

INDUCTION

Induction is a process of introducing the employee who is newly elected to the organization .Orientation is a process of acquainting the new employees with the existing culture and practices of the new organization. It is basically introducing the new employee with the

- ✓ work unit
- ✓ Org objectives, history, philosophy, procedure, rules
- ✓ HRM Policies – work hours, pay procedure, overtime requirement, company benefit, specific duties and responsibility for the job .

INDUCTION PROCESS

1. General orientation

Employee should feel comfortable, so that he can better adapt to the organization, taken for a visit, inform about the history of the organization, business goals and process of the org

2. Orientation to a department :

The person is informed about role, responsibility of the individual in the department

3. Orientation to a specific job :

Person is informed about the methodology to be adopted for a particular job.

PURPOSE OF ORIENTATION

1. To make new employees feel at home in new environment
2. To remove their anxiety about new workplace
3. To remove their inadequacies about new peers
4. To remove worries about their job performance
5. To provide them job information, environment
6. It Creates a good impression

IMPORTANCE OF INDUCTION

- Promote the feelings of belongingness
- Agreement between the organization and personnel goals
- Build new employees confidence
- Give company's information to the employees
- Introduction of the new employees to other members of the organization
- Creates a sense of security
- Avoids the cost of replacement

TYPES OF INDUCTION PROGRAM

☉ GENERAL INDUCTION PROGRAM

It is basically a welcoming process, idea is to introduce a new people to practices , policies and purpose of the organization .

☉ SPECIFIC ORIENTATION PROGRAM

Here induction is conducted by foremen, new person is provided knowledge regarding to operation ,immediate foremen provide training and induction

☉ FOLLOW-UP INDUCTION

Purpose is to find out whether the person is satisfied with the job .It is conducted by foremen or by a specialist from the personnel dept. Guidance and counseling are made to remove the difficulty .It take place after one or two month from the time of appointment.

ADVANTAGE OF INDUCTION PROGRAM

- ☉ Build two way communication
- ☉ Facilitate informal relation and team work among employees
- ☉ Integrate the new employee into the organization
- ☉ Supply information concerning organization, job and welfare activity
- ☉ Reduce employees grievance, absenteeism , labor turnover
- ☉ Avoids the possibility of the new employees acquiring a wrong impression
- ☉ Develop good public relation
- ☉ Show company's sincere interest in getting him off to a good start

PREREQUISITES OF EFFECTIVE ORIENTATION PROGRAM

1. Prepare for receiving new employee:

There must be someone to receive them and make them comfortable before the orientations begin. The present employee with whom the new recruit is likely to work must be informed about the arrival of the new recruit.

2. Involvement of the top level management :

Top level management involvement sends a right signal the importance the organization attaches with its human capital.

3. Preparation of new employees :

There must be someone to receive the new employee before he come to the organization , someone to make him comfortable before the orientation begins. He should be treated as guest initially. The present employees must be informed about his arrival ,they must be convinced about the need for the new recruits. This is essential when the new entrants are likely to erode the position and status enjoyed by the existing employees.

4. Determine information need of the new employee:

What the new employee should know at the time of orientation must be worked out in advance .Two things are importance related to information i.e information which of immediate relevance must be provided and their must not be information overload at the time of orientation because there are certain things which the employee will come to know throughout their organizational life .

5. Planning the presentation of information :

All necessary information must be provided and there should be no duplication of information .HR department should be given the responsibility for providing information about the organization issues ,HR policies and rules , and about employees benefit .Line supervisor should present information related to the job such as work flow process ,work rules and other aspect of the job performance

6. Concluding session :

Towards the end of the session, a concluding session should be organized, the main objective is to encourage new comer to raise queries about those aspect which are not clear to them and attempt should be made to clear the ambiguities .The session should be organized in the friendly way and not in the threatening way.

PROBLEMS IN ORIENTATION

- ⦿ Busy or Untrained supervisor
- ⦿ Too much information
- ⦿ Overloaded with paperwork
- ⦿ Employee thrown into action soon
- ⦿ Wrong perceptions of employees

CAREER PLANNING

CAREER PLANNING AND DEVELOPMENT

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

Edwin Flippo

A career as a sequence of separated but related work activities that provide continually, order and meaning in a person life “

Schermerhorn, Hunt and Osborn “Career planning is a process of systematically matching career goals and individual capability with opportunity for their fulfilment”.

Schwind, Das and Wagar “Career Planning is the process of enhancing an employee’s future value”.

CHARACTERISTICS

1. Participative process
2. Involve survey of employee abilities and attitude
3. Developmental process
4. Continuous process
5. Pervasive process

OBJECTIVES OF CAREER PLANNING

- To attract and retain right type of person
- To develop awareness of each employee uniqueness
- To provide guidance and encourage employees.
- To anticipate future vacancies
- To facilitate expansion and growth of enterprise.
- To utilize the managerial talent available at all the level within the organization
- To integrate individual and the organizational needs
- To improve employees morale and motivation

NEED FOR CAREER PLANING

- To attract competent person and to retain them
- Promotional opportunities
- Prepare for future challenges
- Correct employee placement
- Reduce employee dissatisfaction and turnover
- To increase motivation and morale

IMPORTANCE OF CAREER PLANNING

Career planning is important because it helps the individual to explore, choose and strive to derive satisfaction with his own career objectives.

INCLUDE FOLLOWING

It is the planning of one's career and implementation of career plans by means of education, training, job search and acquiring of work experience. It includes:

- a. **Internal mobility** - vertical and horizontal transfers, promotion and demotion.
- b. **Transfer** - process of placing employees in the same level jobs where they can be utilised more effectively as per the needs of the organisation. This also means - developing transfer policies, offering assistance and guidance to employees under transfer orders and evaluating transfer policy periodically.
- c. **Promotion** - it deals with the upward assignment of employees to occupy higher positions (with better status and pay) in consonance with resources of employees and job requirement. The Department must ensure that:
 - i. equitable, fair and consistent promotions are formulated and administered.
 - ii. managers and employees are given assistance and guidance on the subject of promotion.
 - iii. execution of promotional policies are as per policies and procedures.
- d. **Demotion** - is the downward assignment of, an employee in an organisation. The Department must ensure that:
 - i. equitable, fair and consistent demotion policies are drawn up.
 - ii. assisting and advising employees regarding demotions.
 - iii. ensure fair implementation of demotion policies and procedures

BENEFITS OF CAREER PLANNING AND DEVELOPMENT

1. Organisation can achieve high quality of work from their employees and promote loyalty among employees.
1. Keeps employee motivation high.
2. Links organisational goals with the employee career goals.
3. Facilitates managerial succession of employee.
4. Facilitates career success of majority of employees including managers.
5. Leads to job satisfaction to employees and self development .

6. Reduce labour turnover and labour absenteeism due to job attraction.
7. Helps employees to know career opportunities in the organisation.
8. Create a better image of organisation in the job market thus attract competent and career conscious employees.
9. Facilitate rapid expansion of organisation due to availability of highly skilled team of employees.

CAREER PLANNING BENEFIT TO EMPLOYEES

1. Explicit career path
2. Focus self-development
3. Increased productivity

CAREER PLANNING BENEFITS TO THE ORGANIZATION

1. Assure the availability of the talents
2. Attract and retaining talents
3. Promoting organizational image
4. Protecting interest of the special group of the employees

STEPS IN CAREER PLANNING & DEVELOPMENT

1. **Analysis of Personnel Career Situation** – For analysis following information will be required:
 - Total number of employees available
 - Personnel need of the organisation
 - Span of control available within organisation
 - Facilities available for training and development
2. **Projection of Personal Situation** – In this step, find out the situation likely to develop after the completion of career development plan.
3. **Identifying of Career Needs** – Find out precisely the scope and limitations of career development needs in the future.
4. **Selection of Priorities** – It is difficult to meet all the career development needs of the organisation and employees, therefore in this step select the pressing and urgent need. For this certain techniques like cost-benefit analysis, work measurement etc. are used.
5. **Development of Career Plan** –

In this step, the organisation should ensure following:

- ✓ Introduce systematic policies and programmes of staff training.
- ✓ Implement a system of study leave.
- ✓ Provide appropriate training facilities and opportunities.
- ✓ Develop the experience of employees by rotating them from one region to another.
- ✓ Give priorities to existing employees in the filling of vacancies
- ✓ Establish a register for promotion on merit-cum seniority basis.
- ✓ Ensure full participation of employees' representatives in matters relating to training and promotions.

6. **Write-up of Formulated Plan** – Prepare a brief report of career plan, which contain schedule, procedures and other details.
7. **Monitoring of Career Development Plan** – In this step, compare planned target with the target actually archived and in case of any shortfall, introduce suitable remedial measures.
8. **Implementation of Career Development Plan** – In this step, HR department implements the career development plan with the help of financial and administrative departments.
9. **Review and Evaluation of Plan** – Evaluate the implemented plan to know the benefits available from this plan to individual employee and to organisation.
10. **Future Needs** – It is the last step of the current career development plan and the first step for next plan. Here on the basis of the achievements of the current plan, the career needs of the future period are estimated.

OTHER MODELS OF CAREER PLANNING PROCESS –Steps are as follows :

1. Identification of individual needs and aspiration
2. Identification of organizational needs and opportunities .
3. Assessment of individual's strength and weakness
4. Placement on the career path
5. Review of the career plans

LIMITATION OF CAREER PLANNING

1. Dual career families

With the increase in the career orientation among the women, number of females employees is on increase giving rise to the dual families .So whenever a spouse is transferred to a different city , the other also seek transfer making career planning a complicated problem for the organization .

2. Low ceiling career

Some career does not have the scope for much advancement .
Employees cannot get promotion despite their career plans and development in such jobs.

3. Declining career opportunities

Career opportunity 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 a problem.

e. **Downsizing /Delaying and career :**

Business process engineering, technological changes and business environmental factors forces the business firm to restructure the organization by delaying and downsizing. Downsizing activities result in fixing some employees and degrading some other employee

EMPLOYEES MOBILITY

TRANSFER

A transfer involves a change in the job (accompanied by a change in the place of the job) of an employee without a change in responsibilities or remuneration. A transfer differs from a promotion in that the latter involves a change in which a significant increase in responsibility, status and income occurs, but all these elements are stagnant in case of a transfer. Another difference is that transfers are regular and frequent, as in banks and other government establishments, but promotions are infrequent.

According to Edwin flippo “Transfer is a change in job where the new job is substantially the equal to the old one in term of pay ,status and responsibility .”

REASONS FOR TRANSFERS

The reasons for transfers vary from organization to organization and from individual to individual within an organization. Broadly speaking, the following are the reasons for transfers:

- There is a shortage of employees in one department or plant because of a heavy demand, which necessitates a requirement of more employees. In another department or plant, employees may be surplus because of slackened demand for the products manufactured by the company. This will lead to workers being idle and wastage of manpower. Workers are thus transferred from the surplus department to another department or plant where there is shortage of staff.
- Incompatibilities between the worker and his or her boss or between one worker and another worker.
- Correction of a wrong initial placement of an employee.
- A change has taken place in the interests and capacities of an individual, compelling him to transfer to a different job.
- Over a period of time, the productivity of an employee may decline because of the monotony of his or her job. To break this monotony, the employee is transferred.
- The climate may be unsatisfactory for an employee's health. He or she may request a transfer to a different place where his or her health will not be affected by the climate.
- Family related issues cause transfers, especially among female employees like when they get married and want to join their husbands.

PURPOSE OF TRANSFER

1. To meet the variation in volume of work in different department
2. To provide training to employee
3. To rectify any poor placement of employee
4. To satisfy personal needs of employee
5. To meet organisational needs arises due to expansion, fluctuation in work requirement or changes in organisational structure.
6. To have a solution to poor performance of employee in a particular department.
7. To avoid fatigue and monotony
8. To remove poor personal relations
9. To punish employees as a disciplinary action

TYPES OF TRANSFERS

- 1) *Production transfers* – as mentioned earlier, a shortage or surplus of the labour force is common in different departments in a plant or several plants in an organization. Surplus employees in a department have to be laid off, unless they are transferred to another department. Transfers effected to avoid such imminent lay-offs are called production transfers.
- 2) *Replacement transfers* – replacement transfers are too intended to avoid imminent lay-offs, especially of senior employees. A junior employee may be replaced by a senior employee to avoid laying off the senior one. A replacement transfer usually takes place when all the operations are declining and it is carried out to retain long-service employees as long as possible.
- 3) *Versatility transfers* – versatility transfers are done to make employees versatile and competent in more than one skill. Clerical employees in banks, for example are transferred from one section to another so that they acquire the necessary skills to attend to the various activities of the bank. Versatile transfers may be used as a preparation for production or replacement transfers.

- 4) *Shift transfers* – generally speaking, industrial establishments operate more than one shift. Transfers between shifts are common, such transfers being made mostly on a rotation basis. Transfers may also be effected on special requests from employees. Some request a transfer to the second shift or the night shift in order to avail the free time during the day to take up part time jobs.
- 5) *Remedial transfers* – remedial transfers are effected at the request of employees and are therefore called personal transfers. Remedial transfers take place in instances like
- ✓ the initial placement of an employee may have been faulty or
 - ✓ the worker may not get along with his or her supervisor or with other workers in the department
 - ✓ he or she may be getting too old to continue in his or her regular job or
 - ✓ the type of job or working conditions may not be well adapted to his or her personal health
 - ✓ if the job is repetitive, the worker may stagnate and in all such instances
- the employee would benefit by transfer to a different kind of wor

PROMOTION

According to Edwin Flippo, “*Promotion involves a change from one job to another that is better in terms of status and responsibilities*”.

According to Paul Pigros and Charles A.Mayers . “*Promotion is a advancement of an employees to a better job –batter in terms of greater responsibility ,more prestige or status ,greater skill and especially increased rate of pay or salary*”.

