedicated at each task.

3) It is mandatory for the employer to maintain records of all employee's work, wages and receipts .

4) Appropriate governments will define and assign the task of inspection and appoint inspectors for the same.

Fixation and revision of minimum wage

The Minimum Wages Act 1948 generally specifies minimum wage rates on a per day basis, and extends to the entire country and is revised within a period of not less than five years, however there is a provision to increase dearness allowance every two years. The norms in fixing and revision of minimum wages were first recommended by ILC, 1957.

Revision of minimum wage rates is based on a 'cost of living index' and wages can be fixed for an entire state, part of the state, class or classes and employments pertaining to these categories. The fixation of wages is based on the norms mentioned and a wage board (different for different industry).

Under the Minimum Wages Act, State and Central Governments have the power to fix and revise minimum wages. The act specifies that the "appropriate" government should fix the wages i.e. if the wages to be fixed are in relation to any authority of Central government or Railway administration then the Central government fixes it. However if the wage rate is to be fixed or revised for a scheduled employment, the respective state governments fix it. The Centre fixes the National floor level Minimum Wage that is lower than most states' respective minimum wages. The ambiguity and overlap in the jurisdiction of both these tiers of government have caused debates and controversies. One of such debates revolves around fixing wage rates of MGNREGA scheme, an employment guarantee initiative by the Central Government.]

As per Section 5 of the Minimum Wages Act, 1948, there are two ways of fixing and/or revising minimum wages • Committee Method: Committees and Sub-committees are set up to make recommendations or create inquiries. • Notification Method: The government publishes proposals and an official date in the Official Gazette. All advice and recommendations form various committees and sub-committees as well as representations are collected before the specified official date and the government then proceeds to fix/revise minimum wages

Q. Write short notes on Executive Compensation.

The top **executive compensation** is a special and specific area of compensation and benefits, which is usually confidential and it is not open to all employees in the organization. The top executives hold the responsibility for the organization, they lead the development of the organization and they have a tremendous impact on the results of the organization. The **compensation scheme of top executives** has to reflect the responsibility and it has to provide the security to the top executives to use the personal responsibility and to take courageous decisions.

The **executive pay** is about the focus on the short-term performance and the long-term sustainability of the organizational development. The top executives are motivated to search for the cost-cutting potential and focusing on the sales and performance growth in the long-term perspective as the shareholders can realize the benefits of being involved in the organization.

Q. Elaborate the Executive Compensation Principles

The executive pay has to reflect the role of the executive top management in the organization. The executive management drives the development of the organization and the executive compensation has to be aligned.

The executive compensation changed dramatically over the last two years as the financial crisis showed several issues with the executive pay, which was too focused on the growth of the organization while ignoring the sustainability of the organization.

The **executive compensation** consists usually from two main parts:

- Short Term Pay
- Long Term Pay

The short term pay of the executives is about the base salary and short term bonuses, which are paid on the basis of the immediate performance of the organization. The bonuses are usually deferred over a period of time. The short term pay is usually fully cash based executive compensation component.

The long term pay is about the stock options, shares, restricted stocks and pay based on the performance against the index. The shareholders use these long term compensation components to protect the value of the organization and betting of the top executives on the growing value of the organization on the market. The long term compensation components can be realized just in case, the stock price of the organization grows. The long term pay component is usually non-cash based. In the modern organizations the short term pay is just a small part of the total cash of the top executives.

Q. What do you mean by Executive Compensation Risks?

The executive compensation is sensitive to the right setting as the short term and long term components of the pay have to be in balance as the organization does not suffer from the imbalances in the managerial decisions. The organization should always focus to balance the short term remuneration (which is valued more) with the potential to get more in the future. It is always difficult to find the right balance and the shareholders have to be in the agreement with the top management.

Q. What is Excessive Compensation?

The **excessive compensation** is always more the issue of trust and confidence of employees and shareholders. The executive compensation scheme has to include the holdbacks and claw-backs and safety brakes for the case, the organization outperforms hugely the market. Each executive compensation scheme needs caps and floor as it is manageable in all situations, which can happen on the market.

Module- IV

Q. What are Industrial Relations?

The term industrial relation refers to relationship between management and labour or among employees and their organization. Both the parties need to work in a spirit of cooperation, adjustment and accommodation.

According to R A Lester, Industrial Relations "involve attempts to have workable solution between incentive and economic security, between discipline and industrial democracy, between authority and freedom and between bargaining and cooperation."

Q. What are the Factors influencing industrial relations?

- **Industrial factors:** government policy, labour legislation, voluntary courts, collective agreement, employee court, employer's federations, social institutions (community, caste, joint family, creed, system of beliefs, attitudes of workers, system power).
- **Economic factors:** structure of labour force, demand or and supply of labour force.
- **Technological factors:** mechanization. Automation,, computerization

Q. Outline certain Objectives of IR.

- To enhance the economic status of the workers
- To regulate the production by minimizing industrial conflicts, through state control.
- To socialize industries by making the government an employer.
- To provide and opportunity to the workers to have a say in the management and decision making.
- To improve worker' strength with a view to solve problems through mutual negotiation and consultation with the management.
- To extend and maintain industrial democracy.

Q. Discuss the various Approaches to Industrial relation.

The scenario of IR is perceived differently by different people. For some, IR is related to class conflict, others perceive it in terms of mutual co-operation and still others understand it in terms of competing interests of various groups. HR manager's are expected to understand these varying approaches because they provide the theoretical underpinnings for much of the role of HRM.'

The three popular approachcs to IR are unitary approach, pluralistic approach, and Marxist approach.

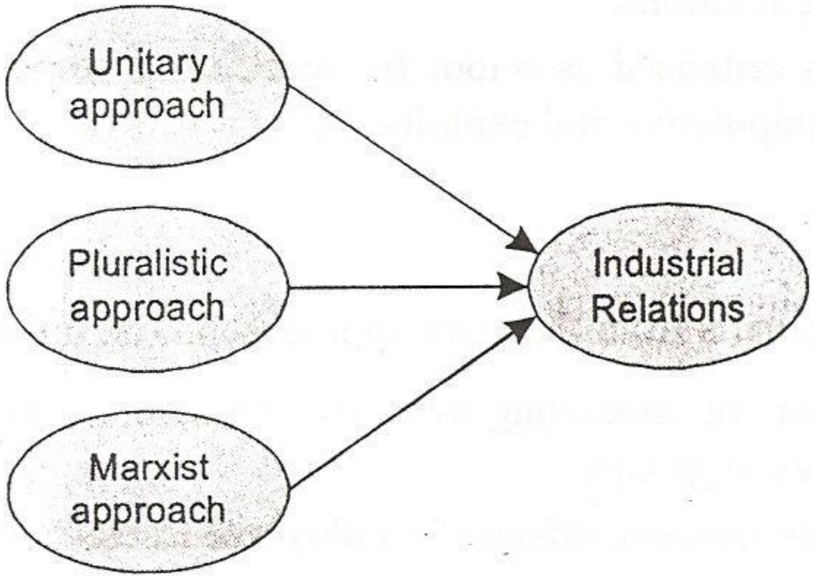

Fig. 22.1 Approaches to IR

Unitary Approach: Under unitary approach, IR is grounded in mutual co-operation, individual treatment, and team-work and shared goals. Work place conflict is seen as a temporary aberration, resulting from poor management, from employees who do not mix well with the organization's culture. Unions co-operate with the management and the management's right to manage is accepted because there is no 'we they ‘Feeling. The underlying assumption is that everyone benefits when the focus is on common interest and promotion of harmony. Conflict in the form of strikes is not only regarded as unnecessary but destructive. Advocates of the unitary approach emphasize on a reactive IR strategy. They seek direct negotiations with employees. Participation of government, tribunals and unions are not sought or are seen as being necessary for achieving harmonious employee relations.

