

HUMAN RESOURCE MANAGEMENT

CONCEPT OF HUMAN RESOURCE MANAGEMENT

The term 'human resources' may be defined as the total knowledge, skills, creative abilities, talents and aptitudes of an organization's workforce, as well as the values, attitudes, approaches and beliefs of the individuals involved in the affairs, of the organization. It is the sum total or aggregate of inherent abilities, acquired knowledge and skills represented by the talents and aptitudes of the persons employed in an organization.

Several terms have been used by various management thinkers to represent human resources. These includes 'personnel', 'people at work', 'manpower', 'staff' and 'employees'. Whatever may be the term used, the human resources of an organization include all individuals engaged in various organizational activities at different levels.

According to Leon C. Megginson, "From the national point of view, human resources may be defined the knowledge, skills, creative abilities, talents and aptitudes obtained in the population; whereas from the viewpoint of the individual enterprise, they represent the total of the inherent abilities acquired knowledge and skills as exemplified in the talents and aptitudes of its employees". Jucius Michael calls these resources, 'human factor', which refer to "a whole consisting of inter-related, inter-dependent and interacting physiological, psychological, sociological and ethical components." Thus, human resources are multi-dimensional in nature. People working in the organization have different needs at different times. These needs may physiological, social and psychological.

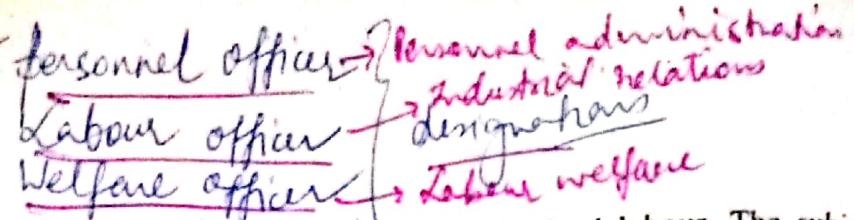
According to the Institute of Personnel Management (U.K.), "Personnel management is an

integral but distinctive part of management, concerned with people at work and their relationships within the enterprise. It seeks to bring together into an effective organization the men and women who staff the enterprise, enabling each to make his/her best contribution to its success, both as a member of a working group and as an individual. It seeks to provide relationships within the enterprise that are conducive both to effective work and human satisfaction".

Scott, Clothier and Spriegel have defined personnel management as that branch of management which is responsible on a staff basis for concentrating on those aspects of operations which are primarily concerned with the relationship of management to employees and employees to employees and with the development of the individual and the group. The objective is to attain maximum individual development, desirable working relationship between employees and employers, and employees and employees, and effective moulding of human resources as contrasted with physical resources.

PERSPECTIVES OF HUMAN RESOURCE MANAGEMENT

The growth of human resource management in U.S.A. and U.K. was evolutionary in nature. It took place because of the voluntary efforts of the employers. But in countries like India human resource management grew because of compulsions made by the Government. In 1931, the Royal Commission on Labour recommended the abolition of jobber system and the appointment of labour officers in the industries to look after recruitment and welfare of employees. In 1948, the Factories Act made it obligatory for certain industrial enterprises to appoint welfare officers.



The scope of human resource management has expanded considerably throughout the world. Over the last forty years or so, new techniques and styles of managing the human resources have been developed as a result of the researches and experiences in the field. The task of the human manager is not confined only to the recruitment of workers, but also to looking after their welfare and handling their grievances.

Under the influence of technological development, organizational complexities are growing. The impact on the work, working methods, work rules, tools, equipment, etc. is inevitable. Jobs have become more complex and need specialized skills and professionals. As a result of this, emphasis is being given to the training and development aspects. In order to meet the growing needs of such human management institutes, universities and other bodies have started training and executive development programmes.

Human management is no longer restricted only to the wage earners in the factories. It has become equally important in offices, sales organizations, hospitals, research and development institutions and in the ranks of management itself. Human management is not needed by private industry alone. Non-profit institutions, government departments and armed services also need human management for better employer-employee relations.

Some companies have labour relations directors whose primary job is to advise and assist top management, superintendents and departmental heads in their dealings with union representatives. This official may or may not report to the personnel manager, although this function should be subordinate to personnel management in the broad sense. In a unionized company where there is no labour relations director or the personnel manager usually has these responsibilities.

The other terms used frequently in discussion of personnel problems and techniques are "labour relations" and "industrial relations". Something, these are used interchangeably with "personnel management or administration", but it is useful to distinguish between them. The term "labour relations" refers primarily to the relations between

management and unionized labour. The subject matter of labour relations includes the negotiation of contracts with unions and day-to-day relations with union leaders and business agents in the handling of differences arising under the contract, arbitration and government regulations of the terms and conditions of employment.

The use of the term 'industrial relations' as synonymous with 'human resource/personnel management' has been very common in United States of America.

In India, the field of personnel management has three branches, viz, (i) personnel administration, (ii) industrial relations and (iii) labour welfare. Personnel administration deals with the administrative aspects of personnel functions such as recruitment, selection, placement, promotion, transfer, wages and incentives, etc. Industrial relations deals broadly with employer-employee relationship, negotiations and collective bargaining, settlement of grievance and disputes, joint consultation. Labour welfare programmes seek to improve the working and living conditions of the employees by the provision of facilities such as crèche, canteen, housing, recreation, education etc.

In the Indian context, these three areas have developed some kind of identity of their own and have been recognized as integral parts of the broad field of personnel management. However, these three are not watertight compartments. This kind of division has facilitated convenient grouping of personnel functions. It is also worth noting that these three groups of personnel functions have been generally dealt with by officers with three different sets of designations. The first have been usually dealt with by officers designated as personnel officers, while the second and third are handled generally by those with designations of labour officer and welfare officer respectively.

HUMAN RESOURCE PLANNING

Manpower, personnel or human resources may be regarded as the quantitative and qualitative measurement of work-force required in an organization and planning in relation to manpower

may be regarded as establishing objectives to develop human resources in line with broad objectives of organization. Human resource planning is the process of developing and determining objectives, policies and programmes that will develop, utilize and distribute manpower so as to achieve the goals of the organization. In the words of Coleman, "Manpower planning is the process of determining manpower requirements and the means for meeting those requirements in order to carry out the integrated plan of the organization".

According to Geisler, "Manpower planning is the process including forecasting, developing and controlling by which a firm ensures that it has the right number of people and the right kind of people at the right places, at the right time doing work for which they are economically most useful." Thus, manpower planning consists of projecting future manpower requirements and developing manpower plans for the implementation of the projections. Manpower planning cannot be rigid or static; it is amenable to modifications, review and adjustments in accordance with the needs of the organizations or the changing circumstances.

NATURE OF HUMAN RESOURCE PLANNING

The following points emerge from the study of definition of manpower planning:

- (i) Manpower planning aims at ascertaining the manpower needs of the organization both in number and kind.
- (ii) It presents an inventory of existing manpower of the organization. An analysis of the inventory of manpower helps in ascertaining the status of the available with the organization.
- (iii) It helps in determining the shortfall (or surplus) of manpower by comparing the total manpower needs with the present supply of manpower. It also helps in projecting future manpower needs.
- (iv) It is concerned with the initiation of various organization programmes depending upon the demand and supply of human resources. If

the future needs exceed presently available talent, this gap becomes the basis for a programme of employment and training. And, if the presently available talent exceeds the future needs, this difference may become the basis for a programme of retirements, discharge, etc.

- (v) Effective manpower planning must encompass the acquisition, utilization, improvement, and preservation of the organization's human resources.

OBJECTIVES OF HUMAN RESOURCE PLANNING

The major objectives of manpower planning in an organization are:

- (i) ensure optimum use of human resources currently employed;
- (ii) avoid imbalances in the distribution and allocation of human resources;
- (iii) assess or forecast future skill requirements of the organization's overall objectives;
- (iv) provide control measure to ensure availability of necessary resources when required;
- (v) control the cost aspect of human resources;
- (vi) formulate transfer and promotion policies.

SCOPE OR ELEMENTS OF HUMAN RESOURCES PLANNING

The basic activities involved in human resource planning are as under:

- (i) Listing of current manpower or human resources.
- (ii) Assessing the extent to which the current manpower is utilized to the advantage of the organization.
- (iii) Phasing out the surplus manpower, if any.
- (iv) Analyzing the requirements of manpower in future in the light of expansion plans retirement of personnel, etc.
- (v) Making manpower forecasts.
- (vi) Designing training programmes for different categories of manpower.

BENEFITS OF MANPOWER PLANNING

Manpower planning is an important tool of Human Resource Management as it helps in the following ways:

1. Manpower planning results in reduced labour costs as it helps the management to anticipate shortages and/or surpluses of manpower and correct these imbalances before they become unmanageable and expensive.
2. It is a better basis for planning employee development that is designated to make optimum use of workers' skills within the organization.
3. It enables identification of the gaps of the existing manpower so that corrective training could be imparted. Thus, the training programme becomes more effective.
4. It leads to improvement in the overall business planning process.
5. It helps in formulating managerial succession plan as a part of the replacement planning process which is necessitated when job-change plans for managers are formulated. Besides, this exercise would provide enough lead time for identifying and developing managers to move up the corporate ladder.
6. It leads to a greater awareness of the importance of sound manpower management throughout the organizations.
7. It serves as a tool to evaluate the effect of alternative manpower actions and policies.

PROCESS OF HUMAN RESOURCES PLANNING

The process of manpower planning involves the following steps:

1. Determination of objectives of manpower planning
2. Current manpower inventory
3. Demand forecasting
4. Job requirements
5. Employment plan
6. Training and development programme
7. Appraisal of manpower planning

Manpower planning is a continuous process as shown in the Fig. 1. The manager responsible for manpower planning has to be concerned with all the steps of all type. He may have to revise employment plan and training and development programme from time to time depending upon the changes in circumstances such as sudden changes in volume in production, unexpected high rate of labor turnover, obsolescence of existing skills and so on. A brief explanation of the steps in the manpower planning process is given below:

1. Determination of Objectives of Manpower Planning : The persons concerned with manpower planning must be clear about the goals of manpower planning. According to Sikula, "The ultimate purpose of manpower planning is to relate future human resources to future enterprise needs so as to maximize the future return on investment in human resources."

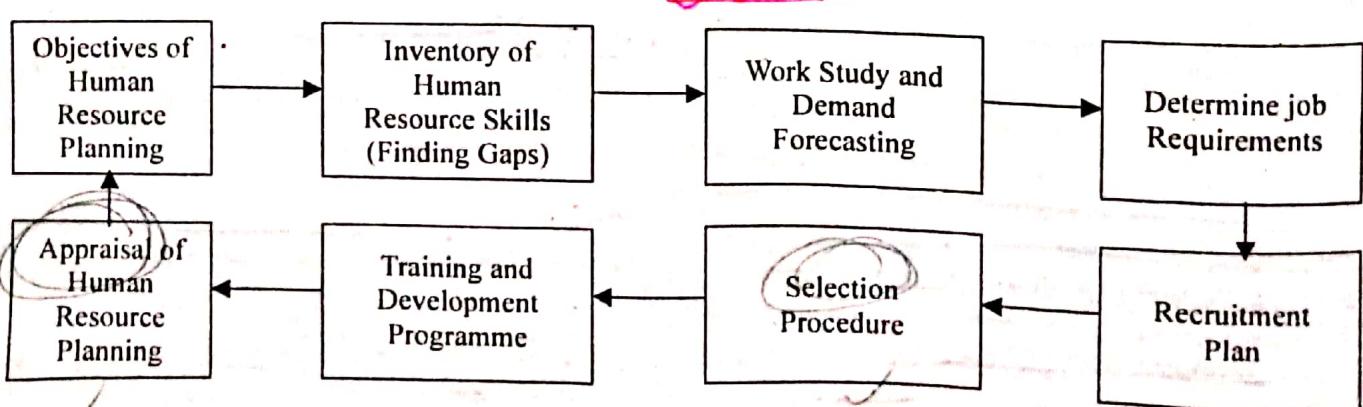


Fig. 1. Human Resources Planning Process

Manpower planning is an integral part of the corporate planning. It must be integrated with the overall organizational plans. Manpower planning should be done carefully as it has got long-term repercussions. Once the wrong forecast of future requirement of human resources and wrong analyses of the available manpower inventory are made, it may not be possible to rectify the errors in the short-run. Therefore, manpower planning should be more concerned with filling future vacancies with right type of people rather than with matching existing personnel with existing jobs.

DFOSQ

2. Current Manpower Inventory: Analysis of current manpower supply may be undertaken by department, by function, by occupation, or by level of skill or qualifications. Appropriate adjustments in these would need to be made in the light of any foreseeable changes in weekly hours of work, holidays, leave entitlements, etc. It may be noted that assessment of demand for the operative personnel presents less problems of uncertainty and current manpower supply can be adjusted accordingly. But projections of manpower requirements for supervisory and managerial levels present a complex problem because the required talents are not available at a short notice. This explains the need to ascertain the present manpower inventory in the enterprise. This will help in drawing recruitment and development plans to meet the needs of certain skills in the future.

Systematic steps must be taken in order to ensure that a reservoir of talent is available when vacancies occur. The search for talented employees in the organization must be continuous. To be sure that available talent has been included; the inventory of various skills in the enterprise should be indexed. Detailed bio-data of each individual included in the manpower inventory must be obtained separately for the purpose of manpower planning. This record will provide the foundation for a programme of individual development. It will also reveal the scarcity or non-availability of certain talents for which outside sources of manpower may be adopted.