Objectives

1. To provide higher status, salary, and satisfaction to existing employees.
2. To motivate employees to higher productivity and loyalty to the organisation.
3. To retain the services of qualified and competent employees.
4. To recognise, appreciate and reward the loyalty and efficiency of employees
5. To support the policy of filling higher vacancies from within the organisation.
6. To raise employees morale and sense of belongings

Principles of Sound Promotion Policy

1. Rules of promotions i.e. qualifications, experience and other terms should be clear and precise
2. Wide publicity should be given to promotion policy
3. There should be no scope for partiality, favouritism or injustice.
4. Should be based on scientific performance appraisal of employees
5. Opportunity should be provided to every worker
6. Promotion policy should be prepared for longer period
7. Promotion should not be forced to accept by an employee
8. Promotion should be given from within the same department

9. Grievance relating to promotions should be settled properly.
10. Promotion policy should be finalised after consultation with employees.
11. Promotion policy should be in writing and must be understood by all to avoid any suspicious regarding the line of the promotion in the minds of the employees
12. The promotion policy should mention the basis of the promotion i.e seniority or merit
13. Promotion programs should be closely linked to training program ; which enable the employees to improve themselves for the promotion .
14. A scientific procedure for evaluating employees performance should be followed .
15. The promotion at first ,should be made on probation .If he work satisfactorily during probation period ,he should be made permanent

TYPES OF PROMOTION

1. Horizontal promotion

It involves increase in the responsibility and pay with the change in the designation .But the job classification remains the same.

2. Vertical promotion

There is the change in the status, responsibility, job classification and pay. Sometimes it also change the nature of job completely.

3. Dry promotion

It refers to the increase in the responsibility and status without any increase in pay, or other financial benefits .

BASES OF PROMOTION

1. Promotion on merit basis

2. Promotion on the basis of seniority

1. Promotion on merit –cum- seniority basis

BIITM/MBA-203/HRM/SEMESTER -II/PALLAVI

Promotion By Merits	Promotion By Seniority
Meaning Here, ability, interest, qualifications etc. are taken into account for promotions	Here, the length of service is the only consideration for promotion.
It is favoured by management	It is favoured by employees and trade unions
It is complicated method as merits are difficult to judge	It is simple and objective method.
There is ample scope of partiality	There is no scope for partiality
There is no guarantee of promotion to an employee even after many years	An employee knows the likely date of his promotion
Employee develop to avail the benefit	No encouragement to learn and grow
Only efficient worker get promotions	Efficient and inefficient workers get promotions
Used extensively in private sector	Used in government department

MERITS / BENEFITS OF PROMOTION

1. Provide an opportunity to employees to move ahead in job leading to job satisfaction
2. It correct the initial mistakes in appointments
3. Freeze inefficient employees
4. Put beneficial pressure on work performance
5. It serves as a logical, orderly and prompt source of recruitment for management to fill vacancies as they arise
6. Insider having no problem in handling job
7. Keep high morale and solve many personnel problems such as absenteeism, discipline, accidents.

DEMERITS OF PROMOTION

1. Promotion disappoint those employees who will not get the promotion when their colleagues with similar qualification and experience are promoted
2. Some employees refuse the promotion if promotion comes with the transfer to an unwanted place or is promoted to that level where employees feel that he will be quit incompetent to carry out the job ,delegation of unwanted responsibilities sand trade union leaders feel that promotion causes damage to their position in their trade union .

PROMOTIONAL POLICIES

1. Informal promotion system
2. Open –versus – Closed promotion system

SEPERATIONS

Separation is the cessation of services of personnel from an organisation. Separation takes place due to the following reasons:

A] Initiative of Employer

1. Layoff – It is a temporary separation an employee for a definite period.
2. Retrenchment – It is a permanent separation with due notice as per statutory provision
3. Discharge or Dismissal – It is a permanent separation for violation of organisational rules.
4. Voluntary Retirement – The employee offered attractive package for separation from organisation on voluntary basis.

B] Initiative of Employee

1. Retirement – at the age of 60 years.
2. Resignation – given by employee

METHODS OF SEPERATION

1. Voluntary
 - a. Resignation
 - b. Retirement
2. Involuntary separation
 - a. Lay –off
 - b. Retrenchment
 - c. Superannuation
 - d. Dismissal or discharge
 - e. Suspension

BENEFITS OF SEPERATION

- Reduce labour cost
- Replacement of poor performer
- Increased innovation
- Opportunity for greater diversity

EMERGING TREND OF HRM IN GLOBALIZED ECONOMY AND CROSS CULTURAL ENVIRONMENT

GLOBALIZATION

- ✓ Growing internationalization of business
- ✓ HR department required to cope up with unfamiliar language , law , management style ,work ethics, trained new skills ,prepare manager for international posting

CORPORATE RESTRUCTURING

- ✓ Reorganization result due to acquisition ,diversification
- ✓ Change take place in status , career progress and corporate culture
- ✓ Internal restructuring leads to downsizing ,workload increased ,promotional opportunity reduce

CHANGING WORKFORCE

- ✓ Percentage of women and minority increasing
- ✓ Dual career couples reduce the flexibility of workforce towards accepting new assignment which hinder development aspect of the talent
- ✓ Education level is increasing ,it is difficult to manage knowledge workforce

GROWING EMPLOYEE EXPECTATION

- ✓ Employee are not only satisfied with job security , compensation ,housing
- ✓ They want empowerment , leadership applying opportunity

NEW TECHNOLOGY

- ✓ Due to house office employees lose freedom and privacy
- ✓ Due to technology nature of job ,skill requirement are changing
- ✓ Multi skilled are becoming necessary
- ✓ Computerized information system has simplified administrative work

PROACTIVE INDUSTRIAL RELATION STRATEGY

- ✓ Trade union realized that strikes have lost their relevance
- ✓ They have to compete with other worker to gain the loyalty

ETHICS AT WORKPLACE

- ✓ Biggest challenge before HRM is to make employees contribution to org success in ethical and social responsible manner
- ✓ HRM must protect the interest of the weaker section of the society
- ✓ Job discrimination and sexual harassment are emerging issues
- ✓ Affirmative action is needed to deal with

EMERGING OF NEW VALUES

- ✓ Emphasis of QWL rather than only quantity
- ✓ Equity and justice for employee in economic sphere
- ✓ Workforce diversity over uniform
- ✓ Individual over organization
- ✓ Decentralization over centralization

OUTPLACEMENT

- ▶ It is a human resource program created to help separated employees deal with the emotional stress of job loss and to provide assistance in finding a new job .
- ▶ Employees – removed due to performance problem or job elimination
- ▶ Outplacement services include –Personal career counselling ,resume preparation service, interviewing workshop
- ▶ Fees of outplacement firm will be paid by the employer

GOALS OF OUTPLACEMENT

- ▶ Earn goodwill
- ▶ Help terminated employees to find new job or new career
- ▶ Assist them to quickly find comparable job
- ▶ Help employee to cope with the stress of leaving a company
- ▶ Reduce morale problem &help them remain productive
- ▶ Minimize the amount of litigation initiated by separated employee

OUTPLACEMENTSERVICES

✓ *Emotional support*

Employee overcome job loss emotion – shock ,anger , denial ,loss of confidence,
Family may suffer if bread earner become unemployed

✓ *Job search assistance*

- ▶ Employee do not know how to begin
- ▶ Teaching them skills to find a new job (job search techniques)
- ▶ Career planning
- ▶ Clerical help, phone answering ,access to email, fax services.

BENEFITS OF OUTPLACEMENT

- *Helped fired worker*

- ✓ Move to new employment
- ✓ Job search skills
- ✓ Resume preparation
- ✓ Interview answering techniques
- ***Help in future planning***
- ✓ Diffuse anger and re-direct energies towards planning of the future
- ***Help in coping of shock and stress***
- ✓ Lower the likelihood of taking legal action
- ✓ Positive influence on survivors by reducing the fear of job insecurity
- ***Help in making transition to new employees***
- ✓ Financial counselling
- ✓ Identify their key skills and abilities
- ✓ Build self confidence

OUTSOURCING

- ▶ It is contracting with another company or person to do a particular function
- ▶ Procurement of service from external suppliers
- ▶ Non core business activity are outsourced
- ▶ Outsourcing service provider are also called as third party provider, service providers .

or

- ▶ Sub contracting—is a process by which employer transfer routine or peripheral work to another organization that specializes in that work and can perform more efficiently

OUTSOURCING ACTIVITIES

- ▶ Employee hiring
- ▶ Training and development
- ▶ Maintaining records
- ▶ Performance evaluation

NEED OF OUTSOURCING

- Save money
- Save time
- HR can focus on more strategic activity
- Utilise market best human resource practice

REASON FOR INVESTING IN HR OUTSOURCING

- ▶ Increased profit and productivity
- ▶ Reduce labour cost and operating cost
- ▶ Reduce risk and liabilities for business as these services take care of competition , increasing government regulation and changing environment
- ▶ Get quality service ,expertise advise which big company can access

HR OUTSOURCING PROCESS

- Planning for outsourcing –announce the initiative of outsourcing
- Determination of contract –rights of the parties and contract termination ,proposal are evaluated based on quality and cost
- Analysis – both the cost and performance ,cost of activity , cost of poor performance ,risk involved, final targets
- Negotiation-are planned, issues are ready for address, term sheet prepared ,negotiation is ready to take place and finally relationship can be built
 - Selection – service providers are evaluated on different criteria, short listing take place after calculating the total cost of buying is over. service provider is finalized and everything will be reviewed by senior management
- Transition –resource are transited (employees are offer or termination take place)
- Transformation –planned projects are implement
- Management –managing of relationship is done ,management styles are adjusted ,poor performance are again confront who cannot adopt and performance report are prepared to take action

ADVANTAGE OF OUTSOURCING

- Provide better quality people service
- Current practice can be followed and newest features can be used
- Reduce administration cost
- Inculcating of modern trend of corporate culture

DISADVANTAGES OF OUTSOURCING

- Loss of control on business by the organization
- Service provider may not understand your cultural values
- More client to serve
- Result in loss of opportunity to gain knowledge

JOB EVALUATION

Job evaluation is the formal process used to assign wage and salary rates to a job. A variety of systems and products exists to guide this process, each different from the other in packaging, pricing, philosophy, procedures and utility. The degree to which an organization uses a formal job evaluation process is related to the number of jobs in the organization.

Job evaluation is a systematic technique determining the worth of a job and not the man. It considers the demands of the job in terms of efforts and abilities but does not take into account individual abilities and efforts. Once the worth of the job is determined, it becomes easier to fix the wage structure that will be fair and remunerative.

Definition of Job Evaluation

Edwin Flippo - "Job evaluation is a systematic and orderly process of determining the worth of a job in relation to other Jobs".

Dale Yoder - "Job evaluation is a practice which seeks to provide a degree of objectivity in measuring the organization value of Jobs within the organization and among similar organizations".

International Labour Organization

Job evaluation may be defined simply as an attempt to determine and compare the demands which the normal performance of particular job makes on normal workers taking into account the individual abilities or performance of the worker's concerned.

Maurice B. Cuming

Job evaluation is a technique of assessing the worth of each job in comparison with all others throughout an organization.

OBJECTIVES OF JOB EVALUATION

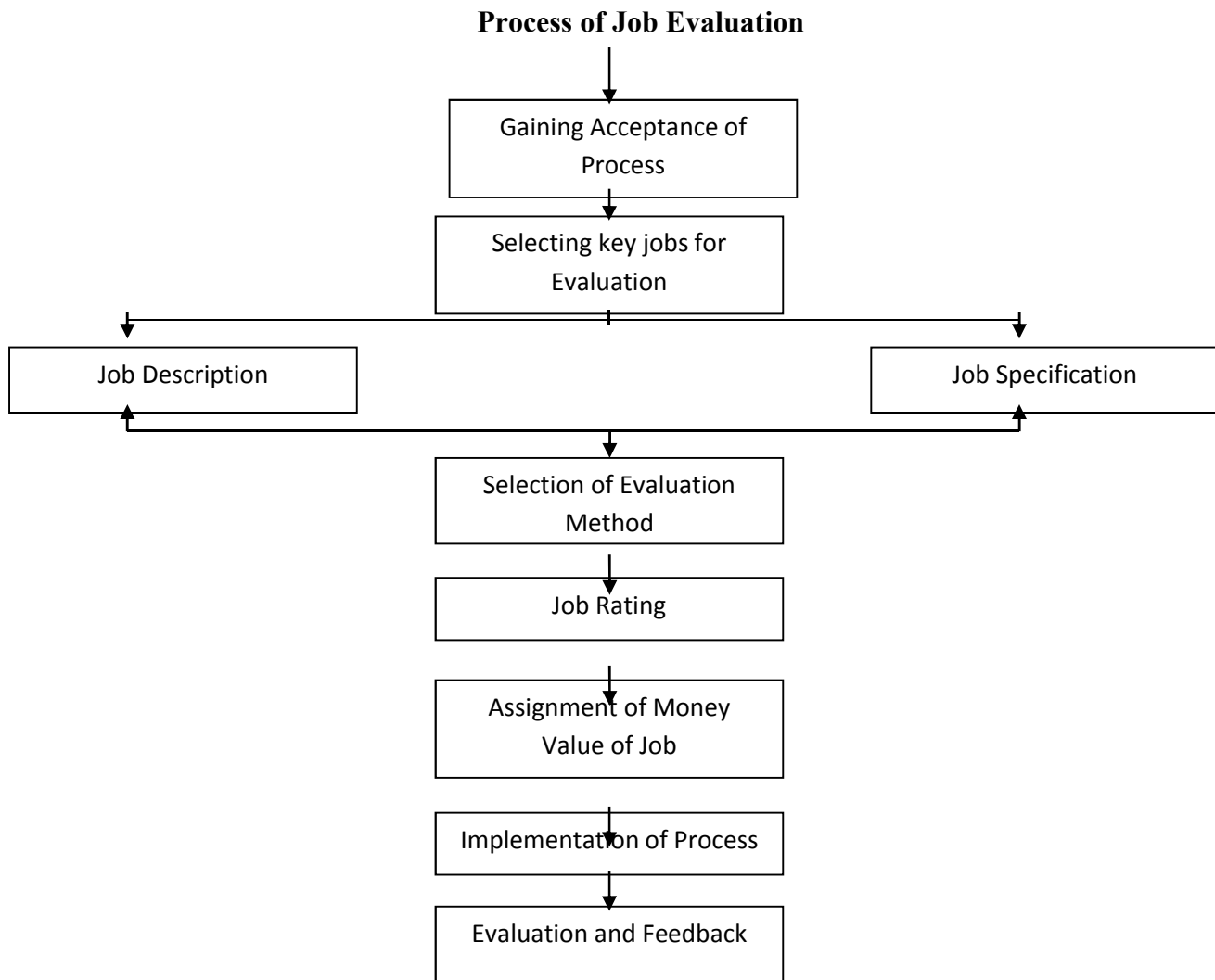
- To determine the hierarchy and place the worth of each job of the organization.
- To ensure fair and equitable wage structure on the basis of relative worth or value of jobs.
- To determine upon a standard for performance appraisal for determining relative worth of each job in a plant.
- To form a basis for fixing incentive and different bonus plans.