Pluralistic Approach

The pluralistic approach totally departs from the unitary approach. The pluralistic approach perceives:

- Trade unions as legitimate representatives of employee interests
- Stability in IR as the product of concessions and compromises between management and unions.'

Legitimacy of the management's authority is not automatically accepted. Conflict between the management and workers is understood as inevitable and, in fact, is viewed as conducive for innovation and growth. Employees join unions to protect their interests and influence decision-making by the management. Unions thus balance the power between the management and employees. In the pluralistic approach, therefore, a strong union is not only desirable but necessary. Similarly, society's interests arc protected by state intervention through legislation and industrial tribunals which provide orderly process for regulation and resolution of conflict

Marxist Approach

Marxists, like the pluralists, regard conflict between employers and employees inevitable, However, pluralists, believe that the conflict is inevitable in all organizations. Marxists see it as a product of the capitalist society.

Adversarial relations in the workplace are simply one aspect of class conflict. The Marxist approach thus focuses on the type of society in which organization functions. Conflict arises not just because of competing interests within the organization but because of the division within society between those who own or manage the means of production and those who have only their labor to offer. Industrial conflict is thus seen as being synonymous with political and social unrest.

Trade unions are seen both as labor reaction to exploitation by capital, as well as a weapon to bring about a revolutionary social change. Concerns with wage-related' disputes are secondary Trade unions focus on improving the position of workers within the capitalist system and not to overthrow. For the Marxists, all strikes are political.

Psychological approach: According to psychologists, the problems of industrial relations are attributable to the differences in the perceptions of labour of and management. Both parties tend to look at factors influencing their relations- dissatisfaction with pay, benefits, service, conditions of work compel workers to turn aggressive and resort to strike, gheraos. Employer also adopt rigid posture.

Sociological approach: Sociological factors like value system, tradition affect the relation between labour and management. Problems such as urban congestion, chronic shortage of affordable dwelling units, convenient transportation system, pollution, disintegration of joint family system,

Human relations approach: Here individual are motivated by a variety of social and psychological factors, not just earnings. Human behavior is influenced by feelings, performance and attitudes. Informal work groups play a an important role in shaping the attitudes and friction and conflict in the workplace, managers need to possess effective social skills. They must explain why a particular job is important, allow workers to participate in work processes fully. Every attempt is made to integrate individual objectives with overall organizational objectives to avoid conflict and controversy in industrial life.

Giri approach: According to V.V. Giri, collective bargaining and joint negotiations be used to settle disputes between labour and management. Outside inference should be avoided. Trade unions should be use voluntary arbitration rather than compulsory adjudication to resolved dispute.

Gandhian approach: Gandhi ji accepted the worker’s right to strike but cautioned that this right be exercised in just cause and in a peaceful, non-violent fashion. Owners are there to serve the interests of society. If they fail to pay minimum wages to workers, workers must appeal to their conscience.

Q. Elaborate the John T. Dunlop’s System Theory of IR.

In its most basic terms, the Dunlop Systems Theory in Industrial Relations is **about the structure and development** of relationships among the three integral members of labor relations (labor, management, government) and **about resolving labor-management problems** based upon ***agreement*** on a common set of facts that affect or are affected by labor, management and government.

In his industrial relations system (IRS), Dunlop **defined** industrial relationships as an analytically sub-strata of industrial nations. He **defined** the sub-strata as operating under the same logic as the discipline of economics; since Dunlop was primarily an economist, this is a significant element of his **definition** because he is positing that labor relations problems can be resolved through a system of logic, not chance, and that the development of labor relationships over time can be guided through logical steps and by logical means, with nothing left to disruptive chance.

Dunlop's **definition and system centralized the rules and norms**--the ***agreements***--of industrial relations at the **heart** of *analysis*. This *diverged* from the previous system, which made labor-management conflict and resultant collective bargaining the **heart** of industrial relations, which left a good deal to chance and to the illogical emotions of conflict.

Dunlop's **definition and system identified** what he called a "**web of rules**" that are the elementary components that govern industrial labor relationships. He **identified** the **institutions and norms** that constitute the framework within which industrial relations are carried out and which govern the outcomes of these relationships.

- substantive norms: wages and wage rates, working hours, OSH regulations, etc
- procedural institutions: governmental regulating agencies, conciliation and arbitration boards, etc

Dunlop **identified** the "**actors**" he referred to in his system as:

- managers,
- workers and their labor union representatives,
- government institutions that oversee labor-industrial relations.

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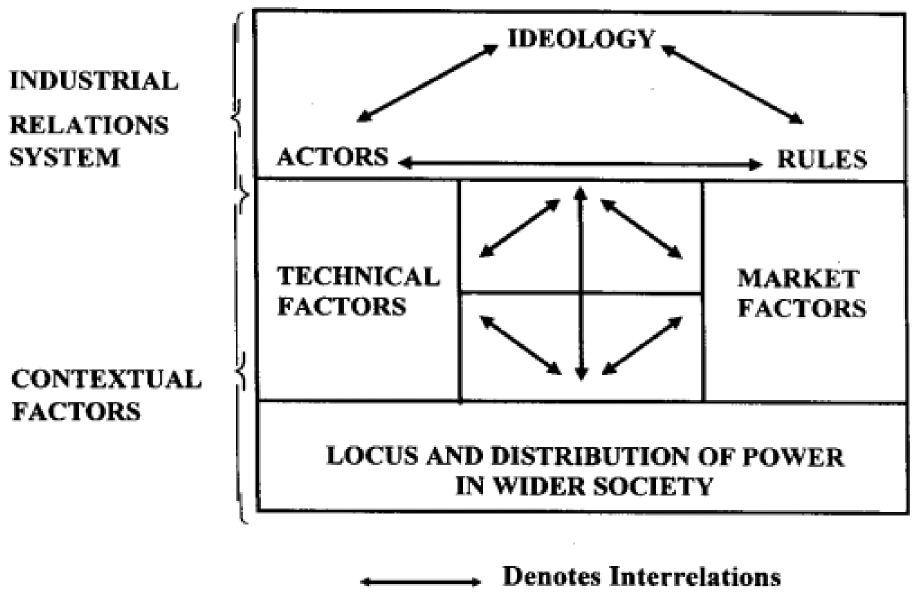

Figure 1: The Conceptualisation of an Industrial Relations System

According to Dunlop, these actors are active in what he **identified** as the three "**contexts**" of industry: (1) technologies, (2) industry markets and (3) power distribution (e.g., labor unions and corporate organization). Finally, Dunlop posits an "**ideology**" that "binds" an industrial relations system together, binding them with a **common set of beliefs** about society, human worth, and government oversight.

While Dunlop's IRS does not account for the means or mode by which rules come to be made, it might be assumed that the **rules devolve from the ideological commonality between actors**. Because of Dunlop's IRS foundation in economics and logic, he developed a formulation representing all these components: rules (R), actors (A), contexts (T, M, P) and ideology (I): R = f(A, T, M, P, I).

What Dunlop is saying relating to **actors and ideologies** is, as briefly stated above, that all actors (managers, workers, governing bodies) share a **common society**, thus share a **common ideology**.

Ideology is defined as the set of beliefs common among members of a society in relation to philosophy, religion, politics, culture, art, etc.

While our societies are more complex, especially Western societies, Dunlop's post-World War II society was far more homogenous with less divergent roots in religion, politics, culture, art and philosophy than ours today. Still, it might rightly be said that there is a **common ideology** that governs the premise of how management, labor and government is expected to, ought to, should and/or must relate among one another.

