

Teaching Material for the Course

Human Resource Management in Education (EdPM 3091)

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Chapter One

Human Resource Management in Education

1.1 THE CONCEPT OF HUMAN RESOURCE MANAGEMENT

HUMAN RESOURCE MANAGEMENT is a series of integrated decisions that form the employment relationships; their quality contributes to the ability of the organizations and the employees to achieve their objectives.”

HUMAN RESOURCE MANAGEMENT is concerned with the people dimensions in management. Since every organization is made up of people, acquiring their services, developing their skills, motivating them to higher levels of performance and ensuring that they continue to maintain their commitment to the organization are essential to achieving organizational objectives. This is true, regardless of the type of the organization – government, business, education, health, recreational, or social action.”

HUMAN RESOURCE MANAGEMENT is planning, organizing, directing and controlling of the procurement, development, compensation, integration, maintenance and separation of human resources to the end that individual, organizational and social objectives are accomplished.”

HRM is management function that helps managers to recruit, select, train and develop members for an organization. Obviously HRM is concerned with the people’s dimensions in organizations. HRM refers to a set of programs, functions and activities designed and carried out in order to maximize both employee as well as organizational effectiveness.

Core elements of HRM

- **People:** Organizations mean people. It is the people who staff and manage organizations.
- **Management:** HRM involves application of management functions and principles for acquisition, developing, maintaining and remunerating employees in organizations.
- **Integration & Consistency:** Decisions regarding people must be integrated and consistent.
- **Influence:** Decisions must influence the effectiveness of organization resulting into betterment of services to customers in the form of high quality products supplied at reasonable cost.
- **Applicability:** HRM principles are applicable to business as well as non-business organizations too, such as education, health, recreation and the like.

The following constitute the core of HRM

1. HRM Involves the Application of Management Functions and Principles.

The functions and principles are applied to acquiring, developing, maintaining and providing remuneration to employees in organization.

2. Decision Relating to Employees must be Integrated. Decisions on different aspects of employees must be consistent with other human resource (HR) decisions.

3. Decisions Made Influence the Effectiveness of an Organization. Effectiveness of an organization will result in betterment of services to customers in the form of high quality products supplied at reasonable costs.

4. HRM Functions are not Confined to Business Establishments Only but applicable to non business organizations such as education, health care, recreation and like.

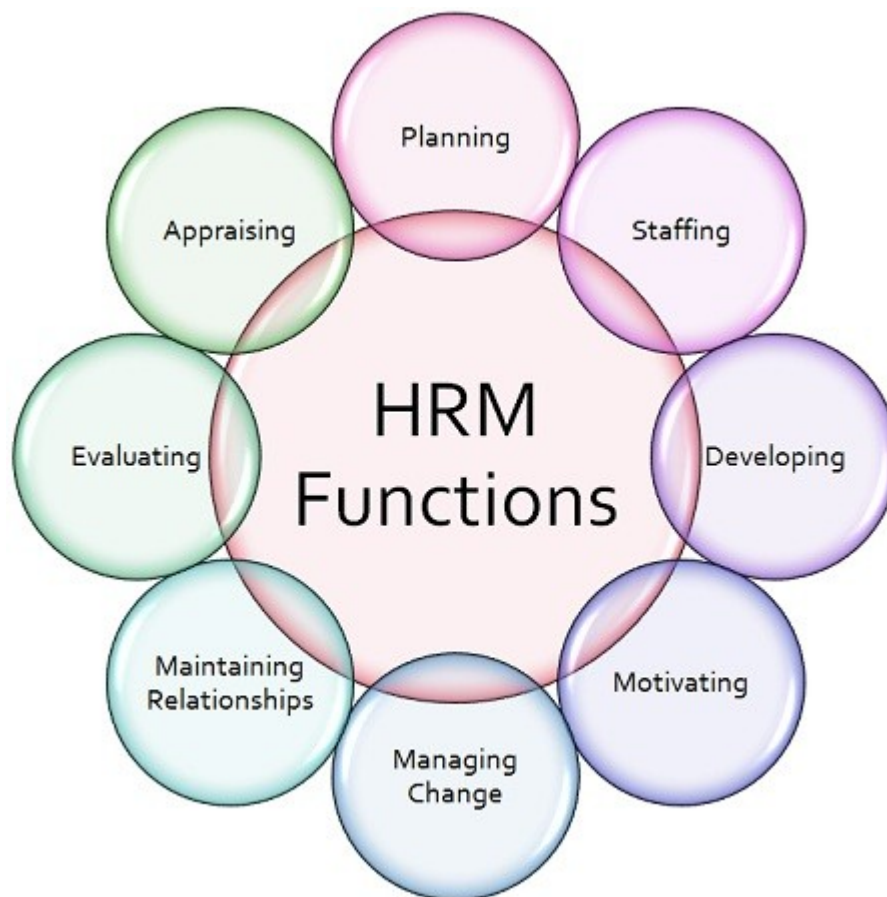
The nature of the human resource management has been highlighted in its following features :

- **Inherent Part of Management:** Human resource management is inherent in the process of management. This function is performed by all the managers throughout the organization rather than by the personnel department only. If a manager is to get the best of his people, he must undertake the basic responsibility of selecting people who will work under him.