- To provide information for work organization, employee's selection, placement training, career development, etc.
- To provide a framework for periodic review of wages.
- To ensure the competitiveness of the organization in the labour market.
- To justify the existing pay structure to employees.
- To identify a ladder of progression for employees by providing benchmark for career planning.
- To strengthen compliance with equal pay legislation and regulations that encourage basic pay on difference in job contents.
- To produce pay structure that reconciles the conflicting demands of internal and external equity.
- To provide a sound basis for merit or pay-for-performance systems.
- To undergo organizational development in times of change.

LIMITATIONS OF JOB EVALUATION

- Job evaluation is not concerned with the performance, potential or personal qualities of individual employees.
- It is impersonal, concentrating on measuring work input rather than work output.
- It is a time consuming process requiring specialized technical personnel to undertake it and thus too costly.
- It promotes increase in number of grievances concerning wages.
- It always creates doubt in minds of workers and trade unions because of the difficulty in understanding its techniques.
- It is susceptible because of human error and subjective judgment.
- This technique is not accurate because of lack of scientific basis about efficacy of methods of job evaluation.
- Job evaluation leads to frequent and substantial changes in wage and salary structure, which in turn creates financial budget on the organization.
- Job evaluation results may not exactly coincide with social evaluations, which in turn, result in employee dissatisfaction.

PROCESS OF JOB EVALUATION



- **Gaining Acceptance of Process:** The process of job evaluation is explained to the employees and unions before undertaking it. The purpose and importance of job evaluation is made available to everyone with the help of conferences, letters & circulars.
- **Selecting Key Jobs for Evaluation:** The key jobs are those which are critical in nature and represent the type of work performed. The other jobs are compared with the key jobs

critical success jobs and the process continues.

- **Job Description:** It is a written statement of what job-holder does, how it is done, under what conditions it is done and why it is done. It is a document identifying responsibility involved and condition of employment for each job which is essential for job evaluation.
- **Job Specification:** It comprises of all the characteristics of a worker required for efficient task competition. It describes the key qualification in the form of employee's education experience skills, knowledge and abilities.
- **Selecting job Evaluation Method:** There are several technique of job evaluation, but the one, which is most appropriate to the job, and organization is selected. It may also be possible to select more than one method for accuracy.
- **Job Rating:** It is the method of rating the job by using a predetermined system or plan and studying job description. Each job is assigned with certain value or score depending upon its worth.
- **Assignment of Money Value to Job:** Once all the scores and values are added, the worth of job is determined. These points are converted into monetary values according to a definite system or scale.
- **Implementation of Process:** Once the evaluation process is over, management explains" to employees and put into action.
- **Periodic Review:** This is the final stage in a job evaluation program. In this stage, precede developed to maintain salary structure is reviewed in the light of changes in their responsibility and market rates A feedback system is helpful for the employees who are dissatisfied by the above process.

PREREQUISITE FOR SUCCESSFUL JOB EVALUATION PROGRAMME

- The process of job evaluation should be clear to the supervisors. They should have complete and concrete knowledge of the program.
- The elements selected for rating purpose should be easily explainable to avoid any overlapping
- An accurate and concrete information about job analysis, job description and job specification should be done.
- There should be thorough training for the supervisors in advance to enable others explain

policies, procedures and principles of the program.

- All the relevant internal and external factors have been taken into account in arriving at the final form of the scheme.
- The program should have the full approval and support of the top management.
- The details of the administration plan should be made simple to avoid employee's doubts and fears about the plan.
- Before launching a job evaluation program, certain issues to be decided before hand, such as category of employees to be covered, job evaluator and the atmosphere for launching of job evaluation process.
- The scheme should be introduced on a plant-to-plant basis, then applied to a whole industry.
- This is because it is difficult to standardize job's throughout an industry, unless the plants in it are so familiar that they can be treated as being virtually a single firm.
- There should be an atmosphere of open communication and participation of employees to discuss job ratings to enhance co-operation.
- Changes, if any, in the evaluation method should be carried out before the program is installed.
- The better the state of industrial relations, the easier it is to introduce a job evaluation scheme.

TECHNIQUES OF JOB EVALUATION

- There are four basic systems of job evaluation, which are grouped into 2 categories.
- Non-quantitative methods/Non-analytical system.
 - (a) Ranking or job comparison.
 - (b) Grading or job classification.
- Quantitative methods/Analytical system.
 - (a) Point rating.
 - (b) Factor comparison.

The basic difference between non-quantitative and quantitative method is that:

- In non-quantitative method, job as a whole is considered.

- Judging and comparing jobs with each other.
- In quantitative method 'compensable factor' are considered i.e., Key factors or critical factors.
- There is an assignment of numerical scores on a rating scale and then key factors are measured.

1. The Ranking System

- The ranking method is the simplest method of job evaluation, where each job as a whole is compared with other i.e., "the whole job" is compared rather than compensable factors. All jobs are ranked in the order of their importance from highest to lowest, or in the reverse order, each successive job being higher or lower than the previous one in the sequence.

The ranking of Jobs in university

Ranking Method of University Jobs

Table 8.1

• Ranking Order	• Pay Scale
• Professor/Registrar	• Rs.16,400-450-20,900
• Reader/Dy. Registrar	• Rs.12,000-420-18,300
• Lecturer/Asst. Register	• Rs.8,000-275 -13,800

The method Involves the following steps:

- Preparation of job description, which is studied, analyzed and ranked.
- Selection of rater or committee of rater is done.
- Identification of key jobs or benchmark is done and rated on the basis of its importance.
- Ranking of all jobs in the organization around the benchmark jobs, until all jobs are placed in their rank order importance.
- Finally, job classification is done based on the rating where the total ranked job is classified into appropriate group by considering the common features of jobs. All the jobs within a single group or classification receive the same range of wages.

Merits

- This method is simple, easily understood, easily explainable and flexible.
- It is suitable for small organizations with clearly defined jobs.
- It is less time consuming.
- It is economical and requires little effort for maintenance.

Demerits

- There is no standard of judgment of one job with another job and hence associated with errors.
- Improper analysis of competencies from rater's point of view.
- This method fails to indicate the degree to which one job is better than the other. It only produces a job order and tells us that one job is higher or lower than the other.
- It is a failure when large number of jobs are to be analyzed.

Job Classification or', Grading Method

Under this method, a number of predetermined grades or classifications are first established by a committee and then the various jobs are assigned within each grade or class. A job grade is defined as a group of different Jobs of similar features, requiring similar skills to perform them. Grade descriptions are the result of the information derived from a job analysis, which includes responsibilities, skills, knowledge, experience, etc. Once the grades are established, each job is placed in its appropriate grade or class depending upon its similarities. Finally, wage/salary rate is fixed for each grade, because of difference in duties, skills and knowledge.

This method involves the following steps:

- (i) Preparation of job description.
- (ii) Preparation of grade description.
- (iii) Selection of grades for key jobs.
- (iv) Grading the key jobs.
- (v) Classification of all jobs.

Merits

- (i) This method is simple, easy to understand and less time consuming.

- (ii) It takes into account the entire factor that a job comprises.
- (iii) The grouping of jobs into classification makes pay determination problems administratively easier to handle.

Demerits

- It is difficult to write a grade description especially where large number of jobs are involved.
- The system is a failure in large organizations.
- The judgment may produce an incorrect classification because of lack of detailed analysis of job.

3. Point System

This method is widely used, where jobs are expressed in terms of Key of factors or compensable factors and points are assigned to each factor on the basis of priority. The sum of these points gives us an index of the relative significance of the jobs that are rated.

The steps involved are:

- Select key jobs and cluster the jobs on the basis of similar skills, efforts, responsibility etc.
- Divide each major factor into a number of sub-factors. Each sub-factor is defined and expressed in the order of preference along a scale.
- Each factor is assigning a point value which is summed up to find the maximum number of points assigned to each job. This helps to find the relative worth of a job.
- Once the worth of a job in terms of total points is expressed, the money value is assigned to point

Conversion of Job Grade Points into Money Value

Table 8.2

Point Range	Job Grade	Pay Scale
100-150	1	900-1800
150-200	2	1400-2200
200-250	3	1700-2700
250-300	4	2400-4200
300-350	5	3200-5200

Merits

- It is the most widely used method of job evaluation.
- Job can be easily placed in distinct categories.
- For various factors of job are rated by points which make it possible for one to be accurate in assigning money value to total job points.
- This method is associated with minimum rating error's because rater using similar criteria would get more or less similar answers.
- It is more systematic, reliable and objective than other methods of job evaluation.

Demerits

- This method is very costly complex and time consuming.
- It is difficult to determine the factor levels within factors and assign values to them. Preparing of manual is a difficult process.

Compensable Factors Used in the Point-Factor Method of Job Evaluation

COMPENSABLE FACTOR	RATING CRITERIA
Skill/know-how	Education Experience Knowledge
Effort	Physical effort Mental effort Judgment decision- Making Internal business contacts Consequence of error Degree of influence
Responsibility	Supervisory responsibilities Responsibility for independent action Responsibility for machinery/equipment Fiscal responsibility Responsibility for confidential information Risks Comfort
Working conditions	Physical demands Personal demands

4. The Factor Comparison Method

The factor method is based on the analysis of jobs in terms of separately defined factors, component that are compensable to the organization. The steps involved are:

- (a) Determine the appropriate factors to measure. Factors could include education, training. experience, customer relation, responsibilities and decision making authority.
- (b) Weight the factors, when designing the system, each of these factors would be assigned a different weight based on the relative importance of each factor.
- (c) Calculate the whole score for each job. Once the factor in weights are established,

the whole score is calculated for each job. The total points assigned to a job factor determine the job's relative value and location in the pay structure.

Merits

- This method is more defensible and objection measure of job, worth due to numerical valuation.
 - It is easy to communicate and be understood.
 - The value of the job is expressed in monetary terms which make the method effective.
- If it can be applied to a wide range of jobs.

Demerits

- It is time consuming process due to consistent detail required.
- The method is more expensive to maintain and update.

COMPENSATION

CONCEPT OF COMPENSATION

Compensation is a systematic approach to providing monetary value to employees in exchange for work performed. It is a tool used by management for a variety of purposes to further the existence of the company. It may be adjusted according to the business needs, goals and available resources.

Definition

“Compensation may be defined as money received in performance of work and many kinds of services and benefits that an organization provides to their employees”.

CLASSIFICATION OF EMPLOYEES

According to level employees can be classified as

- Low level employees : employees perform simple job and have primary education plus some secondary education
- Middle level employees : do specialized job and have full secondary school education
- High Level employees : take full responsibility ,fully educated and have full experience

According to hours worked expected duration :

- Full time employees :regular basis , work as normal work week ,eligible for all the benefits the employers offers
- Regularly scheduled part time employees :employed for regular basis but do not work full time ,receive some benefits like vacation ,sick leaves and other paid leaves based on the number of hours worked

CASUAL EMPLOYEES

- Work irregular or call on basis ,they have the right to refuse work ,cannot be directed to be worked on specific days

CONCEPTUAL DIFFERENCES IN COMPENSATION SYSTEM

- compensation for part time staff versus full time staff : Part time employee earn substantially less than full time employees

- Compensation for casual workers : who are hired for a limited period of time ,also called as badli workers ,hired for handling urgent work ,fill up position arising due to temporary absence of the employees ,wages are paid at the end of the day 's work ,they are given job cards on the completion by foremen initials these cards ,employed by contractors .

Meaning of wages

- P.M .Stochank, Wages is that labors remuneration which creates the utilities .
- Benham “ wages means the amount paid to the labor for his service to the employers”

SALARY

- salary is defined as a fixed compensation periodically paid to a person for regular basis or services

DIFFERENCE BETWEEN WAGES AND SALARY

- Wage period is less than the salary period
- Payment made to the labor is called as wages but money paid periodically to the person whose output cannot be measured such as supervisory staff is called as salaries

OBJECTIVES OF SALARY AND WAGES

- To recruit and retain qualified employees.
- To increase or maintain morale/satisfaction.
- To motivate employees for better performance.
- To attract and retain skilled and talented workforce.
- To determine basic wages and salary administration.
- To achieve internal and external equity.
- To ensure equal pay for equal work, that is, each individual's pay is fair in comparison to that of another person doing a similar job.
- To support, communicate and reinforce an organization's culture, value and competitive strategy. To reduce turnover and encourage company loyalty.