Q. What is Positive Industrial Relation? Elaborate its importance in the workplace.

Industrial relations generally refers to the area of human resources management that handles employment matters in a union work environment. This involves issues between labor union leaders and the company's management, such as collective bargaining agreements, grievance handling, and day-to-day employment decisions. Labor unions and management don't need to be adversaries, and this relationship can remain on good terms provided certain workplace conditions exist.

Relationship-Building

Management and unions have a shared goal -- to create an employer-employee relationship in which employees receive fair treatment and recognition for their skills and contributions. The difference is that unions rely on collective activity to achieve this goal and management doesn't. Collegial and respectful relationships between labor union officials and the employer's management are necessary for positive industrial relations.

Good Faith Bargaining

The federal labor act requires that both the employer and the union bargain in good faith concerning collective bargaining agreements, or labor union contracts. Good faith bargaining is an important aspect of reaching an agreement that serves the employer's needs as well as the needs of its workers.

Grievance Handling

Employee grievances must be addressed in a timely manner, because doing so promotes positive relationships between employees and their supervisors, which underlies good industrial relations. Importantly, grievances should be resolved before they escalate and require resolution through arbitration.

Q. What is Negative Industrial Relation? What happened if Industrial relation lead to negative?

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Industrial relations are of great importance in industrial life. These relations have great bearing on the economic, social and political spheres of our society. If in an organisation, relations between labour and management are cordial, there will be industrial peace and interests of both the parties will be automatically safeguarded. However, organisations where industrial relations are strained, the organisations have to face lot of problems. The atmosphere of such organisations is always surcharged with industrial unrest leading either to strikes or lockouts. Organisations which ignore the importance of industrial relations face high cost of production. Adverse effect on efficiency, low-grade production, negligence in the execution of work, absenteeism among the workers, high rate of labour turn-over etc. are the evils that result from poor industrial relations.

Lack of cordiality in industrial relations not only adversely affects the interests of the labourers and employers but also cause harm to different sections of society. They are faced with lot of difficulties and problems.

Demerits of bad industrial relations can be expressed as under:

- **Effect on Workers:** (i) Loss of wages, (ii) Physical injury or death on account of violence during labour unrest, (iii) Excesses by employers, (iv) Economic losses, (v) Bitterness in relations, (vi) Adverse affect on career.

- **Effect on Employers / Industrialists:** (i) Less production, (ii) Less Profit, (iii) Bad affect on organisation, (iv) Bad effect on human relations, (v) Damage to machines and equipments, (vi) Adverse effect on development of companies, (vii) Burden of fixed expenses.

- **Effect on Government:** (i) Loss of revenue (less recovery of income tax. sales tax, etc.) (ii) Lack of order in society, (iii) Blame by different parties.

- **Effect on Consumers:** (i) Rise in prices, (ii) Scarcity of goods, (iii) Bad affect on quality of goods.

- **Other Effects:** (i) Adverse affect on International Trade (Fall in exports and rise in imports), (ii) Hindrance in Economic Development of the country, (iii) Uncertainty in economy.

To conclude, it can be said that almost all sections of the society suffer loss in one way or the other due to bad industrial relations. In order to maintain peace in industrial units it is of utmost importance that employers and workers should make constant endeavour to establish cordial human relations.

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Q. Role of State in IR

Ans: In recent years the State has played an important role in regulating industrial relations but the extent of its involvement in the process is determined by the level of social and economic development while the mode of intervention gets patterned in conformity with the political system obtaining in the country and the social and cultural traditions of its people.

The degree of State intervention is also determined by the stage of economic develop. For example, in a developing economy like ours, work-stoppages to settle claims have more serious consequences than in a developed economy and similarly, a free market economy may leave the parties free to settle their relations through strikes and lockouts but in other systems varying degrees of State participation is required for building up sound industrial relations.

- Article 14 lays down that the State shall not deny to any person equality before the law or the equal protection of laws.
- There shall be equality of opportunity to all citizens in matters relating to employment or appointment or appointment to any office under the State.
- Labour is in the Concurrent List on which both the Centre as well as the States have the power to make laws, Article 254 has been enacted to clarify the position.
- Articles 39, 41, 42 and 43 have a special relevance in the field of industrial legislation and adjudication. In fact, they are the sub-stratum of industrial jurisprudence.
- Social security is guaranteed in our Constitution under Arts. 39, 41 and 43. The Employees' State Insurance Act, 1948, is a pioneering piece of legislation in the field of social insurance.
- The benefits provided to the employees under the scheme are: (1) sickness benefit and extended sickness benefit; (2) maternity benefit; (3) disablement benefit; (4) dependants' benefit; (5) funeral benefit; and (6) medical benefit. All the benefits are provided in cash except the medial which is in kind.
- The administration of the scheme is entrusted to an autonomous corporation called the Employees' State Insurance Corporation. The Employees' Provident Funds and

Miscellaneous Provisions Act, 1952 and the Maternity Benefit Act, 1961, are also social security measures to help fulfill the objectives of Directive Principles of our Constitution.

- Article 42 enjoins the State government to make provision for securing just and humane conditions of work and for maternity relief.

- Article 43 makes it obligatory for the State to secure by suitable legislation or economic organization or in any other manner to all workers, agricultural, industrial, or otherwise, work, a living wage, condition of work ensuring a decent standard of life and full enjoyment of leisure and social and cultural opportunities. To ensure this, the Minimum Wages Act, 1948, was enacted.

Q. Discuss the process of trade union registration.

The four procedure involved in registration of trade unions are as follows: 1. Appointment of Registrar 2. Mode of Registration 3. Rights and Duties of Registrar 4. Legal Status of Registered Trade Union.

1. Appointment of Registrar:

Section 3 of the Trade Union Act, 1926 empowers the appropriate Government to appoint a person to be registrar of Trade Unions. The appropriate Government be it State or Central, as the case may be is also empowered to appoint additional and Deputy Registrars as it thinks fit for the purpose of exercising and discharging the powers and duties of the Registrar. However, such person will work under the superintendence and direction of the Registrar. He may exercise such powers and functions of Registrar with local limit as may be specified for this purpose.

2. Mode of Registration:

Any seven or more persons who want to form trade union, can apply for its registration to the Registration of Trade Unions under Section 4 (1) of the Trade Unions Act, 1926. These applicants must be members of a trade union.In order to check the multiplicity of trade unions, one school of thought has proposed the number of persons farming a trade union for the purposes of registration be reasonably increased to 10 per cent of employees of the unit, subject to minimum of seven persons employed therein This is expected to strengthen the trade union movement. The application for registration must be sent to the Registrar of Trade Unions in Form "A" as required by the Trade Union Act, 1926 under Section 5.

Every application must be accompanied with the following particulars:

1. The names, occupations and addresses of the members making application.

2. The name of the trade union and the address of its head office.

3. The titles, names, ages, addresses and occupations of the office bearers of the trade union.

4 If a trade union has been in existence for more than one year prior to application of its registration, a financial statement showing its assets and liabilities prepared in the prescribed form has also to be submitted to the Registrar along with the application for registration.

5. Besides, every application must be accompanied with a copy of Rules of Trade union complying with the items as specified under Section 6 of the Trade Unions Act, 1926.

Rules of a Trade Union: A trade union can be registered only when its constitution fulfils the following rules:

1. Name of the trade union;

2. The whole of the objects for which the trade union has been established;

3. The whole of the purposes for which the general funds of a trade union shall be applicable.

4. The maintenance of a list of the members of the trade union and adequate facilities for the inspection thereof by the office-bearers and members of trade union;

5. The payment of a subscription by members of the trade union which shall be not less than 25 naya paise per month per member;

6. The manner in which rules will be amended varied and/or rescinded;

7. The manner in which the members of the executive and the other office-bearers of the trade union shall be appointed and removed;

8. The manner in which the funds of the trade union shall be kept and audited and inspection of the books of accounts by the office bearers and members of the trade union be made;

9. The conditions under which any member shall be entitled to have benefits under the rules and under which fine or forfeiture shall be imposed on the members; and The manner in which the trade union shall be dissolved.