3. Demand Forecasting: A proper forecast of manpower required in the future (say, after one year, two years, three years and so on) must be attempted.

The factors relevant for manpower forecasting are as follows:

(i) **Employment Trends:** The manpower planning committee at the corporate level should make an examination of number of the employees on the payroll during the past five years to know the trend within each group. With the help of this, it would be possible to determine whether a particular group has been stable or unstable and whether it has been expanding or contracting.

(ii) **Replacement Needs:** The need for replacement arises due to death, retirement, resignation and termination of employees. The examination of replacement needs may relate to specific manpower groups: supervisory, skilled, clerical, unskilled, etc. For some groups like managerial or supervisory, it is very difficult to predict the needs. One of the major difficulties involved in predicting the need for managerial skill is that the management development cycle takes a long time. So the needs for managerial manpower should be anticipated sufficiently in advance.

Forecasts of manpower may be based to a great extent on the analysis of historical data. It is presumed that the factors causing past occurrences will also play a similar role in the future. But these data must be adjusted in the light of other known information about the future. Certain losses of key personnel can be predicted with a substantial degree of accuracy. These include losses from retirement, physical disabilities and cases of sub-standard performance. Retirement is the most common type of anticipated separation which gives rise to the need for replacement. This category would include all employees who will reach the normal retirement age during the period under consideration. In the same way, losses from known physical disabilities and for substandard performance can be predicted. There will, of course, be other losses of personnel. This estimate may also be based upon past experience: An examination of the number of deaths, discharges, releases and quits during the last five years may provide a basis for projecting the need for replacement in the future because of these reasons. Another important factor influencing the replacement needs is transfer of some employees to other

departments of the organization or promotion of some employees to higher jobs. This number can be estimated on the basis of a review of the persons promoted or transferred during the previous years and the records of performance of various employees during the past years.

(iii) **Productivity:** An important area to which the manpower planning is related is the improvement in productivity. Gains in productivity add to the growth potential of the organization and can make possible healthy wage increase. Gains in productivity will also influence the requirements of manpower.

Planning for productivity gains has several aspects. The first and the important one relates to affecting gains by improvements in existing manpower utilization. Current levels of utilization and indications about the needed improvement can be obtained by the application of various analytical techniques of industrial engineering or work study such as activity charts, flow charts, multiple activity charts, and activity sampling studies and so on. Methods improvement techniques help reduce work content. Conceptually, similar approaches aimed at upgrading management performance help secure productivity gains at the managerial level.

The second aspect relates to installation of more productive tools, equipments or processes. Any anticipated change due to the introduction of automation will affect manpower needs in the plants as well as in the divisional offices. The manpower planning experts should attempt to learn about such changes with sufficient time to appraise their possible impact on the number and kinds of employees required in the future.

The last aspect relates to the matching of skills with the requirements of the jobs. Job analysis techniques facilitate a clear specification of the skills and experience requirements of jobs. The immediate products of this analysis are job description and job specification.

(iv) **Growth and Expansion:** Another aspect relevant for manpower planning is personnel requirements for growth and expansion of the organization. The expansion plans of various plants and divisions should be carefully reviewed to assess

their probable effects on the number of employees required in each group. The accuracy with which such manpower requirements can be forecast will depend, among other things, on the degree of accuracy which can be achieved in relation to the expansion programme. Where the expansion programme is less specific and the time perspective is larger, uncertainties will also be greater.

A going concern is a living and growing organism. It is not contented with the existing level of production or profits. It also wants to grow and increase its share in the total activities of industry. One of the basic aspirations of most business managers is to perpetuate the enterprise in which they are engaged. In this world of competition, perpetuation would mean that every organization has its plans ahead of its activities and aims at a better growth rate and at diversification of its activities and at a better image of itself. All these aims and aspirations result in expansion and growth creating numerous positions for work-force at various levels. These aims and aspirations can be fulfilled if there are a sufficient number of capable persons to handle various positions in the organization.

Change in technology A good organization always tries to adapt itself to change in the methods and techniques of production. Developments in scientific world like the emergence of space science, nuclear science, electronics, etc. has considerably opened up new avenues of business investment avenues expansion and has also introduced great complexities in the management of companies. These changes have completely thrown out of gear the capacity and ability of existing employees to meet the new situations unless they are adequately educated and trained. Manpower planners should take all these factors into account while studying the impact of various business expansion plans on manpower requirements.

(v) **Absenteeism:** It means a situation when a person fails to come for work when he is scheduled to work. The rate of absenteeism can be calculated by the following formula:

$$\text{Absenteeism} = \frac{\text{Man-days lost}}{\text{Man-days worked} + \text{Man-days lost}}$$

Job analysis → job description
&
job specification

There are certain employees who are more prone to absenteeism in any organization. 10 to 20 per cent of such employees may account for 70 to 80 per cent of absences. It should be noted that excessive absenteeism (more than the irreducible minimum, say 3% to 5%) involves a considerable cost to the firm even when the absent employees receive no pay. Work schedules are upset leading to overtime work which in turn leads to increase cost of production. The management should go into the causes of absenteeism and attempt to reduce the absenteeism as far as possible. The manpower planning experts will have to consider the known rate of absenteeism in their decision regarding estimation of manpower requirements.

(vi) **Work Study:** Work study technique can be used when it is possible to apply work measurement to know how long operations should take and the amount of labour required. This is also known as 'workload analysis'. On the basis of the work-load of each plant during the forthcoming years, workforce analysis is done considering the rates of absenteeism and labour turnover.

4. Job Requirements: Job analysis is the qualitative aspect of manpower requirement since it determines the demands of a job in terms of responsibilities and duties and then translates these demands in terms of skills, qualities and other human attributes. It helps in determining the number and kinds of jobs and qualifications needed to fill these jobs because with the help of job analysis it is known that what is the quantum of work which an average person can do a job in a day. It facilitates the division of work into different jobs. Thus, it is an essential element of effective manpower planning. At managerial levels, accurate job descriptions help in preparation of inventories of executive talent.

5. Employment plans: This phase deals with planning how the organization can obtain the required number of right type of personnel as reflected by the personnel forecasts. In other words, there is a need to prepare programmes of recruitment, selection, training, transfer and promotion so that personnel needs of various departments of the organization are met.

prepare programs of selection, training, promotion

6. Training and Development Programme: The preparation of skill inventory helps in identifying the training and development needs of the organization. Training is necessary not only for new employees, but also for old employees. Executive development programmes have to be devised for the development of managerial personnel. No enterprise has a choice of whether to provide training or not, the only choice is that of method or technique. All types of jobs usually require some sort of training for their efficient performance even when the persons appointed have some job experience. They must be given some training to renew their knowledge and skills and to tell them what they are expected to do. The talents of the employees are not fully productive without a systematic programme of training and development.

7. Appraisal of Manpower Planning: After the employment and training programmes have been implemented, an appraisal must be made of the effectiveness of manpower planning. Deficiencies in the programme should be pointed out and the catalogue of manpower inventory should be updated periodically. Corrective actions should also be taken wherever it is necessary to remove the deficiencies in manpower planning. An appraisal of the existing manpower plans will also serve as a guide in the future manpower planning. Human resource planning is closely linked to the goals of human resource management and those of the organization. Shortage or surplus of human resources in any department or at any level should be minimized. Human Resource Planning programme will be effective if it can anticipate the deficiencies of various skills will in time so that steps are initiated for recruitment of required human resources. Similarly, if some types of personnel are surplus, they should be adjusted after giving them appropriate training. If it is not possible, they may be phased out through voluntary retirement scheme.

TECHNIQUES OF HUMAN RESOURCE PLANNING

The quantitative aspects of human resource planning involve demand forecasting and supply forecasting as discussed further.

DEMAND FORECASTING

It is the process of estimating the requirement of different kinds of personnel in future. The basis of manpower forecasts should be the annual budget and long-term corporate plan, translated into activity levels for each function and department. In a manufacturing company, the sales budget would be translated into a manufacturing plan giving the number and types of products to be made in each period. From this information, the number of man-hours by skill categories to make the quota for each period would be computed. In an insurance company, forecasts of new business would be translated into the number of proposals that would have to be processed by the underwriting department. In a mail order company, forecasts would be made of the number of orders that might have to be processed, assembled and dispatched.

There are three basic demand forecasting methods:

1. Managerial judgement;
2. Work study techniques;
3. Statistical techniques.

In many cases, a combination of methods, say managerial judgement and statistical techniques might be more useful. A brief description of these methods is given below.

1. Managerial Judgement: The most typical method of forecasting used in smaller companies, or those who do not have access to work study data, is managerial judgment. This simply requires managers to sit down, think about their future workloads and decide how many people they need. It might be done a 'bottom-up' basis with line managers submitting proposals for approval by the top management.

Alternatively, a 'top-down' approach can be used in which company and departmental forecasts are prepared by the top management, possibly acting on advice from the personnel and organization and methods (O & M) departments. These forecasts are reviewed and agreed with the departmental managers.

Perhaps the best way of using managerial judgement is to adopt both the 'bottom-up' and

'top-down' approach. Guidelines for departmental managers should be prepared which indicate broad company assumptions about future activity levels which will affect their departments. Targets are also set, whenever necessary. Armed with these guidelines, departmental managers prepare their forecasts to a laid-down format. They are encouraged to seek help at this stage from personnel, O&M, or work study departments. Meanwhile, the personnel departments, in conjunction, as necessary, with planning, O&M or work study departments, prepares a company manpower forecast. The two sets of forecasts are then reviewed by a manpower planning committee consisting of functional heads. This committee reconciles with departmental managers any discrepancies between the two forecasts and submits the final amended forecast to top management for approval. This sometimes called the 'right-angle method' → both Type

2. Work Study Technique or Workload Forecasting:

Work study technique can be used when it is possible to apply work measurement to know how long operations should take and the amount of labour required. This is also known as 'workload analysis'. On the basis of the work-load of each plant during the forthcoming years, workforce analysis is done considering the rates of absenteeism and labour turnover.

In work-load analysis, the manpower planning expert needs to find out sales forecasts, work schedules and thus determine the manpower required per unit of product. The sales forecasts are translated into work performance for the various departments of the enterprise. In a manufacturing enterprise, one shall first find out the master schedule and then departmental schedules. The departmental work-loads are converted into man-hours in terms of different skills required. Work loads analysis is used to determine how many employees of various types are required to achieve total production target. Similarly, plans are made concerning the amount of work that all other departments (marketing department, purchase department, etc.) of the organization are expected to accomplish during the coming year. It is essential to determine the work-load in some tangible units

Master schedule → departmental schedule → man hours
 (Sales forecast) (work performance) (Skills)

so that they may be translated into man-hours required per unit. Past experience can, of course, be utilized for translating work-loads into man-hours required.

To take an illustration, let us assume that the annual production budget of a company is 1,80,000 units. The standard man-hours required to complete a unit of the product are two hours. The past experience reveals that a worker on an average can contribute about 2,000 hours per year. The workload may be calculated as under:

- (a) Annual Production Budget = 1,80,000 units.
- (b) Standard Man-hours required per unit = 2 hours.
- (c) Planned Man-hours for the year ($a \times b$) = 3,60,000 hours.
- (d) Annual contribution of a worker = 2,000 hours.
- (e) No. of Workers required (c/d) = 180.

Thus, 180 workers are needed throughout the year to meet the production target of 1,80,000 units. But this figure cannot be relied upon fully as the actual production is influenced by many other factors such as availability of inputs and power, breakdown of machinery, strike, lockout, etc. Nonetheless, Work-load analysis is quite suitable for short-term projections of manpower requirements. Long-term projections can be made with the help of workforce analysis. *Absenteeism*

In the above illustration, we came to a conclusion that 180 workers are required to make 1,80,000 units in a year. Assuming that all other factors are favourable, this conclusion is illusory because it is almost certain that all the 180 workers will not be available on all working days because of the two major problems: (i) Absenteeism, and (ii) Labour Turnover. Both these factors operate to reduce the number of workers available. Therefore, it is essential to do work-force analysis in the light of these major problems. In other words, it is necessary to keep a sufficient margin for absenteeism, labour turnover and idle time on the basis of past experience. If it is essential to keep a margin of 20% of the manpower required as per work-load analysis, the company must ensure that it has at least 210 workers on its payroll to meet the annual production target.

3. Statistical Techniques: The earlier techniques provide only a rough approximation of the number of employees required and are suitable only for short range demand forecasting. Long range personnel forecasting is more amenable to statistical and mathematical techniques. This has been particularly true in recent years as new mathematical techniques have been developed and high speed computers are used to rapidly analyse large amount of personnel planning data. Some of the important statistical tools for forecasting are discussed as under:

(a) Ratio and Trend Analysis: Under this method, the main emphasis is on the ratios which are calculated for the past data relating to number of employees of each category, of production level, sales level, activity level/workload level, and direct employees and indirect employees. Future production level, sales level activity level/work load are estimated with an allowance for changes in organization, methods and jobs. Future ratios are also estimated when changes are expected in the organization of human resources. Then future manpower requirements are calculated on the basis of established ratios.

These techniques, although crude, are easy to understand and use. Their value depends upon accurate records and realistic estimates of future activity levels and the effect of improved performance or change methods.

(b) Econometric Models: To build an econometric model for manpower planning purposes, it is necessary to analyse past statistical data and to describe the relationship between a number of variables in a mathematical formula. The variables affecting manpower requirement may be identified under heading such as investment, sales or the complexity of the product line. The formula could then be applied to forecasts of movements in these variables to produce a manpower forecast. This is a complex process which is suitable for large organizations.