- To reward for exceptional job performance with plans including bonuses, profit sharing, stocks etc.
- To control cost - A rational compensation system helps the organization to obtain and retain workers at a reasonable cost.
- Comply with legal regulation - A sound wage and salary system consider the legal rules formed by the government

COMPONENT OF WAGES AND SALARY

- **Basic pay /salary :** Salary is the amount received by the employee in lieu of the work done by him/her for a certain period say a day, a week, a month, etc. It is the money an employee receives from his/her employer by rendering his/her services.
- **Dearness allowance:** This allowance is given to an employees to compensate him for the loss in the purchasing power of money due to increase in the price.
- **House Rent Allowance :** Organizations either provide accommodations to its employees who are from different state or country or they provide house rent allowances to its employees. This is done to provide them social security and motivate them to work
- **Conveyance:** Organizations provide for cab facilities to their employees. Few organizations also provide vehicles and petrol allowances to their employees to motivate them.
- **Leave Travel:** These allowances are provided to retain the best talent in the organization. The employees are given allowances to visit any place they wish with their families. The allowances are scaled as per the position of employee in the organization.
- **Medical Reimbursement:** Organizations also look after the health conditions of their employees. The employees are provided with medi-claims for them and their family members. These medi-claims include health-insurances and treatment bills reimbursements.
- **Bonus:** Bonus is paid to the employees during festive seasons to motivate them and provide them the social security. The bonus amount usually amounts to one month's salary of the employee.
- **Special Allowance:** Special allowance such as overtime, mobile allowances, meals, commissions, travel expenses, reduced interest loans; insurance, club memberships, etc are provided to employees to provide them social security and motivate them which improve the organizational productivity.
- **City compensatory allowances:** It is paid to the employees serving in the big cities .It compensate the increased cost of living .Amount is taxable
- **Children education allowances:** Any allowances which is granted to an employee to meet the cost of education of his children

PROCEDURE OF SALARY AND WAGE ADMINISTRATION

- Job description: A critical component of both compensation and selection systems, job description define in writing the responsibilities, requirements, functions, duties, location, environment, conditions and other aspects of the job. Description may be developed for job individually or for entire families.
- Job analysis: The procedure of analyzing jobs from which job description is developed. Job analysis techniques include the use of interviews, questionnaires and observations.
- Job evaluation: A system for comparing jobs for the purpose of determining compensation levels for individual jobs or job elements.
- Pay structure: It is useful for standardizing compensation practices. Most pay structures include several grades with each grade containing a minimum salary/wage and either step increments or grade range. Step increments are common with union positions where the pay for each job is predetermined through collective bargaining.
- Salary surveys: Collections of salary and market data. It includes average salaries, inflation indicators, cost of living indicators and salary budget averages. Companies may purchase result of surveys conducted by salary vendors or may conduct their own salary surveys.

METHOD OF WAGE DETERMINATION

Collective bargaining :

- ✓ It relates to those arrangement under which wages and condition of employment are generally decided by agreement negotiated between the parties

Industrial wage board :

- ✓ The wage boards fix by revising the various components of wages like Basic Pay, DA, incentive earning, overtime pay, house rent allowance, and all other allowances.
- ✓ The wage boards take the following factors into consideration for fixing and revising the wages in various industries apart from the normal ones:
 - a) job evaluation
 - b) wage rates for similar jobs in comparable industries
 - c) existing levels of wage differentials and their desirability
 - d) Government's objective regarding social justice, social equality, economic justice and economic equality.
 - e) Need for incentives, improvements in productivity, etc

Pay Commissions

- Wages and allowances of Central and State government employees are determined through the pay commissions appointed by the appropriate government. So far the Central Government has appointed five pay commissions. The disputes arising out of pay commission awards and their implementation are decided by commissions of inquiry, adjudication machinery and the joint consultative machinery.

CONCEPT OF FAIR WAGES:

Fair wages is the wage which is above the minimum wage but below the living wage. Obviously the lower limit of the fair wage is the minimum wage and the upper limit is set by the ability of the industry to pay. Between these two limits, fair wages should depend on the factors like –

1. Prevailing rates of wages in the same occupation
2. Prevailing rates of wages in the same region or neighbouring areas
3. Employers ability to pay
4. Level of national income and its distribution
5. Productivity of labour
6. Status enjoyed by the industry in the economy

Hence it can be said that fair wages are determined on industry cum region basis. When fair wages are paid employees enjoy higher standard of living. It is accepted fact that wages must be fair and reasonable. Wages is fair when the employee is able to meet its essential needs and enjoy reasonable standard of living. "Equal pay for equal work" serves as base of fair wage.

According to Encyclopaedia of social science,"Fair wages are equal to those received by the workers performing work of equal skill, difficulty or unpleasantness."

Advantages of Fair Compensation System:

Therefore a fair compensation system is a must for every business organization. The fair compensation system will help in the following:

1. If an ideal compensation system is designed, it will have positive impact on the efficiency and results produced by workmen.
2. Such system will encourage the normal worker to perform better and achieve the standards fixed.

3. this system will encourage the process of job evaluation. It will also help in setting up an ideal job evaluation, which will have transparency, and the standards fixing would be more realistic and achievable.
4. Such a system would be well defined and uniform. It will be apply to all the levels of the organization as a general system.
5. The system would be simple and flexible so that every worker/recipient would be able to compute his own compensation receivable.
6. Such system would be easy to implement, so that it would not penalize the workers for the reasons beyond their control and would not result in exploitation of workers.
7. It will raise the morale, efficiency and cooperation among the workers. It, being just and fair would provide satisfaction to the workers.
8. Such system would help management in complying with the various labor acts.
9. Such system would also bring about amicable settlement of disputes between the workmen union and management.
10. The system would embody itself the principle of equal work equal wages. Encouragement for those who perform better and opportunities for those who wish to excel.

TYPES OF WAGE PAYMENT/ SYSTEMS OF WAGE PAYMENT

A) TIME RATE SYSTEM

B) PIECE RATE SYSTEM

Time rate system:

It is the oldest and simplest method of wage payment used extensively in the industrial as well as government departments. Wages are paid as per the time spent by the workers in the factory. The production given by them is not taken into consideration. The employer buys the hours of the workers and pays them accordingly. Time rate system is also called as day wage system. In the time rate system, efficiency, sincerity, ability is not given attention and all the workers are paid at one and the same rate as per the period spent in the factory.

ADVANTAGES OF TIME RATE SYSTEM:

- 1) **Easy and simple:** Time rate is easy to understand and simple to follow and calculate. Wage calculations are also easy and quick. Each worker knows how much wage payment he is entitled to at the end of the month. This gives convenience to employer and employees.

- 2) **Guarantee of minimum wage:** It gives the guarantee of certain minimum wage payment to every worker irrespective of their working capacity. Workers get a regular and stable income and this gives a sense of security to all workers as regards wage payment.
- 3) **Maintains quality of production:** Quality of production is maintained here as the workers are not in a hurry to complete the work. They do not rush the job and spoil the quality because of the temptation to earn more. Workers tend to work slowly and with care. Even accidents are less as workers use the machines in a careful manner.
- 4) **Support from trade unions:** Workers and trade unions accept and support time rate system as all workers are placed in one category as regards wage payment. This ensures unity among workers. Trade unions normally prefer time rate system of wage payment.
- 5) **Avoids quarrels among workers:** Time rate avoids heart burning and quarrels among the workers as uniform wages are paid to all. Here efficiency, honesty and sincerity of workers are not given any special weightage. Wage rate is the same for sincere and lazy workers.
- 6) **Convenient in modern factory system:** Time rate payment is convenient in modern factory system where production process is continuous and integrated. It is not possible to measure the work completed by one individual worker and hence time rate system is convenient.

DISADVANTAGES OF TIME RATE SYSTEM:

- 1) **Not scientific:** Time rate is not scientific system of wage payment as there is no direct linking between wages and production/productivity. Wages bill may increase without corresponding increase in the production. This will bring loss to the employer / management.
- 2) **Absence of positive encouragement:** In the time rate system, there is no positive encouragement to workers to improve their efficiency/ performance as the wage rate is uniform to all workers; efficient and inefficient.

- 3) **No distinction between workers:** In the time rate system no distinction is made between efficient and lazy workers, both are paid at one rate which is unfair. This system gives punishment to sincere and efficient workers. They are discouraged as they are paid less than what they deserve. They may even leave the job.
- 4) **No initiative to workers:** Time rate fails to encourage workers to take more interest and initiative in their work. In fact, it encourages them to follow “go slow” policy. This is because wage payment is not linked with the production given.
- 5) **Labour cost may increase:** In the time rate system, there is a possibility of increase in the labour cost without corresponding increase in the production. Workers may work with slow speed, give less production but collect the wage as per time or day fixed.
- 6) **Strict supervision:** In the time rate strict supervision on the workers is essential as payment is for period and not production. This raises the expenditure on supervision.
- 7) **No effect on productivity/ efficiency:** Time rate fails to raise productivity and efficiency of labour force. It is not an incentive system of wage payment.

Piece rate system:

This is another basic system of wage payment. It is just opposite to the time rate. It is also treated as an incentive wage system as it encourages workers to produce more and also to earn more. In the piece rate system, wages are paid as per the output or production given by the worker and not as per the time spent by the worker in the factory. Payment is by results in terms of output given. Wage rate is fixed per piece of work or for certain quantity of production. The production given by a worker at the end of the day is counted and payment is made accordingly.

MERITS/ADVANTAGES OF PIECE RATE SYSTEM:

- 1) **Linking of wages with production:** Here wages are linked with production or productivity. It raises the productivity of labour. Workers work with speed and use their capacity fully as the wage payment is directly related to the quantity of production given by a worker.
- 2) **Distinction is made between efficient and inefficient workers:** Distinction is made between efficient and inefficient worker and full justice is done to efficient worker as he gets payment in proportion to the production given. Efficient workers support the piece rate system but it is not preferred by unskilled and inefficient workers. They get less payment under this method as their capacity to produce is less.
- 3) **Encourages workers to take initiative in the work:** Piece rate system encourages workers to take more interest and initiative in the work as every worker gets full reward of his efforts. There is direct efforts-reward relationship in the piece rate system.
- 4) **Fair to employer and employees:** This system is fair to employers as well as employees. The employees get income in proportion to production given by them and the employer gets production in proportion to the wage paid.
- 5) **Incentive system:** This system serves as the incentive system. Workers work efficiently and take interest in the work due to corresponding benefit/ reward in the form of higher wage payment.
- 6) **Limited supervision adequate:** In this system strict supervision on the workers is not necessary as workers work sincerely. This is because their wage payment is directly linked with their sincerity and ability.
- 7) **Freedom of work to workers:** Workers get more freedom of work and there is effective control on the cost of production in the piece rate system.

- 8) **Brings cordial relations:** Piece rate brings cordial labour- management relations and industrial peace.

DEMERITS/LIMITATION OF PIECE RATE SYSTEM

- 1) **No guarantee of minimum wage payment:** There is no guarantee of certain minimum wage payment to a worker. This may prove to be dangerous particularly to a newly recruited worker and workers who are below average
- 2) **Workers suffer even when they are not at fault:** Sometimes workers suffer in wage payment even when they are not fault. Due to power failure, etc they may not be able to give production and naturally they will not be eligible for wage payment even when they remain present in the factory for the whole day.
- 3) **Complicated system:** Piece rate system is complicated and difficult as it is difficult to understand by ordinary workers. Management will have to keep elaborate records of production given by each worker. Workers also make complaints as regards wage payment when they feel that due payment is not made to them.
- 4) **Disturbs unity of workers:** Piece rate affects the unity among workers as wage payment will not be uniform to all workers. This will lead to quarrel among workers. Trade unions oppose piece rate system on the ground that it will lead to rivalry among workers and destroy unity among them.
- 5) **Not fair to trainees:** Piece rate system is not fair to trainees, as their capacity to produce is less and naturally they will get less wages.
- 6) **Quality of production is adversely affected:** It affects the quality of production as workers may work with speed and this may bring down the quality of production. In addition the wastages and spoiled work are likely to increase due to haste on the part of the workers to labour hard and over strain themselves in order to earn more. This affects the health of worker

TIME RATE V/s PIECE RATE SYSTEMS

<u>Meaning:</u> Wages are paid as per the time spent by workers.	 Wages are paid as per the output or production given by workers.
<u>Old/new system:</u> Oldest and simplest method of wage payment.	 Modern and incentive system of wage system.
<u>Guarantee of wages:</u> Gives guarantee of certain minimum wage payment to every worker.	 Fails to give guarantee of minimum wage payment to every worker.
<u>Support:</u> Employees and trade unions support time rate system.	 Employers and efficient workers prefer piece rate system.
<u>Understanding of system:</u> Easy to understand and simple to administer.	 Complicated system as various records and registers are required to be maintained
<u>Distinction between workers:</u> Distinction is not made between efficient and inefficient workers as all are paid at one and same rate.	 Distinction is made between efficient and inefficient workers. Efficient worker is paid more while an inefficient worker is paid less.
<u>Effect on production:</u> Encourages workers to follow go-slow policy and naturally production suffers.	 Encourages workers to take more interest in the work and naturally production increases.

<u>Quality of production:</u> Quality, workmanship of production are not affected, raw materials, machinery are utilised properly. The spoiled work is also negligible.	 Quality, workmanship of production may suffer. Increase in spoiled work and wastage of raw materials.
<u>Supervision:</u> Strict supervision is necessary as workers are paid as per the period spent.	 Strict supervision is not necessary as workers are paid in proportion to the production given.
<u>Suitability:</u> Suitable to manufacturing units, also suitable when individual contribution is not easily measurable.	 Suitable when contribution of individual worker is measurable and work is standardised and repitive in character.