3. Rights and Duties of Registrar:

Section 7 of the Act empowers the Registrar of Trade Union to make, if required so, further enquiries on receipt of an application for registration to fully satisfy himself that the application complies with the provisions of section 5. However, such enquiries can be made only from the application and not from any other source.

The duties of the Registrar of Trade Unions in matters of registration of trade union are laid down under Section 8 of the Act. On having being satisfied with the requirements for the registration of the union, the Registrar shall register the trade union by entering in a register. The letter to this effect will be issued to the Trade Union. In case of non-satisfaction of registrar with the compliance of requirements, the refusal for registration will be issued to the trade union.

No time limit for the grant or refusal of registration has been prescribed in the Trade Union Act, 1926. However, there are legal directives issued by the Court to the Registrar of Trade Unions to perform me statutory duty imposed upon mm under sections 7 and 8 to deal with the application of the Trade Union according to law at an early date

The National Commission on Labour has suggested 30 days excluding the time which the Union takes in answering queries from the Registrar for the grant or refusal of registration by the Registrar. The Trade Unions (Amendment) Bill, 1982 has provided for insertion of the words “within a period of 60 days from the date of such compliance” after the words “Register the Trade Unions” in Section 8 of the Trade Unions Act, 1926. Where, however, Registrar refuses to grant registration to a trade union, he is under an obligation to state reasons for refusing to grant registration. The Societies of Registration Act, 1860, Co-operative Societies Act, 1912 and the Companies Act, 1956 do not apply to trade unions and registration thereof under any of these Acts is void ab initio.

4. Legal Status of Registered Trade Union:

Upon the registration, a trade union assumes to a corporate body by the name under which it is registered. A registered trade union shall have perpetual succession and its common seal. A registered trade union is an entity distinct from the members of which, the trade union is composed of It enjoys power to contract and to hold property both moveable and immoveable and to sue and be sued by the name in which it is registered.

Q. State the Structure and Functions of Trade Union.

A trade union is a formal association of workers that promotes and protects the interests of its members through collective action. Under the Trade Union Act 1926, the terms is defined as any combination, whether temporary or permanent, formed primarily for the purpose of regulating the relation between worker and employers or for imposing restrictive conditions on the conduct of any trade or business and include and federation of two or more unions. Let us examine the definition in parts:

- Trade union is an association either of employees or employers or of independent workers.
- It is a relatively permanent formation of worker's. It is not a temporary or casual combination of workers. It is formed on a continues basis.
- It is formed for securing certain economic benefits to members.
- It includes a federation of trade unions also.
- It emphasizes joint, coordinated action and collective bargaining.

Functions of Trade Union:

- Militant or protective or intra-mutual functions
- Fraternal or extramural functions
- Social functions
- Political functions

Militant or protective or intra-mutual functions

The militant functions of trade unions can be summed up as:

❖ To achieve higher wages and better working conditions

- To raise the status of workers as a part of industry
- To protect labors against victimization and injustice

Fraternal or extramural functions

The fraternal functions of trade unions can be summed up as:

- To take up welfare measures for improving the morale of workers
- To generate self confidence among workers
- To encourage sincerity and discipline among workers
- To provide opportunities for promotion and growth
- To protect women workers against discrimination

Social function

- Besides the main economic functions consisting basically of organizing unions and improving their terms and conditions of employment to enable workers to meet their physical needs, some unions have now started undertaking and organizing welfare activities and also providing variety of services to their members and sometimes to the community of which they are a part, which may be grouped under following heads: **Welfare activities, education, scheme, and procedure for redressing their grievances, publication of periodicals and research.**

Political function: These functions include affiliating the union with a political party, helping the political party in enrolling members, collecting donations, seeking the help of political parties during the periods of strikes and lockouts.

Q. Briefly explain the objectives of Trade Unions.

The failure of an individual worker to seek solutions to problem, while discharging his duties, personal as well as organizational, led workers to form a formal group which is identified at present as trade union**.** Trade unions are formed to protect and promote the interests of their members. They are there basically to protect the interests of workers against discrimination, whimsical actions and unfair labour practices. The difference between labour and management regarding pay, working hours, holidays are being put to debate, discussion and resolved in mutually satisfying manner.

Trade unions, specially, concentrate their attention to achieve the following objectives:

- **Wages and salaries:**
  The subject which drew the major attention of the trade unions is wages and salaries. This is items may be related to policy matters. However, differences may arise in the process of their implementation.in the case of unorganized sector, the trade union plays a crucial role in bargaining the pay scale.
- **Working condition:** trade union wit a view to safeguard the health of workers demand the management to provide all the basic facilities such as lighting and ventilation, sanitation, rest rooms, safety equipment while discharge hazardous duties, drinking water, refreshment, minimum working hours, leave and rest, holidays with pay, job satisfaction, social security benefits and other welfare measures.
- **Discipline:** trade union not only conduct negotiations in respect of the items with which their working conditions may be improved but also protect the workers from the clutches of management whenever workers become the victims of management's unilateral acts and disciplinary policies.
- **Personnel policies welfare:** trade unions may fight against improper implementation of personnel policies in respect pf recruitment, selection, promotions, transfers, training etc.
- **Employee-employer relations:** A harmonious relation between the employee and employer is a sine qua non for industrial peace. A trade union always strives for achieving this objective. However, he bureaucratic disrupts the relations between the workers and management.
- **Negotiating machinery:** negotiation include the proposal made by one party and the counter proposals of the other party. This process continues until the parties each an agreement. Thus, negotiations are based on give and take principal. Trade union being a party for negotiation protects the interests of workers through collective bargaining.

Q. What is the importance of trade unions?

Trade unions represent people at work. They try to protect the interests of members. The effectively prevent the employers from resorting to arbitrary, whimsical and exploitative actions aimed to hitting the workers below the belt. The principal difference between labour and management re bring put to debate and discussion and are being resolved through negotiations and bargaining .

Workers join a trade union primary to :

- Improve their bargaining power

- Voice their concerns, grievances, problems etc. in a united manner.
- Have platform for self expression and cross fertilization of ideas, feelings concerning work. Working conditions, work environment.
- Minimize discrimination and favoritism especially in maters relating to pay, work, transfer promotion.
- Secure adequate protection in case of illness, accident, unemployment.

Q. Discuss various Union structure.

Indian labour is represented by many different kinds of unions:

Craft union: a craft union is one whose members do one type of work, often using specialized skills and training. It is horizontal in charter as its members belong to a single process or group of process. A craft union enjoys strong bargaining power as its members possess specialized skills that cannot be easily replaced in case of strike.

Industrial union: An industrial union is one that includes many persons working in the same industry or company, regardless of jobs held. It is vertical in nature at it consists of all types of workers in an industry. An industrial union also enjoys strong bargaining strength as it consist of bot skilled and unskilled workers.

General union: this type of union consists of workers employed in different industries and crafts within a particular city or region. In this case, all workers are equal and there is no distinction between skilled and unskilled workers. There is convenience in negotiations as employer need not bargain with so many splinted groups.

Federation: these are national level entitles to which plant level unions, crafted unions, industrial unions and general unions are affiliated. These are apex bodies, coordinating the affairs of various unions in tier fold.

Q. What is International HRM?

Human Resource Management (HRM) is set of organizational activities aimed at effectively managing and directing human resources/labour towards achieving organizational goals. Typical functions performed by HRM staff would be recruitment, selection, training and development, performance appraisal, dismissal, managing promotions and so on.

Then what is International Human Resource Management (IHRM)?