(c) Regression Analysis: This technique is used to estimate the manpower requirements of an organization's at a future point of time, based upon such factors as sales, output, services rendered, etc. Regression analysis is used when dependent and

independent variables are functionally related to each other. Electronic computers are used to solve the regression equations and forecast the demand for personnel.

(d) Bureks-Smith Model: Elmer H. Bureks and Robert D. Smith have developed a mathematical model for personnel forecasting based on selected key variables that affect the organization's overall human resource needs. The basic equation of the formula is

$$E_n = \frac{(Lagg + G) / X}{Y}$$

Where,

- E_n is estimated level of personnel demand in n planning period (e.g., year).
- Lagg is the overall turnover or aggregate level of current business activity in rupees.
- G is the total growth in business activity anticipated through period n in terms of rupees.
- X is the average productivity improvement anticipated from today through planning period n (e.g. if $X=1.08$, it means an average productivity improvement of 8%).
- Y is conversion figure relating today's overall activity to personnel required (total level of today's business activity by the current number of persons. It reflects the level of business activity per person).

The application of this forecasting model depends heavily on obtaining accurate estimates of total growth (G), average productivity improvement (X) and conversion rates (Y). In order to obtain these parameters, separate statistical techniques may be used.

The accuracy of prediction of results by various statistical models is dependent upon the strength of relationships, how accurately these relationships are captured by the model and the degree to which the relationships remain true in the future. Prediction based on poor or loose relationships, inaccurate representation of relationships, or of relationships that will not remain true in future will be inaccurate. The application of any model in highly complex situations becomes even difficult because of the large number of factors (variables) which must be considered.

Y = Total level of today's business activity

The use of any quantitative model requires knowledge of the underlying assumptions and limitations. Besides this, persons attempting to take a quantitative approach to personnel should have strong background in statistics, operations research, management science, and computer science. Equally important, the quality of information used to generate estimates and predictions from quantitative models must be timely, accurate and carefully collected.

SUPPLY FORECASTING

Supply forecasting is concerned with the estimate of supply of manpower given the analysis of current resources and future availability. Here the personnel planner must consider both the external supply (employees available for higher position in the organization's geographic work force) and the internal supply (organization's current employees). External supply of personnel is important for two reasons. First, the normal separation of employees through voluntary turnover, retirements, illness, death and discharge may require that the organization look to employment agencies, colleges and universities and other sources to replenish lost personnel. Second, organizational growth and diversification require the use of external sources to obtain additional numbers and types of employees.

Internal Supply

The internal supply of personnel is influenced by the following factors:

- (a) existing manpower resources;
- (b) potential losses to existing resources through labour wastage;
- (c) potential changes to exiting resources through internal promotions;
- (d) effect of changing conditions of work and absenteeism;
- (e) sources of supply from the firm.

Based on the above information, the following techniques may be used to anticipate the supply of human resources:

- (f) Markov Analysis: This method uses historical information on the movement of personnel that takes place during a typical plan period.

Data are collected and reviewed for a number of years in order to estimate the likelihood that persons in a particular job will remain in that job or be transferred, promoted, demoted, terminated or retired. These historical flows of personnel through the organization are represented by probabilities. The probabilities are arranged in a transition matrix and future personnel flows are estimated on the basis of the matrix.

(ii) **Simulation:** Based on Markov analysis, the simulation technique considers alternative flows which are examined for effects on future manpower supplies. Alternative flows reflect the anticipated results of policy or programme changes concerning voluntary and involuntary turnover, retirement, promotion, etc.

(iii) **Renewal Analysis:** This technique estimates future flows and supplies of manpower by calculating (a) vacancies created by the organization, and (b) the results of decision rules governing the filling of vacancies. Alternative models may assess the effect of changes in growth estimates, turnover, promotions, etc.

(iv) **Goal Programming:** It is an operational research technique under which the planner tends to optimize goal. In this case, the goal to optimize is the desired staffing pattern subject to a set of constraints concerning such factors as the upper limits on flows, the percentage of new recruits permitted and total salary budget.

PROBLEMS IN HUMAN RESOURCE PLANNING

Human resource planning is not always successful. Some of the major stumbling blocks are described below:

- Identity Crisis
- Support of Top Management
- Size of Initial Effort
- Coordination with other Management Functions
- Integration with Organizational Plans
- Involvement of Operating Managers

- Identity Crisis:** There is generally identity crisis and many managers as well as human resource specialists do not fully understand the total human resource planning process. There can be little doubt that unless the human resource planning specialists develop a strong sense of purpose; they are more likely to fail.
- Support of Top Management:** To be effective, in the long-run, human resource planning must have the full support of top management. The support from top management is essential to ensure the necessary resources, cooperation and support for the success of human resource planning.
- Size of Initial Effort:** Human resource planning fails because of lack of sufficient initial effort. To be successful, human resource planning should start slowly and expand gradually. Development of accurate skills inventory, and preparation of replacement chart are integral parts of manpower planning.
- Coordination with other Management Functions:** To be effective, human resource planning must be coordinated with other management functions. Unfortunately, there is a tendency on the part of manpower planners to become totally absorbed in their own world keeping aloof from the other operating managers.
- Integration with Organizational Plans:** Human resource planning must be based on organizational objectives and plans. It requires development of good communication channels between organization planners and the human resource planners. In many organizations, such a communication is lacking and the human resource plans are prepared in isolation of the fundamental organizational plans.
- Involvement of Operating Managers:** Human resource planning is not a function of manpower planners only. Successful human resource planning requires a coordinated effort on the part of personnel department and the operating managers.

Telmax 20 mg 1 time morning

318 ♦ UGC (NET) Management

JOB ANALYSIS

Job analysis is a part of overall work planning also known as 'work design' which involves analysis, measurement, control, design and redesign of different jobs in the organization.

Concepts of Job, Position and Occupation

A number of terms are used in connection with the work, people perform in industry and commerce. A job may be defined as an assignment of work calling for a set of duties, responsibilities and conditions that are different from those of other work assignments. For example, two salesmen who are performing similar duties and who require similar training, experience and qualities would be said to hold the same kind of job, though they may be working in widely separated parts of the store. The term 'job' describes the contents of a particular task and not its location.

The term 'job' is sometimes confused with 'position' and 'occupation'. But in practice, there is a distinction between these. A position is a group of tasks assigned to an individual. There are as many positions in an organization as there are persons. Thus, when several persons are doing similar work, each one is said to have the same job, but all have different positions.

The term 'occupation' is used in a wider sense. An occupation refers to a group of jobs that are similar as to kind of work or that possess common characteristics. For instance, though selling may be divided into a number of jobs depending on the complexity of the selling operations, a group of closely related selling work, or a group of closely related sales jobs may be considered as an occupation.

Job analysis
Job analysis is a detailed and systematic study of jobs to know the nature and characteristics of people to be employed for each job. The process of job analysis is essentially one of data collection and then analyzing that data. It provides the analyst with basic data pertaining to specific jobs in terms of duties, responsibilities, skills, knowledge, degree of risk, etc. This data may be classified as follows:

Job analysis flows

data collection → analysing that data → list basic data abt specific job (duties, responsibilities, skills, knowledge, risk)
classify this data ↴

Information relating to job

Identify Native, operates equipment, attributes, Relation
Classification of Data

Ae i o N R

- (a) Job identification
- (b) Nature of the job.
- (c) Operations involved in doing the job
- (d) Materials and equipments to be used in doing the job
- (e) Personal attributes required to do the job, e.g., education, training, physical strength, mental capabilities, etc.
- (f) Relation with other jobs

This information relating to a job which is thus classified, if examined carefully, would suggest that some information relates to the job and some concerns the individual doing the job. The requirements of a job are known as **Job Description** and the qualities demanded from the job-holder are termed as **Job Specification**. Thus, job descriptions and job specifications are the immediate by-products of job analyzing. *both are immediate by-products of job analysis*

Objectives of Job Analysis

The objectives of job analyzing are to study processes, simplify methods, measure work for establishing job and time standards, provide information for compensation and incentive plans, and improve the safety, recruitment, selection, training, appraisal, and compensation of employees. These objectives of job analysis can be grouped under three heads:

- ✓ 1. Work simplification (job redesign)
- ✓ 2. Establishment of standards of performance
- ✓ 3. Support of other personnel activities

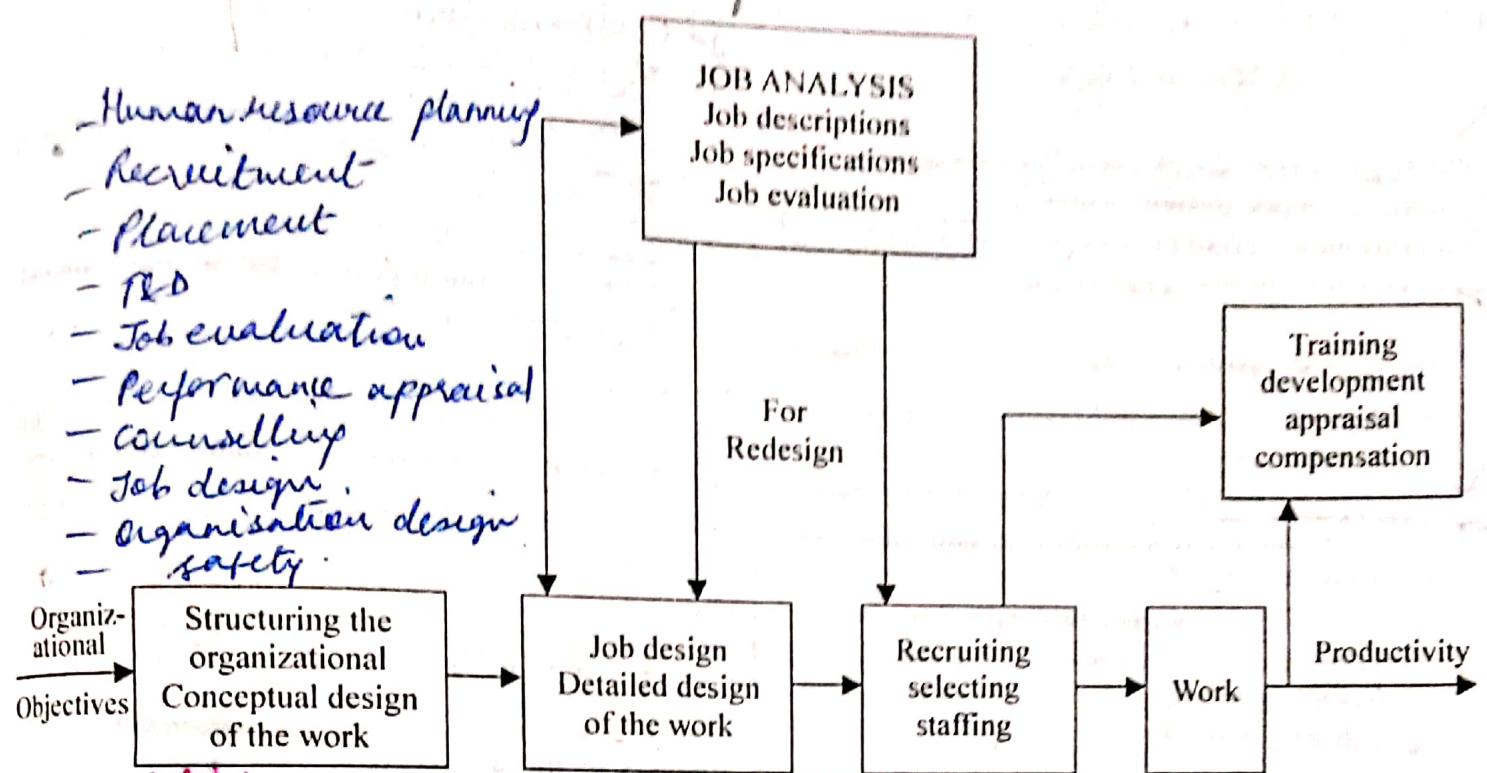
Role (Benefits) of Job Analysis

Job analysis is an important component of human resource management system. It provides important information which aids in redesigning jobs and organization structure, planning staffing procedures, designing training and appraisal programmes as shown in the following Fig. 2.

The uses of job analysis are as follows:

- ✓ 1. **Human Resource Planning:** Job analysis represents the qualitative aspect of human resource requirements since it determines the demands of a job in terms of responsibilities.

Life is hard
And knows no mercy



Susibilities → skills, qualities, other attributes

Fig. 2. Use of Job Analysis

and duties and then translates these demands in terms of skills, qualities and other human attributes. It helps in determining the number and kinds of jobs and qualifications needed to fill these jobs. It is job analysis which reveals what an average person can do on a job in a day. It facilitates the division of work into different jobs which is an essential element of effective manpower planning.

2. **Recruitment and Selection:** To make employment programme successful, it is necessary to have clear statements of jobs to be performed and of the skills and knowledge that must be possessed by the employees who will fill these jobs. The information regarding these two is procured from job descriptions and job specifications respectively. These help in matching as closely as possible the job requirements with workers' aptitudes, abilities and interests to facilitate the execution of employment programme.

3. **Placement:** A clear understanding of job requirements helps in matching these with the abilities, interests and aptitudes of people. Each job can be assigned to the person who is best suited for it. Similarly, the orientation

programme can be geared towards helping the employee learn the activities, and understand duties that are required to perform a given job more effectively.

4. **Training and Development:** Training and development programmes are administered to help the employees to gain the skills and knowledge to perform the tasks assigned to them efficiently. This purpose can be achieved conveniently if the employees fully understand the job description and job specification, and are thus familiar with what they are expected to perform. The same job information is also useful to those who administer training and development programmes. It helps them in determining the contents and subject-matter to be incorporated in such programmes.