Wage differentials

- Wage differences refers to differences in wage rates due to the location of company , working condition ,types of product manufactured or other factors
- Wage differentials among workers working in the same unit, among different units, occupations, regions

Inter-personal wage differentials are mainly due to variations in personal characteristics like sex, age, skill, knowledge etc. of employees who work in the same unit and are in the same or similar occupations

- Inter-firm or inter-unit wage differentials reflect relative wage levels of workers in different units in the same or similar occupation. These differentials are mostly because of varying abilities of the firms to pay wages.
- Inter-occupational wage differentials are due to varying requirements of physical skills, endurance, knowledge etc., varying demand and supply conditions eg
- Inter-area differentials are mainly due to varying demand and supply factors, living costs, abilities of employers to pay .

PERFORMANCE APPRAISAL

Meaning of Performance Appraisals

Performance Appraisals is the assessment of individual's performance in a systematic way. It is a developmental tool used for all round development of the employee and the organization. The performance is measured against such factors as job knowledge, quality and quantity of output, initiative, leadership abilities, supervision, dependability, co-operation, judgment, versatility and health. Assessment should be confined to past as well as potential performance also. The second definition is more focused on behaviors as a part of assessment because behaviors do affect job results.

- According to Mondy "Performance Appraisal is a system of review and evaluation of an individual or team's performance".
- According to DeNisi, "Performance appraisal is the system whereby an organization assign some scores to indicate the level of performance of a target person or a group" .

Features of performance appraisal

- Systematic process
- Evaluating process
- Periodic process
- Future oriented
- Determine employee potentialities
- Employee development
- Formal or informal

ADVANTAGE OF CONDUCTING PERFORMANCE APPRAISAL

- Identify the development need
- Increase the knowledge ,skills and ability of each employees
- Improving performance and motivating employees.
- Information can be used for career development
- Prepare employees for future job responsibility
- Remove job design errors
- Org maintain HRIS for easy retrieval in future
- It indicate how well an individual is fulfilling the job demand by providing feedback

OBJECTIVES OF PERFORMANCE APPRAISAL

- Provide feedback about employees
- Diagnose the S & W of individuals
- Provide coaching, counseling, career planning to subordinates
- Help in Training and Development
- Develop positive relation and reduce grievance
- Facilitating downsizing decision
- Improving overall organizational performance

GOALS OF PERFORMANCE APPRAISALS

General Goals	Specific Goals
Developmental Use	Individual needs Performance feedback Transfers and Placements Strengths and Development needs
Administrative Decisions / Uses	Salary Promotion Retention / Termination Recognition Lay offs Poor Performers identification
Organizational Maintenance	HR Planning Training Needs Organizational Goal achievements Goal Identification HR Systems Evaluation Reinforcement of organizational needs
Documentation	Validation Research For HR Decisions Legal Requirements

METHOD OF PERFORMANCE APPRAISAL (2/5/10 MARKS*)**

Performance appraisal is defined by Wayne Cascio as “the systematic description of employee’s job relevant, strength, weakness.

Companies use different methods of appraisal for identifying and appraising the skills and qualities of their employees. The different methods used can be explained with the help of following diagram.

Methods of performance appraisal

Traditional method	Modern method
1. Check list method	1. Role analysis
2. Confidential report	2. Assessment centers
3. Critical incident method	3. management by objective
4. Ranking method	4. Behavioral anchored rating scale
5. Graphic rating scale	5. Psychological testing
6. Narrated essay	6. Human resource accounting
	7. 360* Appraisal

Traditional method

Traditional method of performance appraisal has been used by companies for very long time. A common feature of these methods is they are all relatively simple and involve appraisal by one senior.

Rating Scales:

Rating scales consists of several numerical scales representing job related performance criterions such as dependability, initiative, output, attendance, attitude etc. Each scales ranges from excellent to poor. The total numerical scores are computed and final conclusions are derived. Advantages – Adaptability, easy to use, low cost, every type of job can be evaluated, large number of employees covered, no formal training required. Disadvantages – Rater’s biases

Forced Choice Method:

The series of statements arranged in the blocks of two or more are given and the rater indicates which statement is true or false. The rater is forced to make a choice. HR department does actual assessment. Advantages – Absence of personal biases because of forced choice. Disadvantages – Statements may be wrongly framed.

Forced Distribution Method:

Here employees are clustered around a high point on a rating scale. Rater is compelled to distribute the employees on all points on the scale. It is assumed that the performance is conformed to normal distribution. Advantages – Eliminates Disadvantages – Assumption of normal distribution, unrealistic, errors of central tendency.

Field Review Method:

This is an appraisal done by someone outside employees' own department usually from corporate or HR department. Advantages – Useful for managerial level promotions, when comparable information is needed, Disadvantages – Outsider is generally not familiar with employees work environment, Observation of actual behaviors not possible.

Performance Tests & Observations:

This is based on the test of knowledge or skills. The tests may be written or an actual presentation of skills. Tests must be reliable and validated to be useful. Advantage – Tests may be apt to measure potential more than actual performance. Disadvantages – Tests may suffer if costs of test development or administration are high.

Cost Accounting Method:

Here performance is evaluated from the monetary returns yields to his or her organization. Cost to keep employee, and benefit the organization derives is ascertained. Hence it is more dependent upon cost and benefit analysis.

Comparative Evaluation Method (Ranking & Paired Comparisons): These are collection of different methods that compare performance with that of other co-workers. The usual techniques used may be ranking methods and paired comparison method.

- **Ranking Methods:** Superior ranks his worker based on merit, from best to worst. However how best and why best are not elaborated in this method. It is easy to administer and explanation.
- **Paired Comparison Methods:** In this method each employee is rated with another employee in the form of pairs. The number of comparisons may be calculated with the help of a formula as under.

$$N \times (N-1) / 2$$

1. Check list method

In this method the senior, the boss is given a list of questions about the junior. These questions are followed by check boxes. The superior has to put a tick mark in any one of the boxes. A questioner containing questions is given to the senior. This method is an extremely simple method and does not involve a lot of time. The same set of questioners can be given for every employee so that there is uniformity in selecting employee.

2. Confidential report

This method is very popular in government departments to appraise IAS officers and other high level officials. In this method the senior or the boss writes a report about the junior giving him details about the performance about the employee. The +ve and –ve traits, responsibilities handled on the job and recommendations for future incentives or promotions. The report is kept highly confidential and access to the report is limited.

3. Critical incident method

In this method critical or important incidents which have taken place on this job are noted down along with employee's behavior and reaction in all these situations. Both +ve and –ve incidents are mentioned. This is followed by an analysis of the person, his abilities and talent, recommendations for the future incentives and promotions.

4. Ranking method

In this method ranks are given to employees based on their performance. There are different methods of ranking employees.

Simple ranking method

Alternate ranking method

Paired comparison method

i. Simple ranking method

Simple ranking method refers to ranks in serial order from the best employee eg. If we have to rank 10 best employees we start with the first best employee and give him the first rank this is followed by the 2nd best and so on until all 10 have been given ranks.

ii. Alternate ranking

In this method the serial alternates between the best and the worst employee. The best employee is given rank 1 and then we move to the worst employee and give him rank 10 again to 2nd best employee and give him rank 2 and so on.

iii. Paired comparison

In this method each and every person in the group, department or team is compared with every other person in the team/group/department. The comparison is made on certain criteria and finally ranks are given. This method is superior because it compares each and every person on certain qualities and provides a ranking on that basis.

5. Graphic rating scale

Graphic rating scale refers to using specific factors to appraise people. The entire appraisal is presented in the form of a chart. The chart contains certain columns

which indicate qualities which are being appraised and other columns which specify the rank to be given.

Eg. Employee A

	Quality of work	Quantity of work	Intelligence
Excellent			
Very good			
good			
satisfactory			
poor			

The senior has to put a tick mark for a particular quality along with the ranking. Such charts are prepared for every employee. According to the department in which they work. Sometimes the qualities which are judged may change depending upon the department.

6. Narrated essay :-

In this method the senior or the boss is supposed to write a narrative essay describing the qualities of his junior. He may describe the employees strength and weakness, analytical abilities etc. the narrative essay ends with a recommendation for future promotion or for future incentives.

Modern methods

Modern methods of appraisal are being increasingly used by companies. Now days one of the striving feature that appraisal involves is, the opinion of many people about the employee and in some cases psychological test are used to analyze the ability of employee. These methods are as follows

1. **Assessment Centers:** This technique was first developed in USA and UK in 1943. An assessment center is a central location where managers may come together to have their participation in job related exercises evaluated by trained observers. It is more focused on observation of behaviors across a series of select exercises or work samples. Assesseees are requested to participate in in-basket exercises, work groups, computer simulations, role playing and other similar activities which require same attributes for successful performance in actual job. The characteristics assessed in assessment center can be assertiveness, persuasive ability, communicating ability, planning and organizational ability, self confidence, resistance to stress, energy level, decision making, sensitivity to feelings, administrative ability, creativity and mental alertness etc. Disadvantages – Costs of employees traveling and lodging, psychologists, ratings strongly influenced by assessee's inter-personal skills. Solid performers may feel suffocated in simulated situations. Those who are not selected for this also may get affected.

Advantages – well-conducted assessment center can achieve better forecasts of future performance and progress than other methods of appraisals. Also reliability, content validity and predictive ability are said to be high in assessment centers. The tests also make sure that the wrong people are not hired or promoted. Finally it clearly defines the criteria for selection and promotion.

2. Role analysis :-

In this method of appraisal the person who is being appraised is called the focal point and the members of his group who are appraising him are called role set members.

These role set members identify key result areas (KRA 2 marks) (areas where you want improvement are called KRA) which have to be achieved by the employee. The KRA and their improvement will determine the amount of incentives and benefits which the employee will receive in future. The appraisal depends upon what role set members have to say about the employee.

3. Management by objective :-

This method was given by Peter Druckard in 1974. It was intended to be a method of group decision making. It can be use for performance appraisal also. In this method all members of the of the department starting from the lowest level employee to the highest level employee together discuss, fix target goals to be achieved, plan for achieving these goals and work together to achieve them. The seniors in the department get an opportunity to observe their junior- group efforts, communication skills, knowledge levels, interest levels etc. based on this appraisal is done. Peter Drucker coined the term MBO in 1954. MBO is a way of managing which focuses on the accomplishment of well-defined objectives rather than on tasks and activities.

PROCESS OF MBO

1. *Establishing Goal*: In this first step, subordinate decide the goal, which he is to attain. In some organisation subordinate and superior work together to establish goal.
2. *Setting Performance Standard* for the subordinate.
3. *Comparison of Goal* attained with the goal agreed upon. This facilitated to find out the goals that were not met.
4. *Establishing New Goals* and new strategies for the goals not achieved previously.

4. Behavioral anchored rating scale :-

In this method the appraisal is done to test the attitude of the employee towards his job. Normally people with +ve approach or attitude view and perform their job differently as compared to people with a –ve approach.

5. Psychological testing :-

In this method clinically approved psychological test are conducted to identify and appraise the employee. A feedback is given to the employee and areas of improvement are identified.

6. Human resource audit/accounting :-

In this method the expenditure on the employee is compared with the income received due to the efforts of the employee. A comparison is made to find out the utility of the employee to the organization. The appraisal informs the employee about his contribution to the company and what is expected in future. In this method, the performance of employees is assessed in terms of cost and contribution of employees. Cost of human resource consists of expenditure on recruitment, selection, training etc. and contribution of human resource is the monetary value of productivity.

7. 360* appraisal :-

In this method of appraisal and all round approach is adopted. Feedback about the employee is taken from the employee himself, his superiors, his juniors, his colleagues, customers he deals with, financial institutions and other people he deals with etc. Based on all these observations an appraisal is made and feedback is given. This is one of the most popular methods. When the appraisal of a manager is made by the superiors, peers, subordinates and clients, it is called as 360-degree system of performance appraisal. This system was developed first at General Electric, US in 1992. It is now used by Indian organisations like Reliance, Crompton Greaves, Godrej, Wipro, Infosys, and Thomas Cook etc.

MERITS OF 360 DEGREE APPRAISAL

- ✓ Uses Multiple Rates such as findings from superiors, peers, subordinates and clients and hence it is more reliable and free from bias.
- ✓ There is Systematic Performance Data Collection from superiors, peers, subordinates and clients.
- ✓ It provides greater Potentiality of Self Development as it provides broader perspective about an employee's performance.
- ✓ Only Formal Communication is entertained in 360-degree appraisal. Hence employee feels more accountable.
- ✓ It Identify Special Traits like team building skills and interpersonal skills.

DEMERITS OF 360 DEGREE APPRAISAL

- ✓ Creates Sense of Insecurity when employees heard that the appraisal would be obtained from multiple of sources.
- ✓ It is Time Consuming, as it requires time to select right and multiple raters.
- ✓ All raters may not be equally close to the employee.

ASSESSMENT CENTER

1. Assessment centers :-

Assessment centers (AC) are places where the employee's are assessed on certain qualities talents and skills which they possess. This method is used for selection as well as for appraisal. The people who attend assessment centers are given management games, psychological test, puzzles, questioners about different management related situations etc. based on their performance in these test an games appraisal is done. Assessment center may be defined as "a central location where managers may come together to participate in job related exercises evaluated by trained observers".

Features

1. Here, the managers have to participate in job related exercises and their performance is judged by trained observers.
2. In this, qualities like interpersonal skills, communication skills, self-confidence, decision-making ability etc. is assessed.
3. It was first developed in UK and US by 1943 but now used by Indian companies like Crompton Greaves, HLL, and Modi Xerox etc.
4. It is now used for performance appraisal of executives and supervisors.

Process

1. Employees are asked to participate in role-playing, business games, computer simulation and work groups without leaders.
2. Evaluators observe and rate employees as they perform jobs.
3. After this, raters meet to discuss their observations.
4. Then they make a summery report.
5. Assessment is done mainly with a view to determine employee promotion.

Merits

- ✓ It defines the criteria for selection and promotion.
- ✓ It provides better forecasts for of future performance of executrices and managers.
- ✓ It helps to determined training and development needs of an employee.
- ✓ It provides fair and equal opportunity to prove merits of all candidates.