IHRM can be defined as set of activities aimed managing organizational human resources at international level to achieve organizational objectives and achieve competitive advantage over competitors at national and international level. IHRM includes typical HRM functions such as recruitment, selection, training and development, performance appraisal and dismissal done at international level and additional activities such as global skills management, expatriate management and so on.

In simple terms, IHRM is concerned about managing human resources at Multinational Companies (MNC) and it involves managing 03 types of employees namely,

1. Home country employees- Employees belonging to home country of the firm where the corporate head quarter is situated.
2. Host country employees- Employees belonging to the nation in which the subsidiary is situated.
3. Third country employees- These are the employees who are not from home country/host country but are employed at subsidiary or corporate head quarters. As an example a American MNC which has a subsidiary at India may employ a French person as the CEO to the subsidiary. The Frenchman employed is a third country employee.

Differences between domestic HRM and International HRM (IHRM) are summarized below:

- Domestic HRM is done at national level and IHRM is done at international level.
- Domestic HRM is concerned with managing employees belonging to one nation and IHRM is concerned with managing employees belonging to many nations (Home country, host country and third country employees)
- Domestic HRM is concerned with managing limited number of HRM activities at national level and IHRM has concerned with managing additional activities such as expatriate management.
- Domestic HRM is less complicated due to less influence from the external environment. IHRM is very complicated as it is affected heavily by external factors such as cultural distance and institutional factors

Q. Outlines the important characteristics of the ethnocentric, polycentric and geocentric approaches to international staffing.

The IHRM literature uses four terms to describe multinational enterprise approaches to managing and staffing their subsidies. These terms are taken from the seminal work of perl mutter who claimed that it was possible to identify among international executives three primary attitudes are

- Ethnocentric approach
- Polycentric approach
- Geocentric approach
- Regiocentric approach

Ethnocentric approach

- Under this, parent nation employees fill all key positions in a multinational. That is key positions in domestic and foreign operations are held by headquarters personnel. subsidiaries are managed by staff from the home country(PCN)

There are often sound business reasons for pursuing an ethnocentric staffing policy

A perceived lack of qualified host country nationals (HCN)

- A need to maintain good communication, co ordination and control links with corporate headquarters.

- This practice was widespread at one time firms such as Procter and gamble, Philips originally followed the ethnocentric approach.
- Even today in most of the Japanese and south Korean companies such as toyato Samsung, key positions in international operations are still held by home country nationals.

Disadvantages of ethnocentric approach

- It limits the promotion opportunities of host country nationals which may lead to reduced productivity and increased turnover among that group.

- The parent country nationals being placed in the host country take lots of time in understanding the local dynamics leading to faulty decisions.

Impact of approach on Staffing:

- Headquarters country personnel manage all operations.
- Home Staffing policies are replicated in countries.
- Talent skills transfer essentially one-way.

POLYCEN TRI C APP ROACH

- The multinational enterprise treats each subsidiary as a distinctnational entity with some decision making autonomy.

- Subsidiaries are usually managed by local nationals (HCN¶s) and parent country nationals and are rarely transferred to foreign subsidiary nations.
- For ex :Many
- US companies use home country managers to get the operations started, then hand them over to the host country managers Hindustan uniliver ltd, the Indian subsidiary of uniliver has locals has its chiefs.

main advantages of a polycentric policy are

- Employing HCN eliminates language barriers avoids the adjustment problems of expatriate managers and their families and removes the need for expensive cultural awareness training programs.
- Employment of HCNs is less expensive.
- Gives continuity to the management of foreign subsidiaries and avoids the turnover of key managers.
- Managing local politics and administration will be very easier.

Disadvantages of polycentric approach

- Bridging the gap between host country nationals managers and parent country national managers becomes difficult.
- It also becomes difficult to imbed the original cultural of company.
- This will not provide the opportunity to the host country employers to get exposure and experience outside their own country.

Impact of approach on Staffing:-

- Headquarters country personnel have little impact on other countries.

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- Talent acquisition policies are unique to each country.

GEOCENTRICAPPROACH

- Multinational enterprise is taking a global approach to its operations, recognizing that each part (subsidiaries and headquarters) makes a unique contribution with its unique competence.
- This approach subscribes the view of employing the best people in key positions throughout the organization with out the consideration of any nationality. Moreover, it helps the organization to develop core competency taking the best talents in the core team.

Advantages of geocentric approach:

- It enables a firm to develop an international executive team which assists in developing a global perspective.
- It over comes the ³federation´ drawback of the polycentric approach.
- It promotes co operation and resource sharing across units.

Disadvantages of geocentric approach:

- Host governments want a high number of their citizens employed.
- Many western countries require companies to provide extensive documentation.
- This is expensive in terms of the investment towards training and development of those individual.
- Benchmarking the salary with the international compensation package which is definitely more than the salary to be given to the individual in his home country.

Impact of approach on Staffing:-

- Employees circulate throughout the global organization.
- Talent acquisition policies maximize long-term strength of the global organization.
- Talent and skills are deployed globally to achieve global goals while meeting local requirements.

Regeocentric Appraoch

- In regiocentric approach Operations managed regionally; communication and coordination high within the region. Like geocentric approach, it utilizes a wider pool of managers but in a limited way.

-
- This approach advocates the division of operations of the multinational company on the basis of some geographical regions and allows the transfer of employees with in a particular region.

Advantages of regiocentric approach: A major motive for using such an approach is that it allows the interaction between executives transferred to regional areas.

Q. **Explain the concept of Expatriate.**

An expatriate is an employee who has left his native land and is working and temporarily residing in a foreign country. An expatriate can also be a citizen who has relinquished citizenship in their home country to become the citizen of another country. The term originates from the Latin words, ex (out of) and patria (fatherland).

A firm's employees who are transferred out of their home base into some other area of the firm's international operations are referred to as expatriates. The practice of global mobility of a company's workforce helps in building competitive advantages. All expatriate employees are entitled to receive an expatriate premium while working in a foreign country. This includes monetary benefits and non-monetary incentives like housing and education.

When the initiative for expatriation comes from individuals rather than employers, it is called self-initiated expatriation (SIE). An illustration of this is the fact that some Asian Companies have recently hired a number of Western managers.

Dubai is a country where the population is composed predominantly of expatriates from countries like India, Pakistan, Bangladesh and Philippines, with only 20% of the population made up of citizens. Most popular expatriate destinations are Spain, followed by Germany and Britain.

Q. **what are some of the challenges faced in training expatriate managers?**

1. Uncertain technical competency
2. Weak language skills
3. Unsure about going overseas
4. Family problems
5. Low spouse support

6. Behavioral rigidity
7. Un-adaptability-closed to new ideas
8. Poor relational ability
9. Weak stress management skills.

Q. **Define the term PCN,HCN and TCN**

Parent country National (PCN):

Also called expatriates, they are the people sent from the country in which the organisation is headquartered. N American manager on assignment in India is an expatriate.

Host Country National (HCN): In an international firm, an HCN is a person whose nationality is the same as that of the country in which the company is operating: for example, a UK manager working for a UK-based subsidiary of a Japanese company. [See parent-country national and third-country national.

Third Country National (**TCN**) is a term often used in the context of migration, referring to individuals who are in transit and/or applying for visas in countries that are not their country of origin (i.e. country of transit), in order to go to destination countries that is likewise not their country of origin. In the European Union, the term is often used, together with "foreign national" and "non-EU foreign national", to refer to individuals who are neither from the EU country in which they are currently living or staying, nor from other member states of the European Union. In terms of employment, the term is often used to designate "an employee working temporarily in an assignment country, who is neither a national of the assignment country nor of the country in which the corporate headquarters is located."