5. **Job Evaluation:** Job evaluation aims at determining the relative worth of various jobs. The worth of a job would in turn help in determining the base compensation of the job. Job evaluation ensures internal pay equity of one job to another. To calculate the worth of a job, information concerning the job is provided by the job descriptions.

Job design follows job analysis i.e. it is the next step.
It aims at outlining and organising tasks, duties and responsibilities into a single unit of work for achievement of certain objectives.

6. **Performance Appraisal:** Performance of the employees can be appraised objectively if clear-cut standards of performance for every job are established. Job analysis data can be adapted to establish clear-cut standards of performance for every job. In evaluating the performance of an employee, the supervisor can compare the actual contribution of each man with the set standards.
7. **Employee Counselling:** Job analysis provides information about career choices and personnel limitations. Such information is helpful in vocational guidance and counseling. Employees who are unable to cope with the hazards and demands of given jobs may be advised to opt for subsidiary jobs which are less demanding.
8. **Job Design:** Job analysis information helps in designing redesigning of jobs by industrial engineers through time and motion study, work specification, work improvement and work measurement.
9. **Organizational Design:** Job analysis information is useful in classifying jobs creating interrelationship among them. Responsibility commensurate with authority and accountability for various jobs can be specified so as to minimize duplications or overlapping. In order to improve organizational efficiency, sound decisions concerning hierarchical positions and functional differentiation can be taken on the basis of information obtained through job analysis.
10. **Safety and Health:** The process of job analysis provides an opportunity to uncover and identify hazardous conditions and unhealthy environmental factors like heat, noise, fumes, dust etc. Corrective measures can be taken to minimize the chance of various risks, ensure safety to workers, and avoid unhealthy conditions as far as possible.

Steps in Job Analysis

There are major steps in a job analysis programme:

1. **Organize and plan for the programme:** The company must determine who will be

in charge of the programme and must assign responsibilities to the designated persons. A schedule should be established and a budget estimated for carrying out analysis of jobs.

2. **Obtain current job design information:** The job analyst should next obtain organization charts, current position descriptions and job specifications, procedure manuals, and systems flow charts as are available.
3. **Conduct "needs research":** The job analyst should investigate to determine which organization, managers, or staff people require job analysis or output from job analysis. The analyst should also determine for what purpose and to what extent jobs must be analyzed and how the information will be used.
4. **Establish priorities in the jobs to be analyzed:** The personnel department, working with managers of the various organizational units should identify the jobs to be analyzed and the priority of each job analysis.
5. **Collect job data:** Collect data about the selected jobs as they are currently being performed using established systematic techniques.
6. **Redesign the job:** If necessary, redesign the job.
7. **Prepare job descriptions and job classifications:** Job information collected must be processed to prepare the job descriptions. This is a written statement which describes the main features of the job alongwith duties, location and degree of risk involved.
8. **Developing job specifications:** This step involves conversion of the job descriptions in terms of human qualifications, traits of temperament, physical and psychological attributes required for successful performance of the job.

There are three types of analyses: **Job-oriented, worker-oriented, and combined.** Analysis of jobs based on describing the tasks required for successful performance is called job-oriented. Analysis based on worker-behaviour what the worker does - is

I V. Initial, verification, follow up { types of interviews}

called worker-oriented analysis. Usually a combination of both types of analysis is used.

Techniques of Data Collection for Job Analysis

The analysis of jobs requires gathering data about the jobs from:

1. Personal Interviewing
2. Observation Method
3. Positions Analysis Questionnaire PPD
4. Diary or Log of Job Incumbent PPD

1. Personal Interviewing

Personal interview of the job-holders is an important part of some commonly used job analysis systems. For unstructured questionnaires or job analysis worksheets, the analyst tries to draw out a description of the job as the incumbent sees it. For job analysis based on the tasks inventory concept, some methods require personal interviews to develop the task lists. It should be recognized that job analysis interviewing requires considerable knowledge and skills. The fundamental objective is to obtain complete unbiased information from the respondent. Thus, both the type of questions asked and the interviewer's manner are important to achieving this objective.

Three types of interviews are desirable. An initial interview provides most of the job information. A verification interview is made after the results from the first interview have been checked with other sources and prepared in task. A follow-up interview with a group of incumbents and supervisors may be used to polish up the final draft for language, clarity and correctness of terms.

Preparation for the interview: All interviews should be notified in advance of the purpose of the study. The questionnaire, the task inventory, or other materials such as draft of task lists should be given to the interviewees in advance. A time for the interview should be established that allows for an adequate period of questioning.

Opening the Interview: Workers who participate in job analysis frequently have fears that the results will be used to lower their salaries,

demean their jobs, or increase their tasks. Until rapport is established, the analyst should try to put the worker at ease with some casual talk and explanation of the service he is providing to the company.

Obtaining Information: The job analyst while collecting data should focus his attention on the contents of the job and not on the personality of the employee. The objective is not to describe the particular employee but rather the job that the employee performs and also the skill and qualifications necessary for proper execution of job duties. If the job incumbent in question possesses a University degree which is not essential for performing the job, the analyst must refrain from inferring that University degree is a must for proper performance of the said job. The approach of the job analyst should be scientific so far as it attempts to distinguish between fact and inference and between fact and opinion.

Verification of Information: The collection of job information should not be confined to work done by the best worker in the job, rather it should represent a reasonable sample of good, poor and average job doers. Information collected from one employee should be checked in consultation with others holding the same or similar jobs. This would help the analyst to get additional information and strike out inconsistencies and contradictions in the information already collected.

2. Observation Method

Under this method, the job analyst watches and observes the individual performing the job and takes notes to describe the tasks and duties performed. If a particular job is simple and repetitive, observation may be the only technique required.

Use of the observation method is limited because many jobs do not have complete and easily observable job cycles. For example, to analyze the job of a pharmaceutical salesperson would demand that the analyst follows the salesperson around for several days. Furthermore, many managers may not be skilled enough to know what to observe and how to analyze what they see. However, interview coupled with observation constitute the preferred

Technician holder of an office or post

approach. The interview will provide information not readily observable plus the verification of information obtained by means of other techniques.

3. Positions Analysis Questionnaire (PAQ)

The Position Analysis Questionnaire is a method for analyzing jobs in quantitative form. The PAQ covers 195 job elements grouped into six sections:

1. **Information input:** Where and how do workers get information to do their job?
... 35 elements
2. **Mental Process:** What reasoning, planning, organizing, and decision-making is done?
... 15 elements
3. **Work output:** What physical activities, tools and machines are used?
... 49 elements
4. **Relationships:** What contact with other people, both in the company and outside of it is maintained or developed?
... 36 elements
5. **Job context:** What is the physical and social context in which the job is performed?
... 19 elements
6. **Other Job characteristics:** What other activities, conditions, or characteristics not covered by the other categories are relevant?
... 41 elements

The major problem with PAQ is the time it takes for a job analyst to fill out the ratings. However, PAQ has been widely researched and tested and appears to be both reliable (among different rates) and valid (correlates with job pay).

4. Diary or Log of Job Incumbent

The diary or log is a recording by job incumbent of job duties, frequency of the duties, after the duties have been accomplished. This technique requires the job incumbent to keep a diary/log on a daily basis. Unfortunately, most individuals are not disciplined enough to keep such a diary/log.

If a diary/log is kept up to date, it can provide good information about the job. Comparisons on a daily, weekly, or monthly basis can be made. This will permit an examination of the routineness or non-routineness of job duties. The diary/log is useful

when attempting to analyze jobs that are difficult to observe, such as those performed by engineers, scientists, and senior executives.

Any of the above methods can be used in combination. In fact, all these can be used to acquire a comprehensive picture of the job. Of course, using all would take time and be rather costly. The analyst decides which method or combination is needed to do a thorough job analysis. Job analysts often use a more specific, widely used technique that incorporates various features of these general techniques and provides a quantitative score.

JOB DESCRIPTIONS

A job description is an organized factual statement of job contents in the form of duties and responsibilities of a specific job. The preparation of job description is necessary before a vacancy is advertised. It tells in brief the nature and type of a job. In other words, it emphasizes on the job requirements. As the title indicates, the documents are descriptive in nature and constitute a record of job facts in an organized way.

Job description document discloses what is to be done, how it is to be done and why it is to be done. It must disclose at least the facts relating to these three points in detail. The data to be recorded on the job description document must be objectively determined by the job analyst. To make this document more meaningful, the personnel or human resource department may invite job descriptions from workers, foremen and supervisors.

The contents of job description have been discussed below:

1. **Job Title:** It is desirable that the job title should be short, definite and suggestive of the nature of the job. Commerce and industry nomenclature, wherever applicable, should always be considered in phrasing meaningful job titles.
2. **Job Location:** It is necessary to give the location of the job. By location we mean the name of the department where the job under consideration exists.

what
long
but

3. **Job Summary:** A short paragraph succinctly summarizing the tasks performed by the employee is helpful for subsequent convenient identification of the job.
4. **Duties to be Performed:** Each task performed should be written out and estimate made of the percentage of the time that is devoted to the performance of each task. This is the most important phase of the job description and should be carefully prepared.
5. **Machines, Tools, and Materials:** The tools, machines, equipments and materials used in the performance of the job should also be included in the job description. This is necessary since these items tend to indicate the nature and complexity of the job.
6. **Relation to other jobs:** Clear-cut relation of

the job under consideration with other jobs in the organization will help to understand the nature of the job well.

7. **Nature of Supervision:** There are certain jobs, particularly unskilled jobs, which require intensive supervision, while other jobs require less supervision, because people manning these positions are more committed to the achievement of organizational goals. Nature of supervision must be given in the job description.
8. **Working Environment:** The working conditions, hazards and other characteristics of the physical surroundings within the working area should be described to help in subsequent interpretation of job evaluation.

A specimen of job description is given below:

Specimen of Job Descriptions

ZEN INDUSTRIES LTD. *Cle*

Job Title – Personal Secretary

Department

Immediate Supervisor

Job No.....

Grade

Date

Job Summary: Perform secretarial duties involving taking dictation, typing, preparing routine correspondence and reports, maintaining records and related clerical duties.

Job Duties: Take dictation in shorthand or form dictation machine, transcribe and type letters, memoranda, reports, etc. Take shorthand notes in meetings, transcribe and type into final form.

Compose and type routine letters, memoranda, open, read, sort, distribute, and follow-up incoming mail. Maintain files of letters, reports, catalogues and other documents.

Obtain data and information by telephone or personal contacts for the boss.

Answer telephone calls and take messages.

Compile routine departmental reports.

Receive, disburse and keep records of petty cash funds.

Receive visitors.

Arrange hotel and travel reservations.

May be required to take technical dictation involving engineering and chemical terminology.

Equipment, Instruments and Machines: Typewriter, dictation machine.

Relation to Other job.....

Nature of Supervision.....

Working Environment.....

Preparation of Job Descriptions

Job descriptions provide the data of the job itself in terms of duties and responsibilities. In order to prepare this document, detailed information is to be collected about job title, job contents, duties and responsibilities and so on. The information necessary for the preparation of the job descriptions can be obtained in one or more of the following ways:

1. By observation of job being performed.
2. By discussion with the supervisor of the job.
3. By requesting the supervisor of the job to fill in a questionnaire describing the job.
4. By discussion with some of the employees working on the job.
5. By requesting some of the employees working on the job to fill in the questionnaire describing the job.

The most practical method of getting information is through personal observation of the work performed, coupled with discussion with the supervisor of the job. The technique of questionnaires is time-consuming and generally does not yield satisfactory results. Most of the employees cannot be depended upon the complete questionnaire because of their own limitations. At the same time, the supervisor also cannot be depended upon fully. He may either attempt to magnify the job in order to increase its importance or may fail to include pertinent information in the reply. When questionnaires are used, invariably the job analyst must discuss the job with the supervisor concerned in order to clarify the information provided in the questionnaire. The use of questionnaire is recommended only in case of those technical jobs where the job contents are not completely known to the supervisor, or the operation is too complex to observe, or the job is actually what the employee makes it.

Job description may be well prepared out in the work-shop. Every job should be described as it exists and as it is currently performed. Changes in procedures that might be planned should never be included in a job description until they take place. Sometimes, instances are found where the way in which the job is performed does not correspond to

the way in which supervisor wants the job to be done. In such cases, the preparation of the job description should be held up until the operator is trained in the method which is finally decided upon.

Accountability for Job Description

Usually, the chief executive of the organization will hold the personnel department accountable for coordinating the development and maintenance of job descriptions. Managers throughout the organization are held accountable for cooperating in this programme and for supplying accurate information. Thus, the personnel manager and other top managers are held jointly accountable for the development and maintenance of job descriptions.

Validity of Job Description

A job description is valid to the extent that it accurately reflects job contents. The importance of job description validity becomes clear when the influence of job descriptions on employment and evaluation practices is taken into consideration. These two functions are likely to be performed away from the job scene and possibly by people not immediately familiar with details of the various jobs. If the job description is inaccurate and misleading, candidates without proper qualifications may be referred to departmental heads, or jobs may be ranked improperly with others in terms of worth the organization. When used for this purpose, inaccurate job descriptions can also reduce the effectiveness of training, or the result in the development of unrealistic standards of performance. These problems demonstrate the importance of systematic, periodic information gathering and careful writing of the descriptions.