Demerits

- ✓ It is costly and time consuming method

- ✓ Raters are often influenced by subjective elements such as personality of candidates.
- ✓ Performers in day-to-day operations feel suffocated in stimulated environment and this adversely affect their performance.
- ✓ If the report of assessment center is negative, employee may feel demoralized and frustrated.

Process of performance appraisal (5 marks)

Performance appraisal is defined by Wayne Cascio as “the systematic description of employee’s job relevant, strength, weakness.

Process of performance appraisal followed by different companies is different. A general procedure is explained below with the help of a diagram.

1. Setting performance standards :-

In this very first step in performance appraisal the HR department decides the standards of performance i.e. they decide what exactly is expected from the employee for each and every job. Sometimes certain marking scheme may be adopted eg. A score 90/100 = excellent performance, a score of 80/100 = good. And so on.

2. Communication standard set to the employee :-

Standards of performance appraisal decided in 1st step are now conveyed to the employee so that the employee will know what is expected from him and will be able to improve his performance.

3. Measuring performance :-

The performance of the employee is now measured by the HR department, different methods can be used to measure performance i.e. traditional and modern method. The method used depends upon the company’s convenience

4. Comparing performance with standard :-

The performance of the employee is now judged against the standard. To understand the score achieved by him. Accordingly we come to know which category of performance the employee falls into i.e. excellent, very good, good, satisfactory etc.

6. Discussing result :-

The results obtained by the employee after performance appraisal are informed or conveyed to him by the HR department. A feedback is given to the employee asking him to change certain aspects of his performance and improve them.

7. Collective action :-

The employee is given a chance or opportunity to improve himself in the areas specified by the HR department. The HR department constantly receives or keeps a check on the employee's performance and notes down improvements in performance.

8. Implementation and review :-

The performance appraisal policy is to be implemented on a regular basis. A review must be done from time to time to check whether any change in policy is required. Necessary changes are made from time to time.

Limitations of performance appraisal

Performance appraisal is defined by Wayne Cascio as “the systematic description of employee's job relevant, strength, weakness.

The following are the limitations of performance appraisal

1. Halo effect :-

In this case the superior appraises the person on certain positive qualities only. The negative traits are not considered. Such an appraisal will not give a true picture about the employee. And in some cases employees who do not deserve promotions may get it.

2. Horn effect :-

In this case only the negative qualities of the employee are considered and based on this appraisal is done. This again will not help the organization because such appraisal may not present a true picture about the employee.

3. Central tendency :-

In this case the superior gives an appraisal by giving central values. This prevents a really talented employee from getting promotions he deserves and some employees who do not deserve anything may get promotion.

4. Leniency and strictness :-

Some bosses are lenient in grading their employees while some are very strict. Employee who really deserves promotions may lose the opportunity due to strict bosses while those who may not deserve may get benefits due to lenient boss.

5. Spill over effect :-

In this case the employee is judged +vely or –vely by the boss depending upon the past performance. Therefore although the employee may have improved performance, he may still not get the benefit.

6. Fear of loosing subordinates and spoiling relations :-

Many bosses do not wish to spoil their relations with their subordinates. Therefore when they appraise the employee they may end up giving higher grades which are not required. This is a n injustice to really deserving employees.

7. Goodwill and techniques to be used :-

Sometimes a very strict appraisal may affect the goodwill between senior and junior. Similarly when different departments in the same company use different methods of appraisal it becomes very difficult to compare employees.

8. Paper work and personal biased :-

Appraisal involves a lot of paper work. Due to this the work load of HR department increases. Personal bias and prejudice result in bosses favoring certain people and not favoring others.

9. Stereotyping:

It is a mental picture that a person holds about a person because of the person sex ,age ,religion ,caste .etc. By generalizing behavior on the basis of such image ,the raters grossly overestimate or underestimate a person performance For example employee coming from rural background might be rated poorly by the raters having a sophisticated urban background ,if they view rural background negatively

10 Poor appraisal form:

- rating scale may be quite vague and unclear
- rating form may ignore important aspect of the job performance
- the rating may contain additional ,irrelevant performance dimension
- The form may be too long and complex

The other reasons are as follows :

LACK OF RATERS AWARENESS:

- ✓ Raters may not be adequately trained to carry the P.A
- ✓ Problem arises when technical competence of the ratee is going to be evaluated by the appraiser who is not having adequate knowledge
- ✓ Rater may not have sufficient time to carry the appraising system and provide the feedback
- ✓ Lack of self confidence on the rating done
- ✓ Confusion may distort the appraising system when the objective of appraising system is not clear

INEFFECTIVE ORGANIZATIONAL POLICIES AND PRACTICE

- If effort paid by the rater in appraiser is not rewarded ,the motivation to do the job will be lost
- Sometime low rating given by the rater are viewed negatively by the management –as a sign on the part of the rater .So sometimes employee receive satisfactory rating in spite of poor performance

LEGAL ISSUES IN PERFORMANCE APPRAISAL

I. LEGALLY DEFENSIBLE APPRAISAL PROCEDURE

- Decision should be base on the formal standardized performance appraisal system
- PA process should be uniform for all employees within a job group ,moreover decision based on performance appraisal should be monitored to rectify in future
- Specific performance standard should be communicated to the employees
- All employee should be able to review the appraisal result
- There should be formal appeal process for the ratee to rebut the rater judgment
- Rater should be provided with the written instruction and training as how to conduct appraisal properly to facilitate systematic and unbiased appraisal
- All personnel decision maker should be well informed of anti discrimination law

2. LEGALLY DEFENSIBLE APPRAISAL CONTENT

- ✓ Any performance appraisal content should be based on job analysis
- ✓ Appraisal based on traits should be avoided
- ✓ Objectively verifiable performance data should be used
- ✓ Performance which are beyond the employee control should be avoided
- ✓ Equal opportunity should be provided to achieve the goals and p
- ✓ Specific job related performance dimension performance level should be used rather than global measure
- ✓ Performance dimension should be assigned weight to reflect their relative importance

3. LEGALLY DEFENSIBLE DOCUMENTATION OF THE APPRAISAL RESULT

- ✓ A written record of evidence leading to termination decision should be maintained(for counseling ,advise and assistance)
- ✓ Written records must be there (specific behavior)
 - For extreme rating
- ✓ Document requirement should be consistent among the raters

4.LEGALLY DEFENSIBLE RATERS

- ✓ The rater 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 one rater is desirable in order to lessen the amount of influence of any one rater and to reduce the effects of biasness

ESSENTIALS OF A GOOD PERFORMANCE APPRAISAL SYSTEM:

- ✓ Standardized Performance Appraisal System
- ✓ Uniformity of appraisals
- ✓ Defined performance standards
- ✓ Trained Raters
- ✓ Use of relevant rating tools or methods
- ✓ Should be based on job analysis
- ✓ Use of objectively verifiable data
- ✓ Avoid rating problems like halo effect, central tendency, leniency, severity etc.
- ✓ Consistent Documentations maintained
- ✓ No room for discrimination based on cast, creed, race, religion, region etc.

Advantages/needs/importance/use/purpose of performance appraisal

Performance appraisal is defined by Wayne Cascio as “the systematic description of employee’s job relevant, strength, weakness.

1. Feedback to the employee :-

Performance appraisal is beneficial because it provides feedback to the employee about his performance. It identifies the areas for improvement so that employee can improve itself.

2. Training and development :-

Due to performance appraisal it is easy to understand what type of training is required for each employee to improve himself accordingly training programs can be arranged.

3. Helps to decide promotion :-

Performance appraisal provides a report about the employee. Based on this report future promotions are decided, incentives, salary increase is decided.

4. Validation of selection process :-

Through performance appraisal the HR department can identify whether any changes are required in the selection process of the company normally a sound selection process results in better performance and positive appraisal.

5. Deciding transfers and lay off of the worker :-

Employee with specific talent can be transferred to places where their talents are utilized properly; similarly decisions regarding termination of employees depend upon performance appraisal reports.

6. Human resource planning and career development:-

Companies can plan for future vacancies at higher levels based on performance appraisal reports. Similarly career planning can be done for the employee on the performance appraisal report.

TRAINING AND DEVELOPMENT

DEFINITION OF TRAINING

Training is defined by Wayne Cascio as “training consists of planned programs undertaken to improve employee knowledge, skills, attitude, and social behavior so that the performance of the organization improves considerably.”

Dale S beach “Training is the organized procedure by which people learn knowledge and skill for a definite purpose”

OBJECTIVES/PURPOSE/GOALS OF TRAINING AND DEVELOPMENT

The purpose of training and development can be explained as follows.

1. Improving quality of work force :-

Training and development help companies to improve the quality of work done by their employees. Training programs concentrate on specific areas. There by improving the quality of work in that area.

2. Enhance employee growth :-

Every employee who takes development program becomes better at his job. Training provides perfection and required practice, therefore employee's area able to develop them professionally.

3. Prevents obsolescence :-

Through training and development the employee is up to date with new technology and the fear of being thrown out of the job is reduced

4. Assisting new comer :-

Training and development programs greatly help new employees to get accustomed to new methods of working, new technology, the work culture of the company etc.

5. Bridging the gap between planning and implementation :-

Plans made by companies expect people to achieve certain targets within certain time limit with certain quality for this employee performance has to be accurate and perfect. Training helps in achieving accuracy and perfection.

6. Health and safety measures :-

Training and development program clearly identifies and teaches employees about the different risk involved in their job, the different problems that can arise and how to prevent such problems. This helps to improve the health and safety measures in the company.

Other Objectives of Training

1. To raise efficiency and productivity of employees and the Organisation as a whole.
2. To create a pool of well-trained, capable and loyal employees at all levels and thereby to make arrangement to meet the future needs of an organisation.
3. To provide opportunities of growth and self-development to employees and thereby to motivate them for promotion and other monetary benefits. In addition, to give safety and security to the life and health of employees.
4. To avoid accidents and wastages of all kinds. In addition, to develop balanced, healthy and safety attitudes among the employees.
5. To meet the challenges posed by new developments in science and technology.
6. To improve the quality of production and thereby to create market demand and reputation in the business world.
7. To develop cordial labour management relations and thereby to improve the organisational environment.
8. To develop positive attitude and behavior pattern required by an employee to perform a job efficiently. In other words, to improve the culture of the Organisation.
9. To prevent manpower obsolescence in an organisation.
10. To develop certain personal qualities among employees which can serve as personal assets on long term basis.

Importance of Training

(A) Benefits of Training To Employer / Management

1. Training raises the efficiency and productivity of managers. It also improves the performance of workers due to their motivation.
2. Training improves the quality of production. It also reduces the volume of spoiled work and wastages of all kinds. This reduces cost of production and improves quality.
3. It reduces accidents as trained employees work systematically and avoid mistakes in the work assigned.
4. Training reduces expenditure on supervision as trained employees take interest in the work and need limited supervision and control.
5. Training brings stability to labour force by reducing turnover of managerial personnel.
6. Training raises the morale of employees.
7. Training creates skilled and efficient manpower which is an asset of an industrial unit.
8. Training moulds attitudes of employees and develops cordial industrial relations.
9. Training reduces absenteeism as trained managers find their job interesting and prefer to remain present on all working days.
10. Training facilitates the introduction of new management techniques and also new production techniques including automation and computer technology.
11. Training creates a pool of trained and capable personnel from which replacements can be drawn to fill up the loss of key personnel due to retirement, etc.
12. Training provides proper guidance and instructions to newly appointed executives and assists them to adjust properly with the job and the organisation.

(B) Benefits of Training to Managers / Employees

1. Training creates a feeling of confidence among the employees. It gives personal safety and security to them at the work place.
2. Training develops skills which act as valuable personal assets of employees.
3. Training provides opportunity for quick promotion and self-development to managers.
4. Training provides attractive remuneration and other monetary benefits to employees.
5. Training develops adaptability among employees. It updates their knowledge and skills and keeps them fresh. It actually refreshes the mental outlook of employees.

6. Training develops positive attitude towards work assigned and thereby creates interest and attraction for the job and the work place.
7. Training creates an attitude of mutual co-operation and understanding among the managers. Such attitude is useful not only at the work place but also in the social life.

Difference between Training and Development

Training	Development
Training is skills focused	Development is creating learning abilities
Training is presumed to have a formal education	Development is not education dependent
Training needs depend upon lack or deficiency in skills	Development depends on personal drive and ambition
Trainings are generally need based	Development is voluntary
Training is a narrower concept focused on job related skills	Development is a broader concept focused on personality development
Training may not include development	Development includes training wherever necessary
Training is aimed at improving job related efficiency and performance	Development aims at overall personal effectiveness including job efficiencies

AREAS OF TRAINING

- ⦿ KNOWLEDGE
- ⦿ TECHNICAL SKILLS
- ⦿ SOCIAL SKILLS
- ⦿ TECHNIQUES

Training procedure/process of training

Every company has a specific training procedure, depending upon its requirements. A general training procedure is explained below along with diagram

1. Determining training needs of employee :-

In the very 1st step of training procedure, the HR department, identifies the number of people required training, specific area in which they need training, the age group of employee, the level in organization etc. in some cases the employee may be totally new to the organization. Here the general introduction training is required. Some employees may have problems in specific areas; here the training must be specific. This entire information is collected by HR department.

2. Selecting target group :-

Based on information collected in step 1 the HR department divides employee into groups based on the following.

Age group

- i. The area of training
- ii. Level in the organization
- iii. The intensity of training etc.

3. Preparing trainers :-

Once the employees have been divided into groups, the HR department arranges for trainers. Trainers can be in house trainers or specialized trainers from outside. The trainers are given details by HR department, like number of people in group, their age, their level in organization, the result desired at the end of training, the area of training, the number of days of training, the training budget, facilities available etc.

4. Preparing training packages :-

Based on the information provided by trainers, he prepares entire training schedule i.e. number of days, number of sessions each day, topics to be handled each day, depth of which the subject should be covered, the methodology for each session, the test to be given for each session, handout/printed material to be given in each session.