In the US, it is often used to describe individuals of other nationalities hired by a government or government sanctioned contractor who represent neither the contracting government nor the host country or area of operations. This is most often those performing on government contracts in the role of a private military contractor. The term can also be used to describe foreign workers employed by private industry and citizens in a country such as Kuwait in which it is common to outsource work to non-citizens.

Q. What are the Challenges of HRM in dynamic business environment?

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1. **The importance of globalization and integrating markets:** Companies will become larger and more global in the next 10 years, handling operations in more countries than they do today.
2. **Talent management:** Finding and retaining quality talent continues to be essential to business sustainability. Finding and retaining quality talent continues to be essential to business sustainability, though its importance in relation to other challenges differs by location. There are more contingent workers, and the rationale behind work force investment is changing and moving in multiple directions. Most industries and countries are to experience a widening talent gap, notably for highly skilled positions and for next generation of mid and senior leaders.
3. **Working virtually across functions and geographies will intensify**, with implications for intercultural communication, business ethics and organizational effectiveness. Localizing management of overseas operations is key, but a global outlook is just as important as local knowledge. Businesses need to find new ways to connect people to each other and to information, both internally and externally. The expectation of having an "always-available" employee varies around the world.
4. **Global employee engagement is tentative; companies that have implemented multiple layoffs have eroded a sense of security in the global work force.**

   There is a disconnect between what companies currently have to offer employees and what employees really value. Retaining valued talent is more important, but the drivers to retain that talent are different depending on the type of market (growth opportunity is paramount in growth markets; new or challenging responsibilities is paramount in mature markets). The gap in creative leadership, executing for speed, and managing 'collective intelligence' must be addressed. Employee engagement has suffered; companies are now trying to restore pride and trust.

5. **The economic crisis and fewer existing business opportunities create a high demand on the global HR function to demonstrate greater adaptability**. HR will be an important link between corporate headquarters and overseas operations. HR is conducting too many initiatives, with mediocre outcomes. Companies need to reboot their HR function and boost resources devoted to HR.
6. **Economic uncertainties fundamentally change motivators that attract and retain employees.**

There is a disconnect between what companies have to offer employees and what employees really value.

7. Human capital protectionism may continue to increase in many countries in non-tariff, nationalistic forms.
8. **Global mobility of high-value workers continues** as multinational companies restrict new hires and relocate talented employees from within their existing work force.
9. Companies that originate in emerging economies will continue to succeed in the global marketplace.
10. **Increased demand for HR metrics may bring about a widely accepted set of analytic measures and methods (global standards)** to describe, predict and evaluate the quality and impact of HR practices and the productivity of the work force. However, globalization is also driving impetus toward the use of more metrics with greater cultural sensitivity.

Q. What do you mean by HR Outsourcing?

Increasingly, many large firms are getting their HR activities done by outside suppliers and contractors. Employee hiring, training and development, and maintenance of statutory records are the usual functions contracted out to outsiders. The trend towards outsourcing has been caused by several strategic and operational motives. From a strategic perspective, HR departments are divesting themselves from mundane activities to focus more on strategic role. Outsourcing has also been used to help reduce bureaucracy and to encourage a more responsive culture by introducing external market forces into the firm through the bidding process. At the operational level outsourcing helps to save money. Consistent with the outsourcing trend, human resource activities are being outsourced by organizations. Example- payroll, benefits, training, and recruiting are often outsourced to external service providers. Previously, these outsourced activities were performed in-house. Outsourcing routine human resource activities such as payroll produces efficiencies, the outsourcing of critical HR systems such as training or performance evaluation may lead to a loss of control over important systems or a loss of opportunity to learn from one's best human resource practices that could achieve fundamental improvements in other human resource activities.

Q. What is the Need for Outsourcing HR ?

Investing in Human Resources Outsourcing can have a huge impact on your company's bottom-line. For many businesses that do not have the time - or the resources - outsourcing is an effective way to gain access to the same economies of scale and expertise as those used by larger companies.

While outsourcing is becoming common amongst organizations, the rationale for HR outsourcing is not very different. There are three basic financial drivers behind HR outsourcing:

- Save money (ongoing expenditures).
- Avoid capital outlay (often a more important consideration than direct cost savings).
- Turn a fixed cost into a variable one.

Thus, if the workforce shrinks, HR costs can be reduced accordingly.

Q. State the Reasons for Investment in HR Outsourcing by an organization.

- **Increase Profit and Productivity:** Businesses that do everything in-house tend to have much higher operating expenses. The cost structure and economy of scale from an HR Outsourcing vendor can give business the competitive edge it needs. .
- **Reduce Labor Costs:** Hiring employees and training them for a number of different projects can be costly and time consuming. HR Outsourcing allows placing the resources where they are needed most.
- **Reduce Risks and Liabilities:** Competition, increasing government regulations, and financial conditions are constantly changing. With these changes comes a certain amount of risk for the· business owner which can be reduced by outsourcing.
- **Get "Big" Company Benefits:** Most small businesses cannot afford to match the in-house support services that bigger companies maintain. Outsourcing helps business by facilitating access to the same quality of efficiencies and expertise.

Q. Discuss the HR Outsourcing Process briefly.

HR Outsourcing involves the following Stages:

- **Planning for Outsourcing:** Planning is the first stage of the outsourcing process. In this the company manages to take a strategic decision on outsourcing. The Organization here assesses the associated risks. It then announces the initiative of outsourcing. Resources are gathered and issues related to resource management, information management are also addressed. Now the objectives of outsourcing are set.
- The strategic implications are explored. Organizations' vision, competencies, structure, strategy, value chain and transformational tools are understood.
- **Determination of Contract:** The determination of contract, rights and its termination date takes place. RPF is drafted and proposals are evaluated based on qualifications & costs. The whole process is performed with diligence.

- **Analysis:** Performance and costs of the suppliers are analyzed in this stage. The cost of activity is measured along with the costs that would be incurred if the project fails. Measurement of performance takes place along with the costs of poor performance. Both costs and performance are benchmarked. Finally there is a determination of risks, asset values, total costs, pricing models and final targets.
- **Negotiation:** Negotiations are planned, issues are addressed, term sheets are prepared and contract negotiation takes place. Once everything is earned perfectly a relationship is announced.
- **Selection:** Organization now is ready to select the providers. They set the qualifying and evaluation criteria. Identification of providers takes place that leads to their screening at the end of the stage, their is a determination of total costs for buying, short listing of providers & their finalization. Then everything is reviewed with senior management.
- **Transition:** Now the transition of resources takes place. The team roles are adjusted and compared with transition plan. Transitional issues are than addressed. Employees are met and offers or terminations take place. Those who are selected are counseled and physically moved to the client location.
- **Transformation:** It is the process when a set of projects are implemented. It reduces the total cost of ownership.
- **Management:** Final stage is that of managing the relationships. Management styles are adjusted and an oversight council- is set up. Definition and designing of agenda, schedule and performance reports take place. Oversight roles are performed, poor performance is confronted and problems solved. Finally a relationship is built. .

Q. What are the Advantages of Outsourcing an HR Activity?

- **Provide Better-Quality People:** An outsourcing firm can provide better-quality people and the most current practices and information pertaining to an activity or task. Because the HR activity is the core mission of the outsourcing firm, it can specialize in doing it very well. For example, a firm that specializes in training employees on the use of word processing software is likely to be able to train employees to use the most recent upgrades on the software that contains the newest features and applications.
- **Reduces Administrative Costs:** Outsourcing certain tasks can result in a reduction in administrative costs because the outsourcer can do the task more efficiently and gain economies of scale by virtue of having a large network of customers.

- **Increases Employee Morale:** Outsourcing specific activities and employees that do not fit with company culture may be useful to preserve a strong culture or employee morale. An example of this would be outsourcing the benefits administration activity at a law firm, where the law firm culture is shared by people who are trained as attorneys.