SELECTING HUMAN RESOURCES

RECRUITMENT *XIV*

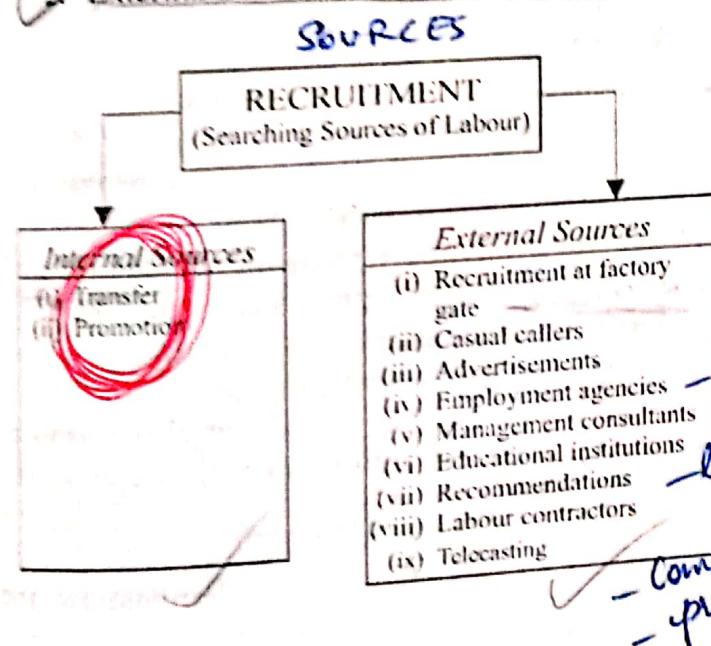
Meaning of Recruitment: The process of identification of different sources of personnel is known as recruitment. According to Edwin B. Flippo, "Recruitment is the process of searching the candidates for employment and stimulating

them to apply for jobs in the organization". It is a linking activity that brings together those offering jobs and those seeking jobs.

Date S. Beach observed, "Recruitment is the development and maintenance of adequate manpower resources. It involves the creation of a pool of available labour upon whom the organization can draw when it needs additional employees." Recruitment refers to the attempt of getting interested applicants and providing a pool of prospective employees so that the management can select the right person for the right job from this pool. Recruitment precedes the selection process, i.e., selection of right candidates for various positions in the organization.

Sources of Recruitment: As shown in the following figure, the various sources of recruitment may be grouped into the following two categories:

1. Internal Sources (recruitment from within the enterprise); and
2. External Sources (recruitment from outside).



Internal Sources

There are two important internal sources of recruitment, namely, transfer and promotion which are given below in details.

(i) **Transfer:** It involves the shifting of an employee from one job to another, one department to another or from one shift to another. Transfer is a good source of filling vacancies.

I found in in

(ii) **Promotion:** It leads to shifting an employee to a higher position, carrying higher responsibilities, facilities, status and pay.

Advantages of Internal Sources: Filling vacancies in higher jobs from within the organization or through internal transfers has the following merits: **ADVANTAGES**

- (i) Employees are motivated to improve their incentives performance
- (ii) Morale of the employees is increased - morale
- (iii) Industrial peace prevails in the enterprise because of promotion avenues - peace
- (iv) Filling of jobs internally is cheaper as compared to getting candidates from external sources
- (v) A promotion at a higher level may lead to a lower chain of promotions at lower levels in the levels organization. This motivates the employees growth to improve their performance through learning and practices.
- (vi) Transfer or job rotation is a tool of training - training the employees to prepare them for higher jobs.
- (vii) Transfer has the benefit of shifting workplace - Surplus to Shortage from the surplus departments to those departments where there is shortage of staff.

Drawbacks of Internal Sources: Internal sources of recruitment have certain demerits also. These are listed below: **DRAWBACKS**

- (i) When vacancies are filled through internal promotions, the scope for fresh talent is reduced.
- (ii) The employees may become lethargic if they are sure of time bound promotions.
- (iii) The spirit of competition among the employees may be hampered.
- (iv) Frequent transfers of employees may reduce the overall productivity of the organization.

External Sources

Every enterprise has to tap external sources for various positions. Running enterprises have to recruit employees from outside for filling the positions whose specifications cannot be met by the present employees, and for meeting the additional requirements of manpower. The following

external sources of recruitment are commonly used by the big enterprises:

(i) **Direct Recruitment:** An important source of recruitment is direct recruitment by placing a notice on the notice board of the enterprise specifying the details of the jobs available. It is also known as *recruitment at factory gate*.

The practice of direct recruitment is generally followed for filling casual vacancies requiring unskilled workers. Such workers are known as *casual or badli workers* and they are paid remuneration on daily-wage basis.

This method of recruitment is very cheap as it does not involve any cost of advertising vacancies. It is suitable for filling casual vacancies when there is greater rush of work or when a number of permanent workers are absent.

(ii) **Casual Callers or Unsolicited Applications:**

The organizations which are regarded as good employers draw a steady stream of unsolicited applications in their offices. This serves as a valuable source of manpower. If adequate attention is paid to maintain pending application folders for various jobs, the personnel department may find the unsolicited applications useful in filling the vacancies whenever they arise. The merit of this source of recruitment is that it avoids the costs of recruiting workforce from other sources.

(iii) **Media Advertisement:** Advertisement in

newspapers or trade and professional journals is generally used when qualified and experienced personnel are not available from other sources. Most of the senior positions in industry as well as commerce are filled by this method. The advantage of advertising is that more information about the organization, job descriptions and job specifications can be given in advertisement to allow self-screening by the prospective candidates. Advertisement gives the management a wider range of candidates from which to choose. Its disadvantage is that it may bring in a flood of response, and many times, from quite unsuitable candidates.

cost of advertising

*casual or
badli workers*

not asked for

(iv) **Employment Agencies:** Employment exchanges run by the Government are regarded as a good source of recruitment for unskilled, semi-skilled and skilled operative jobs. In some cases, compulsory notification of vacancies to the employment exchange is required by law. Thus, the employment exchanges bring the job givers in contact with the job seekers. However, in the technical and professional area, private agencies and professional bodies appear to be doing most of the work. Employment exchanges and selected private agencies provide nationwide services in attempting to match personnel demand and supply.

(v) **Management Consultants:** Management consultancy firms help the organizations to recruit technical, professional and managerial personnel. They specialize in middle level and top level executive placements. They maintain data bank of persons with different qualifications and skills and even advertise the jobs on behalf of their to recruit right type of personnel. These days, professional bodies of accountants, engineers, etc. also help their members to get suitable placements in industrial organizations.

(vi) **Educational Institutions or Campus Recruitment:** Jobs in commerce and industry have become increasing technical and complex to the point where school and college degrees are widely required. Consequently, big organizations maintain a close liaison with the universities, vocational institutes and management institutes for recruitment to various jobs. Recruitment form educational institutions are a well-established practice of thousands of business and other organizations. It is also known as *campus recruitment*.

(vii) **Recommendations:** Applicants introduced by friends and relatives may prove to be a good source of recruitment. In fact, many employers prefer to take such persons because something about their background is known. When a present employee or a business friend

recommends some one for a job, a type of preliminary screening is done and the person is placed on a job. Some organizations have agreements with the trade unions to give preference to blood relations of existing or retired employees if their qualifications and experience are suited to fill the vacant jobs.

- (iii) **Labour Contractors:** Labour contractors are an important source of recruitment in some industries in India. Workers are recruited through labour contractors who are themselves employees of the organization. The disadvantage of this system is that if the contractor leaves the organization, all the workers employed through him will also leave. That is why, this source of labour is not preferred by many businesses organizations.
- (iv) **Telecasting:** The practice of telecasting of vacant posts over T.V. is gaining importance these days. Special programmes like 'Job Watch', 'Youth Pulse', etc. over the T.V. have become quite popular in recruitment for various types of jobs.

Merits of External Sources *ADVANTAGES*

- The merit of external sources is as under: *QWFC*
- (i) **Qualified Personnel:** By using external sources of recruitment, the management can get qualified and trained people.
 - (ii) **Wider Choice:** When vacancies are advertised widely, a large number of applicants apply. The management has a wider choice to select people for employment.
 - (iii) **Fresh Talent:** External sources facilitate infusion of fresh blood with new ideas into the enterprise. This will improve working of the enterprise.
 - (iv) **Competitive Spirit:** If a company can tap external sources, the existing staff will have to compete with the outsiders. They will work hard to show better performance.

Demerits of External Sources *DISADVANTAGES*

The demerits of filling vacancies from external sources are as follows:

- (i) **Dissatisfaction among Existing Staff:** External recruitment may lead to dissatisfaction and frustrations among existing employees. They may feel that their chances of promotion are reduced.
- (ii) **Lengthy Process:** Recruitment from outside takes a long time. The business has to notify the vacancies and wait for applications to initiate the selection process.
- (iii) **Costly Process:** It is very costly to recruit staff from external sources. A lot of money has to be spent on advertisement and processing of applications.
- (iv) **Uncertain Response:** The candidates from outside may not be suitable for the enterprise. There is no guarantee that the enterprise will be able to attract right kinds of people from external sources.

RECRUITMENT PROCEDURE

Responsibility for Recruitment: In a small organization, recruitment is usually done rather informally by the owner or manager. But in a larger organization, the human resource department is usually responsible for developing sources of applicants. Within the human resource department, there is likely to be an employment office to do the recruiting and even initial selection of candidates for a job. Big organizations employing large number of professional and managerial employees may have a separate department engaged entirely in recruiting.

At the same time, individual managers and employees may be referring promising applicants to the personnel department. Similarly, the human managers as may be the case when campus recruitment is assistance from the managers or as may be the case when campus recruitment is proposed at the alma mater of one of the managers. Still other firms prefer to put together recruiting teams consisting of human resource specialists and other executives. For example, one or more engineers may accompany the team of campus recruiters for recruitment of engineering personnel at technical institutes.

Regardless of who does the recruiting, it is important for one department to coordinate the recruitment function in order to develop adequate sources, avoid duplication, and ensure that human resource needs for the whole organization are met.

Factors affecting Recruitment: There are many factors that limit or affect the recruitment policy of an organization. The important factors are listed below:

- (i) Size of the organization and the kinds of human resources required.
- (ii) Effect of past recruitment efforts.
- (iii) Nature of labour market of the region.
- (iv) Extent and strength of unionization in the region.
- (v) Working conditions, wages and other benefits offered by other concerns.
- (vi) Social and political environment
- (vii) Legal obligations created by various statutes.

Requisition for Recruitment: Recruitment is an on-going process whereby the firm attempts to develop a pool of qualified applicants for future human resource needs even though specific vacancies do not currently exist. This practice is also necessary to maintain contacts with sources of recruitment.

In most cases, recruitment starts when a manager initiates an employee requisition for a specific vacancy. The requisition should contain the basic information describing the position to be filled, the duties to be performed, and the experience and qualifications required of the candidate for the job.

SELECTION

Selection involves a series of steps by which the candidates are screened for choosing the most suitable persons for vacant posts. The process of selection leads to employment of persons who possess the ability and qualifications to perform the jobs which have fallen vacant in an organization. It divides the candidates for employment into two categories, namely, 'those who will be offered employment and those who will not be'. This process should be called rejection since more candidates may be turned away than employed. That is why, selection is frequently

rejection

described as a negative process in contrast with the positive nature of recruitment.

Purpose of Selection

The basic purpose of the selection process is to choose right type of candidates to man various positions in the organization. In order to achieve this purpose, a well-organized selection procedure involves many steps and at each step, unsuitable candidates are rejected. In other words, the aim of selection process is to reject the unsuitable candidates. But recruitment, on the other hand, is a positive process. Its aim is to attract applicants for vacant jobs in the organization. Various sources of recruitment are used for this purpose.

Thus, recruitment is a positive process because it aims at attracting applicants for various jobs. But selection is a negative process because it aims at rejecting applicants who are unsuitable and offering jobs to those who are found fully suitable.

Distinctive Features of Selection

- (i) Selection means employment of workers or establishing a Contractual relationship between the employer and the worker.
- (ii) Selection is a negative process because it involves rejection of unsuitable candidates.
- (iii) Selection aims at eliminating unsuitable candidates and ensuring most competent people for the vacant job.
- (iv) Selection is a complex process under which each candidate is required to cross a number of hurdles before getting the offer for a job.

Significance of Selection

Selection is a critical process these days because it requires a heavy investment of money to get right types of people. Induction and training costs are also high. If the right types of persons are not chosen, it will lead to huge loss of the employer in terms of time, effort and money. Therefore, it is essential to devise a suitable selection procedure. Each step in the selection procedure should help in getting more and more information about the applicants to facilitate decision-making in the area of selection.

Rejection rather than Selection

*getting right person
in selection*

→ Round pegs in the round holes

Absenteeism and employee turnover are the important problems which are being faced by most of the organizations. The intensity of these problems can be reduced if in the future all selections are made carefully so that there are 'round pegs in the round holes'. Whenever unsuitable employees are appointed, the efficiency of the organization will go down. Such employees will shirk work and absent themselves from the work more often. They may also be compelled to leave their jobs. If this happens, all the expenses incurred on the selection and training of such employees will go waste.

Scientific selection and placement of personnel will go a long way towards building up a stable work-force. It will keep the rates of absenteeism and labour turnover low and will increase the morale of the employees. If the employees are suitable according to the requirements of the jobs, they will show higher efficiency and productivity. This will also enable the organization to achieve its objectives effectively.