5. Presentation :-

On the first day of training program the trainer introduces himself and specifies the need and objective of the program and then actually starts the program. The performance of each employee is tracked by the trainer and necessary feedback is provided.

6. Performance :-

At the end of training program the participants report back to their office or branches. They prepare report on the entire training program and what they have learned. They then start using whatever they have learned during their training. Their progress and performance is constantly tracked and suitable incentives are given if the participant is able to use whatever he has learned in training.

7. Follow up :-

Based on the employee performance, after training, the HR department is able to identify what is exactly wrong with training program and suitable correction is made.

NEED OF TRAINING CAN BE KNOWN AT TWO LEVEL

Individual level

- Diagnosis of present problems and future challenges
- Improve individual performance or fix up performance deficiency
- Improve skills or knowledge or any other problem

- To anticipate future skill-needs and prepare employee to handle more challenging tasks
- To prepare for possible job transfers

Group level

- To face any change in organization strategy at group levels
- When new products and services are launched
- To avoid scraps and accident rates

Individual Training Needs Identification

1. Performance Appraisals
2. Interviews
3. Questionnaires
4. Attitude Surveys
5. Training Progress Feedback
6. Work Sampling
7. Rating Scales

Group Level Training Needs Identification

1. Organizational Goals and Objectives
2. Personnel / Skills Inventories
3. Organizational Climate Indices
4. Efficiency Indices
5. Exit Interviews
6. MBO / Work Planning Systems
7. Quality Circles
8. Customer Satisfaction Survey
9. Analysis of Current and Anticipated Changes

TRAINING PROCESS

- ⦿ ORGANIZATIONAL OBJECTIVE AND STRATEGIES
- ⦿ ASSESSMENT OF TRAINING NEED
- ⦿ ESTABLISHMENT OF TRAINING GOALS
- ⦿ DESIGNING TRAINING AND DEVELOPMENT GOALS
- ⦿ IMPLEMENTATION OF TRAINING PROGRAM
- ⦿ EVALUATION OF RESULTS

TRAINING NEED ASSESSMENT

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 . The Training Needs Analysis (TNA) – also known as a gap needs analysis – identifies performance gaps

Benefits of Training Needs Identification

1. Trainers can be informed about the broader needs in advance
2. Trainers Perception Gaps can be reduced between employees and their supervisors Trainers can design course inputs closer to the specific needs of the participants
3. Diagnosis of causes of performance deficiencies can be done

Reasons to conduct training needs analysis

- ☉ Identify the deficiencies
- ☉ Determine whether employees lack KSAs
- ☉ Benchmark for evaluation of training
- ☉ Makes sure training is provided to the right people
- ☉ Increases the motivation of training
- ☉ It increases the relevance and effectiveness of a training program
- ☉ It help the HRD professionals to decide the purpose for which training has been provided

OTHER OBJECTIVES

- ☉ Improve productivity
- ☉ Quality of goods and services

- ⦿ Fulfill the objectives of the organization
- ⦿ Identify the gap of skills required for effective performance
- ⦿ Reduce the cost

COMPONENT OF NEED ASSESSMENT

- ⦿ INFORMATION TO BE PROVIDED AS A KIT
- ⦿ KNOWLEDGE OF THEORIES AND CONCEPT
- ⦿ SKILLS AND COMPETENCIES
- ⦿ ATTITUDES AND VALUES THROUGH PERSONAL DEVELOPMENT PROGRAM

LEVEL OF NEED ANALYSIS

- ⦿ ORGANIZATIONAL ANALYSIS
- ⦿ TASK ANALYSIS
- ⦿ INDIVIDUAL ANALYSIS

ORGANIZATIONAL ANALYSIS

1. For performing need assessment at the organizational level ,organizational analysis is conducted which indicate or determine the most suitable training which matches with the company business strategy ,its resources along with the support of managers and peer groups
2. Internal environment of the org are studied to know the factors which affect the employees performance
3. Identify the training program which can achieve the org goals.
4. Identify the performance deficiency at the organizational level(org climate ,resource, goals, environmental constraints)
- 5.organizational analysis is done to know the characteristic of the org to determine where training is needed and the condition for conducting the training

O.A Should analyze

- ⊙ 1. org goals
- ⊙ Org resources
- ⊙ Org climate
- ⊙ Environmental constraint

ADVANTAGES OF CONDUCTING ORGANIZATIONAL ANALYSIS/STRATEGIC ANALYSIS

- ⊙ Reveals area where HRD is needed
- ⊙ Reveals org and environmental conditions that may affect HRD efforts
- ⊙ Communicate the link b/w HRD activities and org strategic plans so that employees may be motivated to join training

TECHNIQUES FOR CONDUCTING O.A

- ❖ Personnel and skill inventories
- ❖ Organizational climate
- ❖ Employee survey administration
- ❖ Exit interviews
- ❖ Literature review related to need analysis
- ❖ Management student who undertake the project

PERSON ANALYSIS

- It determine whether performance deficiencies are due to the lack of knowledge ,skills or abilities or due to problem with motivation or work design

- To ensure that trainees have the basic skills, motivation to learn and whether the work environment will maximize learning to improve the performance.
- Performance improvement can be indicated by Customer complaints ,Low performance rating , Accident Errors,
- Check whether an employee is performing at desired level or the performance is below expectation
- Data sources include learners, managers and document reviews (personnel records, prior training records, or testing).

STEPS OF PERFORMANCE APPRAISAL IN PERSON ANALYSIS PROCESS

- ◎ PERFORM ACCURATE P.A
- ◎ IDENTIFY DISCREPANCIES B/W EMPLOYEE

BEHAVIOUR AND THOSE BEHAVIOUR WHICH ARE REQUIRED FOR EFFECTIVE PERFORMANCE

- ◎ IDENTIFY THE SOURCE OF DISCREPANCIES

TECHNIQUES

- ◎ PERFORMANCE EVALUATION

(weakness and areas of improvement)

- ◎ PERFORMANCE PROBLEM

(low productivity ,accidents ,waste ,low quality , repairs ,customer complaints ,equipment utilization)

- ◎ OBSERVATION - both the behavior and the result

- ◎ WORK SAMPLES –product already generated

- ◎ INTERVIEWS-talk & ask what need to learn

- ⦿ QUESTIONNAIRES- test to measure job related qualities
- ⦿ ATTITUDE SURVEY –to check the morale ,motivation and satisfaction

PROBLEMS IN PERFORMANCE APPRAISAL

- ⦿ COSTLY AND COMPLEX AT THE ORG LEVEL
- ⦿ NO ACTUAL JUDGEMENT IN RELATION TO RATING OF ERRORS AND BIASES
- ⦿ TRAINING PROFESSIONAL MUST BE ABLE TO MATCH DEFICIENCIES IDENTIFIED TO SPECIFIC REMEDIAL ACTIVITIES
- ⦿ SELECT THE HRD INTERVENTION WHICH WILL BE APP TO RESOLVE THE DISCREPANCIES

ADVANTAGE OF CONDUCTING PERFORMANCE APPRAISAL

- ⦿ Identify the development need
- ⦿ Increase the knowledge ,skills and ability of each employees
- ⦿ Information can be used for career development
- ⦿ Prepare employees for future job responsibility
- ⦿ Org can accesses employees by examining their education ,training experience ,certificates'
- ⦿ Org maintain HRIS for easy retrieval in future

TASK ANALYSIS

- ⦿ **Task analysis** (sometimes referred to as operations analysis') requires establishing performance standards, what tasks must be performed for standards to be achieved, how

tasks are performed and the requisite knowledge and skills necessary to perform those tasks, in order to determine the content of training

- ⊙ **Task Analysis** – involves identifying the important tasks and knowledge, skill, and behaviors that need to be emphasized in training for employees to complete their tasks
- ⊙ Provide data about the job
- ⊙ Provide information of KSA to achieve optimum performance
- ⊙ Further they check whether the job is clearly understood or not by the employee
- ⊙ It done through technical interview observation or questionnaire

IT HELP US TO KNOW

- ⊙ Appropriate standard of performance
- ⊙ How task should be performed to meet these standards
- ⊙ The KSA that employees should possess to meet the standards

TECHNIQUES OF TASK ANALYSIS

1. DEVELOP OVERALL JOB DESCRIPTION

- ✓ Activities involved to performed the job
- ✓ Condition of performance
- ✓ Information can be collected by supervisor

2. IDENTIFY THE TASK

- ✓ The major task within the job
- ✓ How the task to be performed
- ✓ How the task are actually performed in day to day operation

3. DESCRIBE KSA NEEDED TO PERFORM THE JOB

- ✓ job analysis will contain the information details of JS i.e adequate KSA needed to perform the job

4. IDENTIFY AREA THAT CAN BENEFIT FROM TRAINING

- ✓ After the KSA identified and the list of job to be performed ,those task related capability are identified which could be trained through training program

5. PRIORITIZE AREAS THAT CAN BENEFIT FROM TRAINING

- ✓ Those task and KSA could be benefited from training the one which receive the highest priority

SOURCE OF DATA FOR TASK NEED ANALYSIS

- ⊙ JOB DESCRIPTION
- ⊙ JOB SPECIFICATION
- ⊙ OBSERVING THE JOB
- ⊙ ASKING QUESTION ABOUT THE JOB
- ⊙ LITERATURE ABOUT THE JOB

TNA PROCESS

STEP NO 1- IDENTIFY PROBLEM NEEDS

- ✓ Determine organizational context
- ✓ Gap analysis is performed
- ✓ Objectives are set

STEP NO 2- DETERMINE DESIGN OF NEED ANALYSIS

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- ✓ Method selection criteria is established
- ✓ Advantages and disadvantages of the methods are assessed

STEP NO – 3 COLLECT DATA

- ✓ Interviews are conducted
- ✓ Questionnaires and survey are administered
- ✓ Documents are reviewed
- ✓ People at work are observed to find out work is being done

STEP NO 4 – ANALYZE DATA

- ✓ Quantitative analysis is conducted
- ✓ Solution and recommendation are determined

STEP NO -5 PROVIDE FEEDBACK

- ✓ Reports are prepared
- ✓ Presentation is made to the management
- ✓ What training is needed is decided

STEP NO 6- DEVELOP THE ACTION PLAN

- ✓ Information is used to design training program
- ✓ Assess attitude, knowledge and skills of the participant through questionnaire method just before the training event

PRINCIPLES OF TRAINING

Requirements for Effective Training Programme

1. Training should be ***need based***.
2. It should be ***elaborate and systematic***.
3. It should ***motivate trainees*** to take interest in the training programme
4. It should be ***theoretical as well as practical*** with a proper balance between these two.
5. It should be of ***superior quality*** i.e. expert trainer should be appointed and good training materials like books, tools etc. are provided.
6. There should be ***periodical tests*** for evaluation of candidates.
7. It should be of a reasonably ***longer period***.
8. Effective ***involvement of trainees*** should be encouraged.
9. Training programme should be reviewed periodically for ***updating the course***.
10. ***Provisions for rewards and penalties*** should be introduced.
11. Place of training should be peaceful and ***convenient*** to both trainer and trainee
12. Training should be followed by ***promotion*** or giving new assignment.

Methods of training operating personnel/factory workers

There are different methods of training for operating personnel (factory workers). Training these workers becomes important because they handle equipment worth crores of rupees. The different methods can be explained with the help of following diagram

On The Job Training	Off The Job Training
Meaning It refers to the methods that are applied in the workplace. Here regular work and training move together.	It refers to the methods that are applied away from the workplace. Here training is separated from regular work.
Superiority As the employee cannot concentrate on training while performing the job, the quality of training is inferior	Employee concentrate on training as he is relieved from the job, the quality of training is superior.
Cost involved It is economical as it is given internally and also employee performing their job	It is costly as the company has to pay fees of training organisation and also the employee remain absent from the job

Suitability	It is suitable to higher-level managers.
It is suitable for normal training of supervisors	
Methods	Refer above
Refer above	

Methods of training for managers/methods of development/managerial development/executive development

Training is defined by Wayne Cascio as “training consists of planned programs undertaken to improve employee knowledge, skills, attitude, and social behavior so that the performance of the organization improves considerably.”

Various methods are used to train personnel for managerial level jobs in the company. These methods can be explained with the help of following diagram.

On the job training method :-

In this method workers who have to be trained are taken to the factory, divided into groups and one superior is allotted to every group. This superior or supervisor first demonstrates how the equipment must be handled, and then the worker is asked to repeat whatever he has observed in the presence of the supervisor. This method makes it easy for the employee to learn the details about specific equipment. Once the worker studies the first equipment thoroughly the supervisor moves on to the next equipment and so on.

1. Apprenticeship training :-

In this method both theory and practical session are conducted. The employee is paid a stipend until he completes training. The theory sessions give theoretical information about the plant layout, the different machines, their parts and safety measures etc. The practical sessions give practical training in handling the equipment. The apprentice may or may not be continued on the job after training.

2. Vestibule training :-

In this method of training an atmosphere which is very similar to the real job atmosphere is created. The surroundings, equipment, noise level will be similar to the real situation. When an employee is trained under such conditions he gets an idea about what the real job situation will be like. Similarly when he actually starts doing the job he will not feel out of place. This method is used to train pilots and astronauts. In some places graphics are also used to create the artificial surroundings. This method involves heavy investment.

3. Job rotation :-

: It involves transfer of executives from one job to another. The aim of job rotation is to broaden the knowledge, skills and outlook of executives. This method can be used in the case of management trainee and also in the case of an existing manager due for promotion. Job rotation method is also useful for providing variety of job experience to managers.

Advantages of Job Rotation

- ✓ It brings all departments on the same footing as executives move from one department to other.
- ✓ Job rotation facilitates inter-departmental cooperation. New procedures are introduced in departments along with the rotation of managers.
- ✓ The benefit of wider exposure is available to trainee manager.
- ✓ There is absence of monotony in the training process due to job rotation.