Q. What are the Disadvantages of Outsourcing an HR Activity ?

- **Loss of Control:** Deploying an HR activity to an outsourcing firm may lead to losing control of an important activity, which can be a costly problem. For example, by outsourcing employee recruiting to an external recruiting firm, the client company may experience missed deadlines on time-sensitive projects if the recruiting firm has other more important clients to serve.
- **Results in loss of Opportunity to Gain Knowledge:** Outsourcing an HR activity may result in losing the opportunity to gain knowledge and information that could benefit other company processes and activities. For example, outsourcing executive training and development to a company that provides a standardized training package can result in a lost opportunity to learn about the unique aspects of a firm's way of shaping leadership with respect to its own culture.

Q. What is an employee engagement?

Employee engagement is a property of the relationship between an organization and its **employees**. An "engaged **employee**" is one who is fully absorbed by and enthusiastic about their work and so takes positive action to further the organization's reputation and interests.

Q. What are the drivers of engagement?

Some additional points from research into drivers of engagement are presented below:

- **Employee perceptions of job importance** - an employee's attitude toward the job's importance and the company had the greatest impact on loyalty and customer service than all other employee factors combined.
- **Employee clarity of job expectations** - If expectations are not clear and basic materials and equipment are not provided, negative emotions such as boredom or resentment may result, and the employee may then become focused on surviving more than thinking about how he can help the organization succeed.
- **Career advancement / improvement opportunities** - Plant supervisors and managers indicated that many plant improvements were being made outside the suggestion system, where

employees initiated changes in order to reap the bonuses generated by the subsequent cost savings.

- **Regular feedback and dialogue with superiors** - Feedback is the key to giving employees a sense of where they're going, but many organizations are remarkably bad at giving it. What I really wanted to hear was Thanks. You did a good job.
- **Quality of working relationships with peers, superiors, and subordinates** - If employees' relationship with their managers is fractured, then no amount of perks will persuade the employees to perform at top levels. Employee engagement is a direct reflection of how employees feel about their relationship with the boss.
- **Perceptions of the ethos and values of the organization** - Inspiration and values' is the most important of the six drivers in our Engaged Performance model. Inspirational leadership is the ultimate perk. In its absence, is unlikely to engage employees."
- **Effective internal employee communications** - which convey a clear description of "what's going on.

Q. What is Organization Citizenship Behavior?

In industrial and **organizational** psychology, **organizational citizenship behavior** (**OCB**) is a concept that describes a person's voluntary commitment within an **organization** or company that is not part of his or her contractual tasks. **OCB** has been studied since the late 1970s.

We can look at a company like a little city. It has a mayor (typically the owner or the person highest in charge) as well as different departments (heck, we can even have the cleaning crew as the sanitation department). So if we can look at a company like a little city, we can begin to look at the employees as citizens of that city. With that perspective in mind, we can see how citizens of our little city want it to be the best city it can be. They have a stake in wanting the city to be clean, prosperous and friendly.

Examples of Organizational Citizenship

The sheer scope of organizational citizenship is far-reaching, and in a very good way. The employee who believes in (or we say 'practices') good organizational citizenship is one who has an eye out for the company's best interest at all times. That can take many different forms, such as:

Assisting co-workers: An employee can take time from their work to help another to get their job done, as they know it's important to the company and to the other employee. We have all potentially had situations where others pitched in to get a job done that had nothing to do with their specific job, outside of wanting to help the company and a fellow worker.

Working for the future: So many employees look at what they are going to get right now and do not look far into the future. Those who practice organizational citizenship believe there will be rewards down the road and do not focus on the short-term; rather, they focus on the long-term. This viewpoint also makes them long-term employees, which are desirable to any company.

Being a company representative: When some employees leave for the day, the company they represent stays behind them in the office. An organizational citizen represents their company 24/7 and has no problem talking to others about how their company might help them. Think about standing in line with someone - you tell them about your company or job, and they begin to tell you how their company can help you. They are not on the clock, but they take the company with them wherever they go.

Q. What is Talent Management?

Talent Management is a set of integrated organizational HR processes designed to attract, develop, motivate, and retain productive, engaged employees. The goal of **talent management** is to create a high-performance, sustainable organization that meets its strategic and operational goals and objectives.

Talent management does give managers a significant role and responsibility in the recruitment process and in the ongoing development of and retention of superior employees. In some organizations, only top potential employees are included in the talent management system. In other companies, every employee is included in the process.

Talent management is a business strategy and must be fully integrated within all of the employee related processes of the organization. Attracting and retain talented employees, in a talent management system, is the job of every member of the organization, but especially managers who have reporting staff (talent).

Q. Discuss the Talent Management Process.

People are, undoubtedly the best resources of an organization. Sourcing the best people from the industry has become the top most priority of the organizations today. In such a competitive scenario, talent management has become the key strategy to identify and filling the skill gap in a company by recruiting the high-worth individuals from the industry. It is a never-ending process that starts from targeting people. The process regulates the entry and exit of talented people in an organization. To sustain and stay ahead in business, talent management can not be ignored. In order to understand the concept better, let us discuss the **stages included in talent management process:**

- **Understanding the Requirement:** It is the preparatory stage and plays a crucial role in success of the whole process. The main objective is to determine the requirement of talent. The main activities of this stage are developing job description and job specifications.
- **Sourcing the Talent:** This is the second stage of talent management process that involves targeting the best talent of the industry. Searching for people according to the requirement is the main activity.
- **Attracting the Talent:** it is important to attract the talented people to work with you as the whole process revolves around this only. After all the main aim of talent management process is to hire the best people from the industry.
- **Recruiting the Talent:** The actual process of hiring starts from here. This is the stage when people are invited to join the organization.
- **Selecting the Talent:** This involves meeting with different people having same or different qualifications and skill sets as mentioned in job description. Candidates who qualify this round are invited to join the organization.
- **Training and Development:** After recruiting the best people, they are trained and developed to get the desired output.
- **Retention:** Certainly, it is the sole purpose of talent management process. Hiring them does not serve the purpose completely. Retention depends on various factors such as pay package, job specification, challenges involved in a job, designation, personal development of an employee, recognition, culture and the fit between job and talent.
- **Promotion:** No one can work in an organization at the same designation with same job responsibilities. Job enrichment plays an important role.
- **Competency Mapping:** Assessing employees' skills, development, ability and competency is the next step. If required, also focus on behaviour, attitude, knowledge and future possibilities of improvement. It gives you a brief idea if the person is fir for promoting further.

- **Performance Appraisal:** Measuring the actual performance of an employee is necessary to identify his or her true potential. It is to check whether the person can be loaded with extra responsibilities or not.
- **Career Planning:** If the individual can handle the work pressure and extra responsibilities well, the management needs to plan his or her career so that he or she feels rewarded. It is good to recognize their efforts to retain them for a longer period of time.
- **Succession Planning:** Succession planning is all about who will replace whom in near future. The employee who has given his best to the organization and has been serving it for a very long time definitely deserves to hold the top position. Management needs to plan about when and how succession will take place.
- **Exit:** The process ends when an individual gets retired or is no more a part of the organization.

Q. What are the Opportunities and Challenges faced by HR professional while doing talent management?

There is no dearth of professionals but there is an acute shortage of talented professionals globally. Every year b-schools globally churn out management professionals in huge numbers but how many of are actually employable remains questionable! This is true for other professions also.

The scenario is worse even in developing economies of south East Asia. Countries like U.S and many European countries have their own set of problems. The problem is of aging populations resulting in talent gaps at the top. The developing countries of south East Asia are a young population but quality of education system as a whole breeds a lot of talent problems. They possess plenty of laborers - skilled and unskilled and a huge man force of educated unemployable professionals. These are the opportunities and challenges that the talent management in organizations has to face today - dealing with demographic talent problems.