The benefits of selecting right kinds of people for various jobs are as follows:

- (i) Proper selection and placement of personnel go a long way towards building up a suitable workforce. It will keep the rates of absenteeism and labour turnover low.
- (ii) Competent employees will show higher efficiency and enable the organization to achieve its objective effectively.
- (iii) The rate of industrial accidents will be considerably low if suitable employees are placed on various jobs.
- (iv) When people get jobs of their taste and choice, they get higher job satisfaction. This will build up a contended workforce for the organization.
- (v) The morale of the employees who are satisfied with their jobs is often high.

Scientific Selection

Fitting the worker to the job is the first and the most important step in promoting individual efficiency in industry. Scientific selection of employees is an important function of the Personnel Department. The object of scientific selection is to place on each job a worker who can maintain a

given output with minimum expenditure of energy and who will be best fitted to the job.

The factors to be considered for selecting the right person for the right job are as under: **FACTORS**

1. **Physical Characteristics:** Sound body, limbs, ~~sel~~ height, weight, sight, etc.
2. **Personal Characteristics:** Age, sex, marital status, number of children, family background, etc.
3. **Proficiency or Skill and Ability:** Qualifications and previous experience.
4. **Competency:** Potentiality of an individual for learning and becoming proficient in a job. Competency points out capacity to acquire knowledge and skill for success on the job.
5. **Temperament and character:** Emotional, moral and social qualities, honesty, loyalty, etc. A high degree of intellectual competency can never serve as a substitute for such qualities as honesty and trust worthiness. It is important to know about individual's character, his habits of work, his way of reacting in this or that situation, his driving forces in determining his fitness for the job.
6. **Interest:** Without interest, work is colourless and worthwhile to the individual and abilities are developed as well as accomplishments are realized. If a person has skill, and competency, but he has no interest in the job, he will be unhappy in his work.

Role of Personnel Department in Selection

Personal department plays an important role in the selection process. However, it should be kept in mind that decision to add persons on the payroll in a particular department of the organization is not made by the personnel department. The requisition for the employees must originate from the department where it is necessary to hire some persons to particular jobs in the near future. For this purpose, the use of a standard requisition form by the departmental head is preferable as it will make clear the number of vacancies, types of jobs, pay scale and any special characteristics or skills required. After receiving the requisition, the personnel department will see the

catalogue of job description and job specifications to obtain a picture of the job and will tap some source or sources of recruitment according to the circumstances of the case.

Selection process will start when some applications are received from the candidates. The personnel department will classify and file the applications and will screen out the applicants which are found unsuitable. After this, it may call the other applicants for initial interview or employment tests.

Selection Procedure

The procedure of selection will vary from organization to organization and even from department to department within the same organization according to the kinds of the jobs to be filled. The number of steps in the procedure and the sequence of steps also vary. For instance, some organizational do not hold preliminary interview, test or screening, whereas in other organizational such as commercial banks, preliminary tests are given to eliminate a large numbers of applicants. Similarly, in some cases, medical examination is given before final selection and in others, medical check up follows final selection. Thus, every organization will design a selection procedure that suits its requirements. However, the main steps could be incorporated in the selections procedures are as under:

1. Preliminary interview
2. Receiving applications
3. Screening of applications
4. Employment test
5. Employment Interview
6. Physical examination
7. Checking references
8. Final selection

As shown in the Fig. 3, every candidate for a job has to clear a number of hurdles before getting selected for the job. If he is not found suitable at any stage, he is not considered for the further stages. Thus, he will be rejected. For instance, if a candidate's particulars in the application are not found suitable, he will not be called for the interview.

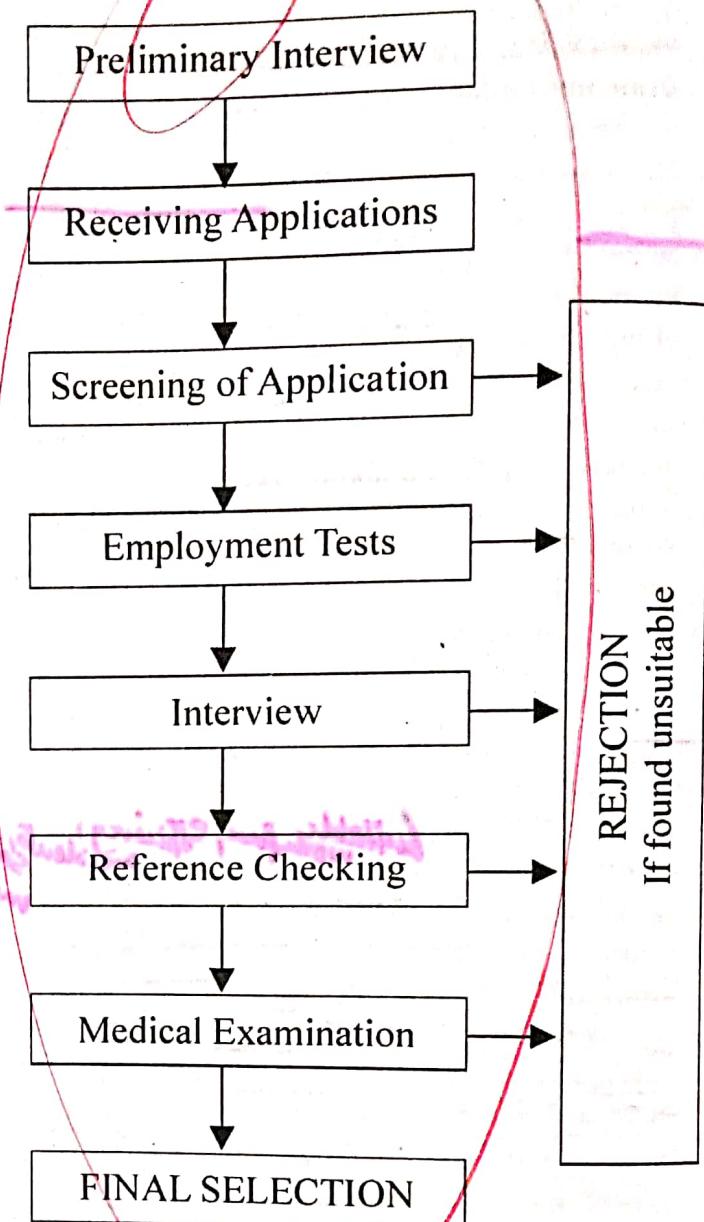


Fig. 3

The successive stages in the selection process are discussed below:

1. **Preliminary Interview:** In the most of the organizations, the selection programme begins with preliminary interview or screening. The preliminary interview is generally brief and does the job of eliminating the totally unsuitable candidates. The preliminary interview offers advantages not only to the organization, but also to the applicants. If an applicant is eliminated at this stage, the organization will be saved from the expenses of processing him through the remaining steps of the selection procedure and the unsuitable candidate.

2. Receiving Applications: Whenever there is a vacancy, it is advertised or enquiries are made from the suitable sources, and applications are received from the candidates. Standard application forms may be drawn up for different jobs supplied to the candidates on request. The application form is useful for several reasons. It gives a preliminary idea about the candidate to the interviewer and helps him in formulating questions to have more information about the candidate. The written information about age, qualifications, experience, etc. may prove to be of greater value to the interviewers. It makes the processing of applications very easy since there is uniformity of filling the date in the application form.

3. Screening of Applications: After the applications are received, they are screened by a screening committee and a list is prepared of the candidates to be interviewed. Applicants may be called for interview on some specific criteria like sex, desired age group, experience and qualifications. The number of candidates to be called for interview is normally five to seven times the number of posts to be filled up. The screened applications are then reviewed by the Personnel Manager and interview letters are dispatched by registered post or under certificate of post.

4. Employment Tests: Individual differ in almost all aspects one can think of. They differ with respect to physical characteristics, capacity, level of mental ability, their likes and dislikes and also with respect to personality traits. The pattern of physical, mental and personal variables gives rise to thousand and one combinations and the particular pattern makes the individual suitable for several classes of activities, jobs or fields of work. Matching of individual's physical, mental and temperamental pattern with the requirements of job or field of training is a difficult task. But where this matching takes place, the result is happiness for the individual and

prosperity for the organization and the society. But instances of round pegs in square holes and vice versa are not rare. So before deciding upon the job or jobs suitable for a particular individual, one should know the level of his ability and the knowledge, the pattern of his interest and aptitudes in detail. This will require the use of employment tests which are listed below:

- (a) Intelligence tests
- (b) Aptitude tests
- (c) Trade of proficiency tests
- (d) Interest tests
- (e) Personality tests

Employment tests are widely used for judging the applicant's suitability for the job. They bring out the qualities and weaknesses of individuals which could be analyzed before offering jobs to them. The tests must be designed properly.

5. Employment Interview: Employment tests provide a lot of valuable information about the candidate, yet they don't provide the complete information required of the applicant. Interview may be used to secure more information about the candidate. The main purposes of an employment interview are; PURPOSE

- (a) To find out the suitability of the candidate
- (b) To seek more information about the candidate, and
- (c) To give him an accurate picture of the job with details of terms and conditions and some idea of organization's policies.

For the selection of right types of people, employment interview is very important. The communication skill of the candidate can be judged in the interview. His way of thinking can also be known. Interview is very important where the candidate has to go through employment tests. The information contained in the application can be checked during the interview.

6. Checking References: A referee is potentially an important source of information about a candidate's ability and personality, if he holds

a responsible position in some organization or has been the boss or employer of the candidate. Prior to final selection, the prospective employer normally makes an investigation on the reference supplied by the applicant and undertakes more or less thorough search into the candidate's past employment, education, personal reputation, financial condition, police record, etc. However, it is often difficult to persuade a referee to give his opinion frankly. The organization may persuade him to do so by giving an assurance that all information provided by him will be treated as strictly confidential.

7. Medical Examination: The pre-employment physical examination or medical test of a candidate is an important step in the selection procedure. Though in the suggested selection procedure, medical test is located near the end, but this sequence need not be rigid. The organizations may place the medical examination relatively early in process so as to avoid time and expenditure to be incurred on the selection of medically unfit persons. Some organizations either place the examination relatively early in the selection procedure or they advise the candidates to get themselves examined by a medical expert so as to avoid disappointment at the end.

The physical examination should disclose the physical characteristics of the individual that are significant from the standpoint of his efficient performance of the job he may assigned for those jobs to which he may reasonably be expected to be transferred or promoted. A proper medical examination will ensure higher standard of health and physical fitness of the employees and will reduce the rates of accident, labour turnover, and absenteeism.

ADVANTAGES :-
The advantages of physical examination are:

- It serves to ascertain the applicant's physical capability to meet the job requirements;

- It serves to protect the organization against the unwarranted claims under workers' compensation laws or against law suits for damages; and
- It helps to prevent communicable diseases entering the organization.

8. Final Selection and Appointment Letter:

After a candidate has cleared all the hurdles in the selection procedure, he is formally appointed by issuing him an appointment letter or by concluding with him a service agreement. Generally, the candidates are not appointed on permanent basis because it is considered better to try them for a few months on the job itself. This is because no procedure of selection is complete in itself to find out the whole picture of the personality and qualities of a candidate. It is only by observing a person at work that one can find out how he does his work and behaves with fellow employees and supervisors. If during the probation period, an employee is found unsuitable, the management may transfer him to some other job to which he may be expected to do justice. But if the organization cannot offer him a job which he can do well, the management may either sack him or give him time and training to improve him.

INDUCTION (ORIENTATION OR PRELIMINARY TRAINING)

Induction is the welcoming process to make the new employee feel at home and generate in him feeling of belongingness to the organization. It is concerned with the problem of introducing or orienting a new employ to his work-group, supervisor and the organization. It is the beginning of the fusion process which helps integration between the organization goal and the personal goals of the new employee. After selecting compatible personnel, the organization must communicate to the new employees its philosophy, policies and customs and practices. Planned induction welcomes the new employee, creates a good attitude, reduces labour turnover and the employee feels at home right from the beginning.

Encounter
Metamorphosis / Transformation

When a new employee reports for work, he must be helped to get acquainted and adjusted with the work environment and the fellow employees. It is the organization, get him introduced to the organization and help him to get a general idea about the rules and regulations, working conditions, etc. of the organization. Induction may also be viewed as the socializing process by which the organization seeks to make an individual its agent for the achievement of its objectives and the individual seeks to make an agency of the organization for the achievement of his personal goals.

Purpose: An induction or introduction programme should try to achieve the following objectives:

- (i) To build up the new employee's confidence in the organization and in himself so that he may become an efficient employee.
- (ii) To promote a feeling of belonging and loyalty to the organization among new-comers.
- (iii) To ensure that the new employee may not form false impression regarding the new place of work because first impression is the last impression.
- (iv) To give the new entrant the information he needs such as location of locker room, cafeteria and other facilities, time to break off, leave rules, etc.
- (v) To foster a close relationship between the new workers and the old workers and supervisors.

Contents

The induction programme is generally informal in case of small firms. It may be formal of the duration of two to four weeks in case of big organizations. Orientation training course should not be too lengthy. It need not necessarily be given on the day when the new employee joins. But if a formal course is to be attended after two or three weeks on the job, the initial introduction and the immediately needed information may be given by the supervisor to the new employee. The range of information that may be covered under orientation training is as follows:

- (i) Company's history and philosophy
- (ii) Products of the company
- (iii) Company's organization structure
- (iv) Location of departments and employee services
- (v) Personnel policies and practices
- (vi) Employees' activities
- (vii) Rules and regulations
- (viii) Grievance procedure
- (ix) Safety measures
- (x) Standing orders

Socialization: Familiarization with Organization Culture

Teacher

Socialization is a process of indoctrinating the new employees into the organization culture. The organization takes steps to get them adapt to its existing culture. It socializes the new employees and moulds them to accept its standards and norms.