Limitations of Job Rotation are:-

- The work of departments is affected due to frequent changes of executives for training purpose.
- The trainee manager finds it difficult to adjust himself to his new bosses.
- Even the executives are not in a position to have specialized knowledge and training in one particular branch of work.

4. Classroom method :-

In this method the training is given in the classroom. Video, clippings, slides, charts, diagrams and artificial modules etc are used to give training.

5. Job Coaching:

An experienced employee can give a verbal presentation to explain the nitty-gritty's of the job.

6. Job Instruction:

It may consist an instruction or directions to perform a particular task or a function. It may be in the form of orders or steps to perform a task.

7. Internships and Assistantships:

An intern or an assistants are recruited to perform a specific time-bound jobs or projects during their education. It may consist a part of their educational courses.

8. Planned progression

In this method juniors are assigned a certain job of their senior in addition to their own job. The method allows the employee to slowly learn the job of his senior so that when he is promoted to his senior job it becomes very easy for him to adjust to the new situation. It also provides a chance to learn higher level jobs.

9. Coaching and counseling :-

Coaching on the job coaching is a method by which a superior teaches job knowledge and skills to a subordinate manager. He briefs the trainee executive about what is expected of him and how it can be done. The superior also checks the performance of his

subordinate and guides him to improve his shortfalls and deficiencies. The superior acts as a friend and guide of his subordinate.. .

Counseling refers to advising the junior employee as and when he faces problems. The counselor superior plays an advisory role and does not actively teach employees. Coaching method favours learning by doing. Its effectiveness depends on the capacity and the interest taken by the superior and also by the subordinate. The superior should adopt a positive approach in the coaching process and help the subordinate in achieving self-development. Coaching has certain limitations. For example, a trainee manager cannot develop much beyond the limits of his own superior's abilities. Similarly, the success of coaching method depends on the interest and initiative taken by the trainee - manager.

10. Under study :-

In this method of training a junior is deputed to work under a senior. He takes orders from the senior, observes the senior, attends meetings with him, learns about decision making and handling of day to day problems. The method is used when the senior is on the verge of retirement and the job will be taken over by the junior.

11. Junior board :-

In this method a group of junior level managers are identified and they work together in a group called junior board. They function just like the board of directors. They identify certain problem, they have to study the problem and provide suggestions. This method improves team work and decision making ability. It gives an idea about the intensity of problem faced by the company. Only promising and capable junior level managers are selected for this method.

12. JOB INSTRUCTION TRAINING:

- ⦿ Provided in the workplace in formal systematic program
- ⦿ Actual work site is used in providing training so that along with the instruction employee can be engaged in the productive work .
- ⦿ Conducted by supervisor
- ⦿ Responsibility of the supervisor or the manager to utilize available resources to train ,qualify, train and develop their employees
- ⦿ Use of proper setting to engage them in productive work in the worksite

Off the job training method :-

- Off the job training refers to method of training given outside the company. The different methods adopted are

LECTURE METHOD

- ⊙ Popular and simple
- ⊙ Concept ,ideas ,theories , Principle are explained through lecture
- ⊙ Speaker is a expert who collects information , materials and delivers a lecture to the trainee executive
- ⊙ direct, time saving low in the cost for presenting a view point on any problem

DISCUSSION METHODS

- ⊙ first the Lecture is use to elaborate ,explain and expand through interaction among the trainees and the trainer
- ⊙ Powerful and effective method than the lecture if it follows a proper sequence (discussion and questioning)
- ⊙ It is two way flow of communication
- ⊙ Give higher level of participation help in obtaining new ideas
- ⊙ Help in solving specific problem

DEMONSTRATION METHOD

- ⊙ physical display of object, event for the purpose of increasing the knowledge
- ⊙ It involves showing what and showing how
- ⊙ It is relative uncomplicated process which does not require extensive verbal communication
- ⊙ Done when new products and equipment are being introduced

CASE STUDY

- ⊙ Case base on actual business situation are prepared and given to the trainee manager for discussion and arrival at a proper decision
- ⊙ Managers are given opportunity to find out the latent problem and suggest alternative solution
- ⊙ It helps in improving decision making skills by making analytical judgment

ROLE PLAYING

- ✓ It is a stimulated exercise
- ✓ Participant assume the role of a person in stimulated situation
- ✓ Reaction in role will be similar as they would be doing a job as a manager in real situation
- ✓ List of learning points are given to the participant which they have to use during executive subordinate encounter
- ✓ Videos can be used to improve management skills

BRAINSTROMING

- ⦿ It is a group creative techniques to generate large numbers of ideas for a solution of the problem
- ⦿ First popularized by Alex Osborn in a book called applied imagination
- ⦿ Group can double their creative output with brainstorming

FIELD TRIP

- ⦿ Training is given to the group of people away from normal work environment
- ⦿ Purpose is observation of education learned ,non experimental research ,experiment of daily life
- ⦿ Help to understand the working procedure of the organization
- ⦿ Leads to direct learning

OTHER METHODS ARE AS FOLLOWS :

1. Classroom method :-

The classroom method is used when a group of managers have to be trained in theoretical aspects. The training involves using lectures, audio visuals, case study, role play method, group discussions etc. The method is interactive and provides very good results.

2. Simulation :-

Simulation involves creating atmosphere which is very similar to the original work environment. The method helps to train manager handling stress, taking immediate decisions, handling pressure on the jobs etc. An actual feel of the real job environment is given here.

3. Business games :-

This method involves providing a market situation to the trainee manager and asking him to provide solutions. If there are many people to be trained they can be divided into groups and each group becomes a separate team and play against each other.

4. Committee :-

A committee refers to a group of people who are officially appointed to look into a problem and provide solution. Trainee managers are put in the committee to identify how they study a problem and what they learn from it.

5. Conference :-

Conferences are conducted by various companies to have elaborate discussions on specific topics. The company which organizes the conference invites trainee manager and calls for experts in different fields to give presentation or lecture. The trainee

manager can ask their doubts to these experts and understand how problems can be solved on the job.

6. Readings :-

This method involves encouraging the trainee manager to increase his reading related to his subject and then ask him to make a presentation on what he has learned. Information can be collected by trainee manager from books, magazines and internet etc.

7. In basket training :-

In this method the training is given to the manager to handle files coming in and to finish his work and take decisions within a specified time limit. The trainee manager is taught how to prioritize his work, the activities which are important for his job and how to take decisions within limited time limit.

Advantages of On-the-Job Training:

It is directly in the context of job
It is often informal
It is most effective because it is learning by experience
It is least expensive
Trainees are highly motivated
It is free from artificial classroom situations

Disadvantages of On-the-Job Training:

Trainer may not be experienced enough to train
It is not systematically organized
Poorly conducted programs may create safety hazards

Advantages of Off-the-Job Training:

Trainers are usually experienced enough to train
It is systematically organized
Efficiently created programs may add lot of value

Disadvantages of Off-the-Job Training:

It is not directly in the context of job
It is often formal
It is not based on experience
It is least expensive
Trainees may not be highly motivated
It is more artificial in nature

TRAINING EVALUATION

MEANING

“The systematic collection of descriptive and judgmental information necessary to make effective training decisions related to the selection, adoption, value, and modification of various instructional activities.”

HAMBLIN “Evaluation of training is defined as any attempt to obtain information (feedback) on the effect of training program and to assess the value of training in light of that information

Evaluation of training programme is conducted after the training is completed. It is necessary in order to find out the extent to which the training objectives are achieved. Evaluation is also conducted periodically in order to judge the effectiveness and practical benefits.

Evaluation offers following benefits:

1. Find out the extent to which the training objectives are achieved
2. Makes training programme result oriented
3. Facilitates introduction of suitable modification in training programme.
4. Makes training adaptable as per the changing needs of organisation.
5. Ensures better result from training programme

USE OF EVALUATION

- ☉ TO DETERMINE SUCCESS IN ACCOMPLISHING PROGRAM OBJECTIVE
- ☉ TO KNOW THE STRENGTH AND WEAKNESS OF THE TRAINING
- ☉ TO COMPARE THE COST TO THE BENEFITS OF TRAINING
- ☉ TO DECIDE WHO SHOULD PARTICIPATE IN FUTURE
- ☉ TO TEST THE CLARITY ,VALIDITY OF TEST ,CASE AND EXERCISE
- ☉ TO IDENTIFY SUCCESSFUL PARTICIPANT
- ☉ TO REINFORCE MAJOR POINTS MADE TO THE PARTICIPANT

- ⊙ TO GATHER DATA TO ASSIST IN MARKETING FUTURE PROGRAMS
- ⊙ TO DETERMINE IF THE PROGRAM WAS APPROPRIATE SOLUTION FOR THE SPECIFIC NEED
- ⊙ TO ESTABLISH DATA BASE THAT CAN ASSIST MANAGEMENT IN MAKING DECISION

PURPOSE OF EVALUATION

- ⊙ Determine whether the program is meeting the intended objectives
- ⊙ Identify strengths and weaknesses of HRD program
- ⊙ Determine cost-benefit ratio of HRD program
- ⊙ Identify who benefited most or least
- ⊙ Determine future participants
- ⊙ Provide information for improving HRD programs

APPROACHES TO EVALUATION OF TRAINING

⊙ KIRKPATRICK FOUR LEVEL APPROACHES

➤ REACTION LEVEL

Reaction refers to attitude of employee about the training, whether the employee considers training to be +ve or –ve one. If reaction are +ve then people have accepted the program and changes will be possible.

➤ LEARNING LEVEL

Another method of judging effectiveness is to identify levels of learning i.e. how much the people have learnt during the training. This can be found out by trainers mark sheet, the report submitted by the employee, and actual performance

➤ BEHAVIOUR

The HR department needs to understand behavior of the employees, to understand the effectiveness of training. The behavioral change can be seen in how the person interacts with juniors, peer groups and seniors. They mark change in behavior and inform the HR department of the success of training program

➤ RESULT

Results provided by employee in monetary terms also determines effectiveness of training program i.e. employee success in handling the project, the group performance before and after training etc.

➤ EVALUATION OF RESULT

Effectiveness of training program must lead to

- Increase in efficiency of worker
- Reduction in labour turnover
- Increase in discipline
- Reduction in wastage and therefore cost of production
- Proper care of tools and equipments
- Employee development in career terms
- Overall efficiency in the company

Barriers to Effective Training:

1. Lack of Management commitment
2. Inadequate Training budget
3. Education degrees lack skills
4. Large scale poaching of trained staff
5. Non-coordination from workers due to downsizing trends
6. Employers and B Schools operating distantly
7. Unions influence

How To Make Training Effective?

1. Management Commitment
2. Training & Business Strategies Integration
3. Comprehensive and Systematic Approach
4. Continuous and Ongoing approach
5. Promoting Learning as Fundamental Value
6. Creations of effective training evaluation system

METRICS FOR EVALUATION OF TRAINING PROGRAM

⦿ Level 1 –reaction

Manager determine the perception of the trainees towards training program .Reaction level determine whether learning is acquired or not

⦿ Level 2- learning

Amount of learning gained is measured .learning is absorption of new knowledge ,skills .pre test and post test is conducted to know their level of learning

⦿ Level 3-behaviour/transfer

Level at which participant change their behavior. It accurately measure the effectiveness of learning

⦿ Level 4- result/assessment of training.

It is assessment of training as how training contribute to the business result

BENEFITS OF TRAINING EVALUATION MATRIX

- ⦿ Assist in employee learning
- ⦿ Assist in determining individual need for training
- ⦿ Measure various aspect of training
- ⦿ Allows the organization to set quantifiable goals

TRAINING EVALUATION DESIGN

- ⦿ One –shot post test only design
- ⦿ One group pre test post test design
- ⦿ Interrupted time series design
- ⦿ Pre test post test control group design

ROI OF TRAINING

Measuring ROI is difficult because business is affected by other variables also like

- ⊙ Closure of rival business firm
- ⊙ Tax concession
- ⊙ Investment made for quality product
- ⊙ Improvement in market
- ⊙ Market expansion
- ⊙ To tie training with business result those factors or variable are considered which can have impact on result directly
- ⊙ Thus ROI tries to establish link between training efforts and result in order to increase sales turnover and profit

SPECIFIC CRITERIA FOR ROI

- ⊙ SIMPLE
- ⊙ ECONOMICAL
- ⊙ CREDIBLE
- ⊙ THEORETICAL SOUND
- ⊙ APPROPRIATE
- ⊙ FLEXIBLE
- ⊙ APPLICABLE
- ⊙ COST SHOULD BE LESS
- ⊙ SUCCESSFUL TRACK RECORDS

COST BENEFIT ANALYSIS

- What should be the optimum size of the training department?
- What is the total cost of training to the organization ?
- How many trainees/training days the organization can efforts?
- What is the worth of the training managers, where he could he be placed in the organizational hierarchy
- What is the cost of training in relation to production /service cost ?

BREAK EVEN ANALYSIS

- It shows the relationship between training and development cost and it operational and outcome both in monetary terms per trained employee per annum
- It show the point where per employee training cost is equal to per employee value addition
- Organization should devise its training in such a way that at least it operate above BEP or at the BEP
- If it operating below the BEP , it must have to re-look its entire training and development system

CIRO APPROACH TO EVALUATE TRAINNG IMPACT

◎ CONTEXT EVALUATION

Collecting information about performance deficiency ,assessing the information to establish training need based on the finding

☉ INPUT EVALUATION

Obtaining and using the information about the possible training resources to choose the best alternative inputs to training . It means to analyze the resources available to determine how they can be deployed so there is maximum chance to achieve the result. Thus in this step evidence is collected to decide the training methods

☉ REACTION EVALUATION

It involves obtaining and using information about the participant reaction to improve the HRD process .The view of the participants prove to be extremely helpful

☉ OUTCOME EVALUATION

It involves obtaining and using information about the result or outcome of training