Now if we discuss the problem in the global context, it’s the demographics that needs to be taken care of primarily and when we discuss the same in a local context the problem becomes a bit simpler and easier to tackle. Nonetheless global or local at the grass roots level talent management has to address similar concerns more or less. **It faces the following opportunities and challenges:**

- Recruiting talent
- Training and Developing talent

- Retaining talent
- Developing Leadership talent
- Creating talented ethical culture

1. Recruiting Talent

The recent economic downturn saw job cuts globally. Those who were most important to organizations in their understanding were retained, other were sacked. Similarly huge shuffles happened at the top leadership positions. They were seen as crisis managers unlike those who were deemed responsible for throwing organizations into troubled waters. It is the jurisdiction of talent management to get such people on onboard, who are enterprising but ensure that an organization does not suffer for the same.

2. Training and Developing Talent

The downturn also opened the eyes of organizations to newer models of employment - part time or temporary workers. This is a new challenge to talent management, training and developing people who work on a contractual or project basis. What's more big a challenge is increasing the stake of these people in their work.

3. Retaining Talent

While organizations focus on reducing employee overheads and sacking those who are unessential in the shorter run, it also spreads a wave of de motivation among those who are retained. An uncertainty about the firing axe looms in their mind. It is essential to maintain a psychological contract with employees those who have been fired as well as those who have been retained. Investing on people development in crisis is the best thing an organization can do to retain its top talent.

4. Developing Leadership Talent

Leadership in action means an ability to take out of crisis situation, extract certainty out of uncertainty, set goals and driving change to ensure that the momentum is not lost. Identifying people from within the organization who should be invested upon is a critical talent management challenge.

5. **Creating Talented Ethical Culture**

Setting standards for ethical behavior, increasing transparency, reducing complexities and developing a culture of reward and appreciation are still more challenges and opportunities for talent management.

Q. What do you competency mapping?

Competency Mapping is a process of identifying key **competencies** for an organization and/or a job and incorporating those **competencies** throughout the various processes (i.e. job evaluation, training, recruitment) of the organization.

Q. **Discuss the step involved in Compentcy mapping process.**

1) Identify key components of employee job descriptions - the critical points has to identify. Then focus on what characteristics and skills are absolutely essential to get the job done.

2) Clarify roles and eliminate superfluous information – the employees should be asked about few question for collecting initial information.

1.their role's responsibilities .

2. How do they align to the task?

3.the team's mission?

4. the overall organizational strategy?

3) Identify required aptitudes, attitudes, skills, and knowledge for roles – the critical components of the competencies are what is beneath the surface of employee behavior. Like an iceberg, These values, underlying skills, and approach to work is what you're after. Identify what you need for a successful employee.

4) Synthesize ideas into central themes and define them – Do some research in other similar organizations and the competencies is require of employees and then set the competiencies.

5) Create a five-scale rubric system - here the skills, aptitudes, and knowledge required at the minimum for each level has to identify and clearly describe the behaviours exhibited by individuals who perform at each level on the novice-to-expert scale.

6) Build assessments - A set of questions has to be designed in aimed at identifying level of alignment for each of the five scales. An open ended questions such as "describe how you would do..." or "explain what you did when you were able to accomplish..." should asked to the candidates to evaluate how well it fits to your rubric.

7) Build logistics for roll-out and on-going measurement cycles - this is the fun part! A list of competencies, defined them, built rubrics to assess level of competency on a novice-to-expert scale. The program will lose its cluster if you only do it once. There should be a continuous assessment to find out the effectiveness.

Fill in the Blanks in HRM

1. ------------- and ----------- are the resources that provide utility value to all other resources. (MEN, money)
2. Human resource management is normally ------------------------------- in nature. (Proactive)
3. The process of bringing people and organisations together so that the goals of each are met is---------------------.(human resource management)
4. A method by which an organisation collects, maintains and reports information on people and jobs is --------------------------------. (human resource information system)
5. Benchmark against which actions are evaluated is called---------------.(objective)
6. A group of positions that have similar duties, tasks and responsibilities is called-----------------. (Job)
7. ----------------- and ------------------- can be derived from job analysis. (job specification and job description)
8. A written summary of content & context of job is called ------------------. (Job description)
9. A written summary of KSA required to perform a job is ----------------------. (Job specification)
10. Identifying the source of --------------------------- candidates and ------------------- them to apply for the job is called recruitment. (potential and attracting)
11. ---------------- and ----------------- are two internal source recruitment. (promotion and transfer)
12. To be ethical & social towards needs of society is ------------------------ objectives of HRM. (societal)
13. Strategic HRM concerned with the relation of ------------------- and ------------------. (Strategic HRM and Business strategy.)
14. SHRM tries to establish employees as the ---------------------- of organisation. (Strategic partner)
15. Method for tracking the pattern of employee movements though various jobs is called --------- (Markov Analysis)
16. Files of personnel education, experience, interest, skills etc, that allow managers to quickly match job opening with employee backgrounds is ----------------------. (skill inventory)
17. A profile of----------------- department wise, and offers a snapshot of who will replace if there is a ------------------------- is called replacement chart. (job holder , job opening)
18. Downward movement of an employee in the organizational hierarchy with lower status and pay is called----------------------------. (suspension)
19. ---------------------------- is an effort made by employer to help a recently separated worker find a job. (job sharing)

20. Feedback is the process of providing ----------------------- with information about their ---------------------------. (trainees & performance)
21. Moving a trainee from job to job so as to provide cross training is called -------------------- (job rotation)
22. -------------------------------- is a systematic approach consisting of preparing the trainees, presenting the instruction, having trainees try out the job and placing trainees on the job with a designated resource person. (Vestibule Training)
23. The act of increasing ------------------------ and ---------------------------- of an employee for doing a particular job is called job instruction training. (knowledge & skill)
24. A condition of stagnating in one's current job is called ----------------------.(plateauing)
25. Career progress majorly depends on ---------------------------.(performance)
26. ----------------------------- is a formal process in an organisation whereby each employee is evaluated to find how he is performing. (performance appraisal)
27. A method of --------------------------- where job factors are compared to determine the worth of -------------- is called factor comparison method.(job evaluation, job)
28. A method of job evaluation where jobs are classified on ------------------------ and the ---------------- to which these criteria exist on the job. (identification criteria , degree)
29. Systematic procedures used to determine the relative worth of ----------------- is called job ranking. (job)
30. MBO is an approach in which ------------------------- and ----------------------jointly establish clear, measurable performance jobs for the future. (employee, supervisor)
31. ------------------------ is methods that compel raters to compare each employee with all other employees who are being rated in the same group. (paired comparison)
32. -------------------------- is an appraisal technique that relies on multiple types of evaluation and multiple raters. (assessment center)
33. It is a sophisticated way to measure the ----------------------- of personnel management activities and the----------------------- in an organisation is called human resource accounting. (effectiveness, use of people)
34. ---------------------------- is the reluctance to use the extremes of rating scale and to thereby fail to adequately differentiate employees being rated.(central tendency)
35. Competency based pay system that compress many traditional salary grade is called ----------------.(broad banding)
36. An employee's perception that -------------------------- received is equal to -----------------------------of work performance. (compensation, value)
37. ----------------------------- is the amount of remuneration for a unit of time, excluding incentives, overtime pay. (wage rate)
38. It generally refers to the collective relation between ------------------- and -------------- as a group is called industrial relation.(employers and employees)
39. A person who is appointed to play the role of an umpire while resolving difference and disputes between two parties is called -----------------. (Arbitrator.)
40. The process of --------------------, ---------------------- and -------------------------of human resources in a multinational corporation is called international HRM. (procuring, allocating, utilizing)