Socialization is a process of adaptation by which employees are able to understand the basic values, norms and customs for becoming the accepted members of organization and assuming organizational roles. People who do not learn to adjust with the culture of organization are labelled as 'rebels' or 'nonconformists' and may even be turned out of the organization. Socialization performs two functions:

- (i) It creates uniform behaviour in members, increases understanding, reduces conflicts, etc. and
- (ii) It reduces role ambiguity of employees as they will come to know what is expected of them

As shown in the Fig. 4, Maanen and Schein have conceptualized three stages in the process of socialization: pre-arrival, encounter and metamorphosis or transformation. These are briefly discussed below:

1. **Prearrival Stage:** It denotes the period of learning in the socialization process that occurs before a new worker joins the organization. The new worker has a set of values, beliefs, attitudes and expectations. Such factors must be taken care of at the selection stage. Those types of people should

PEM | PET

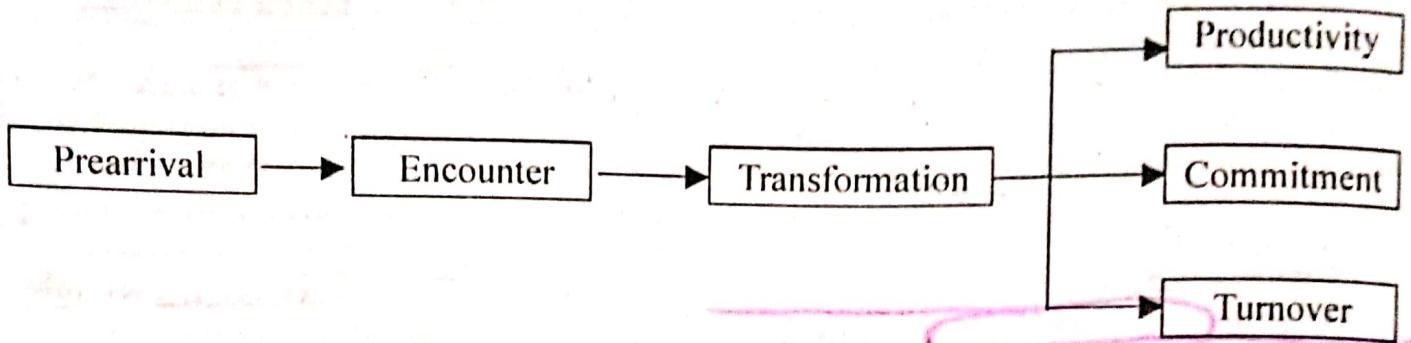


Fig. 4. Stages in Socialization Process

be selected who might be able to fit into the organization's culture. The candidates must be made aware of the organization's values and expectations during the selection process so that the chances of wrong selection are reduced to the minimum.

2. Encounter Stage: The new employee enters this stage when he joins the organization. He comes to know what the organization is really like and may find divergence between his expectations and those of the organization. If this is so, the new employee must undergo socialization that will detach him from his previous notions and assumptions about the organization and make him learn another set the organization deems desirable. The induction process is helpful in many of the cases. But if the employee is not able to change his expectations and adapt to the requirements of the organization, he might have to leave the organization.

3. Metamorphosis or Transformation Stage: Under this stage, the real transformation in the new employee takes place. He adjusts to this work-group's values and norms and becomes comfortable with the organization and his job. His internalization of organization's culture wins him acceptability among his colleagues and creates confidence in him. This makes him a contended employees and he likes the place of work and enjoys the company of his colleagues. As a result, he will feel committed to the organizational and his productivity will increase. His search for job elsewhere will also

come to the end. If, in any case, the employee is not able to adapt himself to the organization culture, the result will be productivity, lack of commitment and even leaving the organization.

TRAINING

Need and Rationale of Training

Training is important not only from the point of view of the organization, but also for the employees. Training is valuable to the employees because it will give them greater job security and an opportunity for advancement. A skill acquired through training is an asset for the organization and the employee. It can be taken away only by the complete elimination of the need for that skill because of technological changes.

The need for training arises because of the following reasons:

- (i) **Changing Technology:** Technology is changing at a fast pace. The workers must learn new techniques to make use of advanced technology. Thus, training should be treated as a continuous process to update the employees in new methods and procedures.
- (ii) **Quality Conscious Customers:** The customers have become quality conscious and their requirements keep on changing. To satisfy the customers, quality of products must be continuously improved through training of workers.
- (iii) **Greater Productivity:** It is essential to increase productivity and reduce cost of production for meeting competition in the

market. Effective training can increase productivity of the workers.

(iv) **Stable Workforce:** Training creates a feeling of confidence in the minds of the workers. It gives them a security at the work place. As a result, labour turnover and absenteeism rates are reduced.

(v) **Increased Safety:** Trained workers handle the machines safely. They also know the use of various safety devices in the factory. Thus, they are less prone to industrial accidents.

(vi) **Better Management:** Training can be used as an effective tool of planning and control. It develops skills among workers for the future and also prepares them for promotion. It helps in reducing the costs of supervision, wastages and industrial accidents. It also increases productivity and quality.

Definition of Training

Training is an organized activity for increasing the knowledge and skills of people for a definite purpose. It involves systematic procedures for transferring technical know-how to the employees so as to increase their knowledge and skills for doing specific jobs with proficiency. In other words, the trainees acquire technical knowledge, skills and problem solving ability by undergoing the training programme.

According to Edwin B. Flippo, "Training is the act of increasing the knowledge and skills of an employee for doing a particular job." Its purpose is to achieve a change in the behaviour of those trained and to enable them to do their jobs better. Training is a continuous process.

Objectives of Training

- The objectives of training are as follows:
1. To increase the knowledge of workers in doing specific jobs
 2. To impart new skills among the workers systematically so that they learn quickly
 3. To bring about change in the attitudes of the workers towards fellow workers, supervisor and the organization

- performance*
4. To improve the overall performance of the organization
 5. To make the workers handle materials, machines and equipment efficiently and thus to check wastage of time and resources.
 6. To reduce the number of accidents by providing safety training to workers
 7. To prepare workers for higher jobs by developing advanced skills in them

Benefits of Training to Employees

Training helps the employees or workers in the following ways:

- (i) **Confidence:** Training creates a feeling of confidence in the minds of workers. It gives a feeling of safety and security to them at the work-place.
- (ii) **New Skills:** Training develops skills which serve as a valuable personal asset of a worker. It remains permanently with the worker himself.
- (iii) **Promotion:** Training provides opportunity for quick promotion and self-development.
- (iv) **Higher Earnings:** Training helps in earning higher remuneration and other monetary benefits to the workers as their productivity is increased.
- (v) **Adaptability:** Training develops adaptability among workers. They don't worry when work procedures and methods are changed.
- (vi) **Increased Safety:** Trained workers handle the machines safely. They also know the use of various safety devices in the factory. Thus, they are less prone to accidents.

Types of Training

On the basis of purpose, several types of training programmes are offered to the employees. It should be noted that these programmes are not mutually exclusive. They invariably overlap and employ many common techniques. The important types of training programmes are as follows:

1. Induction or orientation training
2. Job training
3. Apprenticeship training

JIA RP

4. Internship training
5. Refresher training or retraining
6. Training for promotion

1. **Induction or Orientation Training:** Induction is concerned with introduction or orientation of a new employee to the organization and its procedures, rules and regulations. When a new employee reports for work, he must be helped to get acquainted with the work environment and fellow employees. It is better to give him a friendly welcome when he joins the organization, get him introduced to the organization and help him to get a general idea about the rules and regulations, working conditions, etc. of the organization.
2. **Job Training:** Job training relates to specific job which the worker has to handle. It gives information about machines, process of production, instructions to be followed, and methods to be used and so on. It develops skills and confidence among the workers and enables them to perform the job efficiently.

3. **Apprenticeship Training:** Apprenticeship training programme tends more towards education than merely on the vocational training. Under this, both knowledge and skills in doing a job or a series of related jobs are involved. The governments of various countries have passed laws which make it obligatory on certain classes of employers to provide apprenticeship training to the young people. The usual apprenticeship programmes combine on the job training and experience with class-room instructions in particular subjects.

The trainees receive wages while learning and they acquire valuable skills which command a high wage in the labour market. In India, there are so many 'earn when you learn' schemes both in the private as well as public sector undertakings. This is also advantageous to the trainees. Some employers look upon apprentices as a source of cheap labour. Apprenticeship training is desirable in industries which require a constant flow of new employees expected to become all round

craftsmen. It is very much prevalent in printing trades, building and construction, and crafts like mechanics, electricians, welders, etc.

4. **Internship Training:** Under this method, the educational or vocational institute enters into arrangement with an industrial enterprise for providing practical knowledge to its students. Internship training is usually meant for such vocations where advanced theoretical knowledge is to be backed by practical experience on the job. For instance, engineering students are sent to big industrial enterprise for gaining practical work experience and medical students are sent to big hospitals to get practical knowledge. The period of such training varies from six months to two years. The trainees do not belong to the business enterprises, they come from the vocational or professional institutions. It is quite usual that enterprise giving them training absorb them by offering suitable jobs.

5. **Refresher Training or Retraining:** As the name implies, the refresher training is meant for the old employees of the enterprise. The basic purpose of refresher training is to acquaint the existing workforce with the latest methods of performing their jobs and improve their efficiency further. In the words of Dale Yoder, "Retraining programmes are designed to avoid personnel obsolescence." The skills with the existing employees become obsolete because of technological changes and because of the tendency of human beings to forget. Thus refresher training is essential because of the following factors:

- (a) The workers require training to bring them up-to-date with the knowledge and skills and to relearn what they have forgotten.
- (b) Rapid technological changes make even the qualified workers obsolete in course of time because new technology is associated with new work-methods and job requirements. The workers need to learn new work methods to use new techniques in doing their jobs.

- (c) Refresher training becomes necessary because many new jobs which are created due to changes in the demand for goods and services are to be handled by the existing employees.
- 6. Training for Promotion:** The talented employees may be given adequate training to make them eligible for promotion to higher jobs in the organization. Promotion of an employee means a significant change in his responsibilities and duties. Therefore, it is essential that he is provided sufficient training to learn new skills to perform his new duties efficiently. The purpose of training for promotion is to develop the existing employees to make them fit for undertaking higher job responsibilities. This serves as a motivating force to the employees.

Methods of Training

As shown in the following Exhibit, a wide range of training methods and techniques have been developed over the years by various organizations and training experts. Different training methods are suitable for different categories of personnel in the organization: Managerial and Non-managerial, technical, administrative, skilled, unskilled, senior, junior and so on. Each organization has to choose those methods and techniques of training which are relevant for its training needs.

EXHIBIT: Methods of Training

- | |
|--|
| I. Vestibule Training (adapted to the environment at the place of work) |
| II. On-the-job training (at the place of work) |
| (i) Coaching |
| (ii) Understudy |
| (iii) Position Rotation |
| III. Off-the-job Training (away from the place of work) |
| (i) Special Lecture-cum-Discussion |
| (ii) Conference |
| (iii) Case Study |
| (iv) Sensitivity Training |
| (v) Special Projects |
| (vi) Committee Assignments |

The various methods of training may be classified into the following categories:

- I. Vestibule training
- II. On-the-job training
- III. Off-the-job training

VOO

I. Vestibule Training: The term 'vestibule training' is used to designate training in a classroom for semi-skilled jobs. It is more suitable where a large number of employees must be trained at the same time for the same kind of work. Where this method is used, there should be well qualified instructors in charge of training programme. Here the emphasis tends to be on learning rather than production. It is frequently used to train clerks, machine operators, typists, etc.

Vestibule training is adapted to the same general type of training problem that is faced by on-the-job training. A vestibule school is run as a special endeavor of the personnel department. An attempt is made to duplicate, as nearly as possible, the actual material, equipment and conditions found in the real work-place. Now the question arises why to have a vestibule school. The vestibule school may be started when the training work exceeds the capacity of the line supervisor. Thus, in vestibule training, the workers are trained on specific jobs in a school run by the organization. An attempt is made to create working ~~artificial~~ conditions which are similar to the actual workshop conditions. The learning conditions are also carefully controlled.

Vestibule training is particularly suitable where it is not admissible to put the burden of training on line supervisors and where a special coaching is required. The staff of the vestibule school consists of expert and specialist instructors. The trainees avoid confusion and pressure of the work situation and are thus able to concentrate on training. Their activities do not interfere with the regular processes of production. Moreover, trainees get an opportunity to become accustomed to work routine and recover from their initial nervousness before going on to actual jobs.

Vestibule training has certain demerits also. The artificial training atmosphere may create the adjustment problem for the trainees when they return to the place of job. Vestibule training is relatively

expensive because there is duplication of materials, equipment and conditions found in a real workplace.

II. On-the-job Training: On-the-job training is considered to be the most effective method of training the operative personnel. Under this method, the worker is given training at the work place by his immediate supervisor. In other words, the worker learns in the actual work environment. It is based on the principle of 'learning by doing'.

On-the-job training is suitable for imparting skills that can be learnt in a relatively short period of time. It has the chief advantage of strongly motivating the trainee to learn. It is not located in an artificial situation. It permits the trainee to learn on the equipment and in the work-environment. On-the-job training methods are relatively cheaper and less time consuming. Another important factor about On-the-job training is that supervisors play an important part in training the subordinates.

There are four methods of On-the-job training described below:

(i) **Coaching:** Under this method, the supervisor imparts job knowledge and skills to his subordinate. The emphasis in coaching or instructing the subordinate is on learning by doing. This method is very effective if the superior has sufficient time to provide coaching to his subordinates.

(ii) **Understudy:** The superior gives training to a subordinate as his understudy or assistant. The subordinate learns through experience and observation. It prepares the subordinate to assume the responsibilities of the superior's job in case the superior leaves the organization.

The subordinate chosen for under-study is designated as the heir-apparent and his future depends upon what happens to his boss. The purpose of under study is to prepare someone to fill the vacancy caused by death, retirements, promotion, or transfer of the superior.

(iii) **Position Rotation:** The purpose of position rotation is to broaden the background of the trainee in various positions. The trainee is

periodically rotated from job to job instead of sticking to one job so that he acquires a general background of different jobs. However, rotation of an employee from one job to another should not be done frequently. He should be allowed to stay on a job for a sufficient period so that he may acquire the full knowledge of the job.

Job rotation is used by many organizations to develop all-round-workers. The employees learn new skills and gain experience in handling different kinds of jobs. They also come to know the inter-relationship between different jobs. Job rotation is also used to place workers on the right jobs and prepare them to handle other jobs in case of need.

III. Off-the-job Training: It requires the worker to undergo training for a specific period away from the work-place. Off-the-job methods are concerned with both knowledge and skills in doing certain jobs. The workers are free of tension of work when they are learning.

There are several Off-the-job methods of training and development as described below:

(i) **Special Lecture cum Discussion:** Training through special lectures is also known as 'class-room training'. It is more associated with imparting knowledge than with skills. The special lectures may be delivered by some executives of the organization or specialists from vocational and professional institutes. Many firms also follow the practice of inviting expert for special lectures for the staff on matters like health, safety, productivity, quantity, etc.

(ii) **Conference Training:** A conference is a group meeting conducted according to an organized plan in which the members seek to develop knowledge and understanding by oral participation. It is an effective training device for persons in the positions of both conference member and conference leader. As a member, a person can learn from others by comparing his opinion with those of others. He learns to respect the viewpoints of others and also

Lecture, Conference, Case study

realizes that there is more than one workable approach to any problem.

(iii) **Case Study:** The case method is a means of simulating experience in the classroom. Under this method, the trainees are given a problem or case which is more or less related to the concepts and principles already taught. They analyse the problem and suggest solutions which are discussed in the class. The instructor helps them reach a common solution to the problem. This method gives the trainee an opportunity to apply his knowledge to the solution of realistic problems.

Designing a Training Programme

The training programme is an integral part of human resource management. As shown in the Fig. 5, it consists of the following inter-related steps:

- (i) Identification of training needs
- (ii) Setting training objectives
- (iii) Organization of training
- (iv) Evaluation of training

- need
- objectives
- organise
- Evaluate

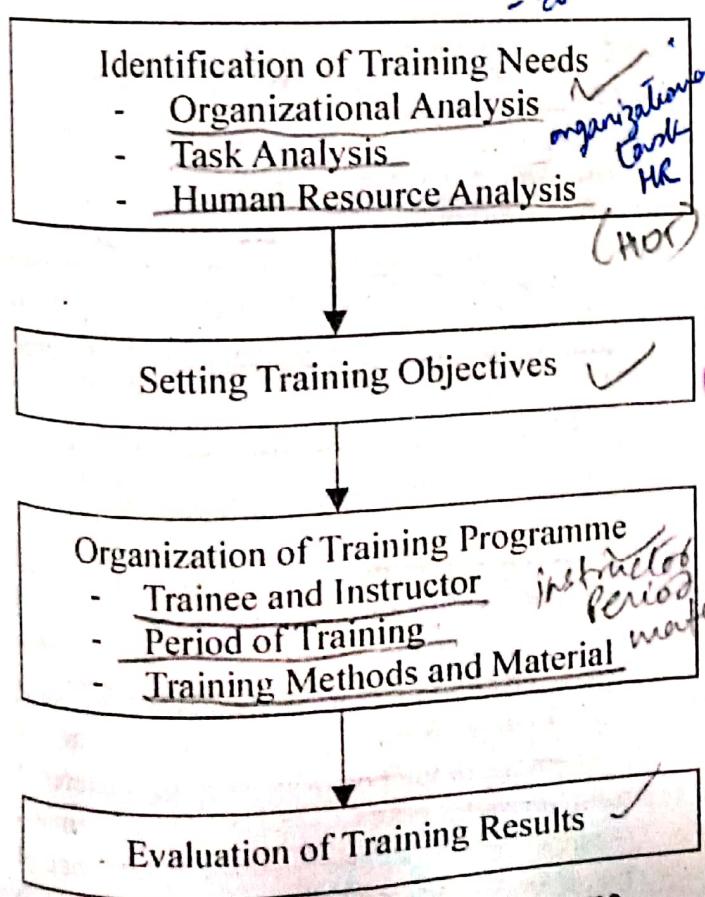


Fig. 5. Design of a Training Programme

Essentials of Good Training

Training is an important tool of management capable of making significant contribution to the goals of the organization. Training tends to improve the performance of employees by narrowing the gap between expectations and achievements. Because of its significant role, it is essential to have an effective training programme in the enterprise. An effective training programme should possess the following characteristics: **CHARACTERISTICS OF EFFECTIVE TRAINING**

- (a) Training programme should be chalked out after identifying the training needs or goals. It should have relevance to the job requirements.
- (b) An effective training programme should be flexible. It should make due allowance for the differences among the individuals as regards ability, aptitude, learning capacity, emotional make-up, etc.
- (c) A good training programme should prepare the trainees mentally before they are imparted any job knowledge or skill.
- (d) An effective training programme should be conducted by well qualified and experienced trainers.
- (e) An effective training programme should emphasize both theory and practice. It should help in acquiring knowledge and its application.
- (f) An effective training programme should have the top management's support. The top management can greatly influence the quality of training in the organization by the policies it adopts and the extent to which it supports the training programme.

DEVELOPMENT

Executive or management development consists of all activities by which executives learn to improve their behaviour and performance. It is designed to improve the effectiveness of managers in their present jobs and to prepare them for higher jobs in future. Executive development denotes planned efforts to improve current and future performance of the organization.

Management or executive development includes "all those activities and programmes which have substantial influence on changing the capacity of the individual to perform his present assignment better and in so doing are likely to increase his potential for future management assignment".

Nature of Development

- (i) **Educational Process:** Development is more ask in of education than it is to specific training in skills.
- (ii) **Behavioural Change:** Executive or management development is a planned process of learning and growth designed to bring behavioural change among the executives. It implies that there will be a change in knowledge and behaviour of the individuals undergoing development programme. The individual will be able to perform his present assignment better and will increase his potential for future assignment.
- (iii) **Self Development:** Managers develop themselves by participating in training courses organized by the organization. They also make use of actual job experience in learning new behaviours.
- (iv) **Continuous Process:** Executive development is an ongoing or never ending exercise rather than an 'oneshot' affair.

Objectives of Development

The objectives of management of executive development programme of any business concern are:

- (i) To increase the overall knowledge and conceptual and decision-making skills of executives;
- (ii) To improve the performance of managers in their present positions;
- (iii) To ensure an adequate reserve of capable well-trained managers for future needs;
- (iv) To influence the behaviour of workers through the executives;

- (v) To introduce change in the organization by developing executives into change agents or facilitators;
- (vi) To provide opportunities to the managers for their career advancement; and
- (vii) To prevent obsolescence of executives by providing them opportunities for updating their knowledge and skills.

Methods of Development

A large variety of methods of management development have come into prominence these days. These methods can be classified into two broad categories, namely:

- (i) **On-the-job Methods**
- (ii) **Off-the-job methods**
- (i) **On-the-job Methods:** The main feature of on-the-job methods is to increase the ability of the executives to work while performing their duties. They aim at exposing the trainees to the real work situation. Generally, support is provided by immediate superior in the conduct of these development programmes. On-the-job methods include:
 - (a) **On-the-job coaching**
 - (b) **Understudy**
 - (c) **Job rotation**
 - (d) **Multiple Management**
 - (e) **Committee assignments**
- (ii) **Off-the-job Methods:** The focus in off-the-job methods of development is to improve general behavioural and decision-making skills of the executives whereas the emphasis of on-the-job methods does not contain such a heavy dose of reference to the particular job. They are relatively more general. Those methods include:
 - (a) **Special courses**
 - (b) **Special projects**
 - (c) **Conference training**
 - (d) **Sensitivity training**
 - (e) **Role playing**
 - (f) **Programmed instruction**
 - (g) **Simulation techniques** which include:
 - (i) **In-basket**
 - (ii) **Case study**
 - (iii) **Management games**
 - (h) **Transactional analysis**

Classification of Development Methods According to Purpose

Management development programmes help in acquiring and developing managerial skills and knowledge. Different types of techniques are used to acquire and develop various types of managerial skills and knowledge as shown in the following Exhibit:

Exhibit: Methods of Executive Development

Purpose	Method/Technique
1. Job Knowledge	(a) On-the-Job experience (b) Coaching (c) Understudy
2. Organizational Knowledge	(a) Job Rotation (b) Multiple Management
3. General Knowledge	(a) Special Courses (b) Specific Readings
4. Decision-making Skills	(a) In-basket (b) Business Game (c) Case Study
5. Inter-personal Skills	(a) Role Play (b) Sensitivity Training
6. Specific Individual Needs	(a) Special Projects (b) Committee Assignment (c) Specific Readings

Organization of Executive Development Programme

The important steps in the organization of a management development programme are as follows:

1. Analysis of development needs
2. Inventory of management talents
3. Appraisal of present talents
4. Planning of individual development programme
5. Establishment of development programme

1. Analysis of Development Needs: Before deciding to launch a management development programme, a close and critical examination of the present and future development needs of the organization has to be made. It should be clear as to how many and what type of managers are required to meet the present and future requirements. A comparison of the existing talents with those

required to meet the projected needs will help the top management to determine the need of executive development.

2. Inventory of Management Talents: This is prepared to have complete information about each executive in each position. For each member of executive team, a card is prepared listing such data as name, age, length of service, education, work experience, health record, psychological test results and performance appraisal data, etc. The selection of the individuals for a management development programme is made on the basis of the kind of background they possess.

3. Appraisal of Talents: A qualitative assessment of the existing executives is made to determine the type of executive talent available within the organization. The performance of every executive is compared with the standard excepted of him. His personal traits are also analysed to estimate his potential development. Such information will disclose the strengths as well as weakness or deficiencies of managers in certain functions relating to the future needs of the organization.

4. Establishment of Development Programme: It is the duty of Human Resource department to provide the developmental opportunities. For this, it will identify the existing level of skills, knowledge etc. of various executives and compare them with their respective job requirements. Thus, it will identify developmental needs and establish specific development programmes like special courses, management games, sensitivity training, conference training, etc.

5. Planning Development Programmes for Individuals: The performance appraisal of each executive will identify strengths and weaknesses of each executive. Based on this information, special programmes for development of executives may be chalked out. These might include special projects, committee assignment, or specific readings.

6. Evaluation of Executive Development: Executive development is a lengthy and costly process. It is necessary to determine the results of money and time spent on executive development. A systematic evaluation of executive development will reveal the relevance of the development for the organization. Survey of trainee's behaviour, opinion surveys, interviews with the trainees, etc. could be used to judge the effectiveness of executive development. Indicators such as changes in productivity, quality and costs can also be used to measure effectiveness of executive development programme.

Essential Principles of Executives Development

Irrespective of the type of training and development techniques, a sound training programme must be based on the following basic principles:

1. Training and development programme must be based on the principles of individual differences. It must be borne in mind that individuals differ in ability and speed to learn, interests and other personal characteristics.
2. The need for and the depth and nature of training to be provided should be worked out from the job analysis and organizational analysis.
3. For effective motivation of learners or trainees, suitable incentives must be provided.
4. Both the trainer as well as the trainees must take active part in the training activities, so that all concerned evince genuine interest in the training.
5. The trainer selected for imparting training should undergo special training for the purpose. A well qualified trainer is one who not only has mastery of the technical details of the particular job, but knows how to train, i.e., to teach.
6. All development is self-development. Learner's participation is essential for development and spoon feeding seldom brings long-lasting growth.

7. Feedback of performance should be made available to the learner so that he can take steps to improve himself. There is always a scope for improvement due to gap between actual performance and capacity of the individual.

EXIT POLICY

1991

Exit Policy is a part of the Liberalization policy adopted by the Government. Exit Policy was in air in 1991 itself which aimed at closing down the sick and inefficient industries and making handshakes with excess employees so as to reduce the financial burden on the economy. In March 1992, Government approved this exit policy.

World Bank and IMF are insisting to implement this exit policy for reform in the economy. Goswami Committee constituted for investigating the problem of industrial sickness, also suggested to adopt this Exit policy.

PERFORMANCE APPRAISAL AND EVALUATION

Concept

Performance appraisal goes by various names such as performance evaluation, progress rating, merit rating, merit evaluation, etc.

Performance appraisal means systematic evaluation of the personality and performance of each employee by his supervisor or some other person trained in the techniques of merit rating. It employs various rating techniques for comparing individual employees in a work group, in terms of personal qualities or deficiencies and the requirements of their respective jobs. To quote Dale Yoder, "Performance appraisal includes all formal procedures used to evaluate personalities and contributions and potentials of group members in a working organizational. It is a continuous process to secure information necessary for making correct and objective decisions on employees." The comparison of performance with job requirements helps in finding out the merit of individual