- **Pervasive Function** : Human Resource Management is a pervasive function of management. It is performed by all managers at various levels in the organization. It is not a responsibility that a manager can leave completely to someone else. However, he may secure advice and help in managing people from experts who have special competence in personnel management and industrial relations.
- **Basic to all Functional Areas** : Human Resource Management permeates all the functional area of management such as production management, financial management, and marketing management. That is every manager from top to bottom, working in any department has to perform the personnel functions.
- **People Centered** : Human Resource Management is people centered and is relevant in all types of organizations. It is concerned with all categories of personnel from top to the bottom of the organization. The broad classification of personnel in an industrial enterprise may be as follows : (i) Blue-collar workers (i.e. those working on machines and engaged in loading, unloading etc.) and white-collar workers (i.e. clerical employees), (ii) Managerial and non-managerial personnel, (iii) Professionals (such as Chartered Accountant, Company Secretary, Lawyer, etc.) and non-professional personnel.
- **Personnel Activities or Functions** : Human Resource Management involves several functions concerned with the management of people at work. It includes manpower planning, employment, placement, training, appraisal and compensation of employees. For the performance of these activities efficiently, a separate department known as Personnel Department is created in most of the organizations.
- **Continuous Process** : Human Resource Management is not a ‘one shot’ function. It must be performed continuously if the organizational objectives are to be achieved smoothly.
- ❖ **Based on Human Relations** : Human Resource Management is concerned with the motivation of human resources in the organization. The human beings can't be dealt with like physical factors of production. Every person has different needs, perceptions and expectations. The managers should give due attention to these factors. They require

human relations skills to deal with the people at work. Human relations skills are also required in training performance appraisal, transfer and promotion of subordinates.

- ❖ Human Resource Management is that specialized and organized branch of management which is concerned with the acquisition, maintenance, development, utilization and coordination of people at work, in such a manner that they will give their best to the enterprise. It refers to a systematic function of planning for the human resource needs and demands, selection, training, compensation, and performance appraisal, to meet those requirements.



Functions of HRM

Human Resource Management is a continuous process of ensuring the availability of eligible and willing workforce i.e. putting the right man at the right job. In a nutshell, it is an art of

utilizing the human resources of an organization, in the most efficient and effective way.

1.3 Scope of HRM

The scope of HRM is indeed vast. All major activities in the working life of a worker – from the time of his or her entry into an organization until he or she leaves the organizations comes under the purview of HRM. The major HRM activities include HR planning, job analysis, job design, employee hiring, employee and executive remuneration, employee motivation, employee maintenance, industrial relations and prospects of HRM. The scope of Human Resources Management extends to:

- All the decisions, strategies, factors, principles, operations, practices, functions, activities and methods related to the management of people as employees in any type of organization.
- All the dimensions related to people in their employment relationships, and all the dynamics that flow from it.

1.4 Objectives of human resource management

The objectives of human resource management are derived from the philosophies which tie the emergence and development of human resource management together, both as a discipline and profession .

First, the whole aim was on trying to achieve an organizational mission, vision, goals and objectives using people as valuable resources.

As the power of the organization depends on the nature of the workforce, putting employees first in all human resource management functions in the organization and making them feel that they are at the top is seen as a step further in putting the organization first among competitors.

The second objective concerns **the utilization of staff capacity**. Successful organizations are those that can fully utilize the potential of their employees.

The third objective involves **ensuring that employees are committed to their jobs, teams, departments and the entire organization**. Striving for total employee commitment is intended to minimize unnecessary conflicts between the employees and the management that could result in low morale among the employees, high employee turnover and ultimately low productivity.

Commitment is fostered by using various strategies include: **employees being nurtured through coaching, mentoring and the provision of lucrative reward.**

The fourth objective is **to ensure that organizational systems, processes and activities are integrated and synergised through a strong organizational culture.** Organizational culture is made up of values, attitudes, norms, myths and practices that is ‘how things are done around’.

The fifth is **optimal utilization of available resources.** In the language of economics, resources are always scarce. Organizations cannot succeed if resources (employees, finance, machinery and equipment, energy) are over utilized, underutilized or are utilized at the wrong time or in the wrong place.

The sixth reason for embracing human resource management practices is derived from organizational cybernetics and systems theory whereby the underlying principle is that ‘the sum is less than the whole’.

The last but one objective covers the **utilities of creativity, innovation, teamwork and high quality management as key drivers in organizational excellence.**

The last objective is **to enable managers to be flexible and adapt to changes required in pursuing excellence in human resource management functions.** Flexibility and adaptation seeks to reduce bureaucracy and inflexible working rules and regulations. **What matters most is not ‘how the job is done but what is achieved’.**

The specific objectives of HRM include the following:

- Human capital : assisting the organization in obtaining the right number and types of employees to fulfill its strategic and operational goals
- Developing organizational climate: helping to create a climate in which employees are encouraged to develop and utilize their skills to the fullest and to employ the skills and abilities of the workforce efficiently
- Helping to maintain performance standards and increase productivity
- Helping to establish and maintain a harmonious employer/employee relationship
- Helping to create and maintain a safe and healthy work environment
- To provide organization with well-trained and well-motivated employees
- To increase the employees satisfaction and self-actualization
- To develop and maintain the quality of work life
- To communicate HR policies to all employees.
- To help maintain ethical policies and behavior.

The above stated HRM objectives can be summarized under four specific objectives: societal, organizational, and functional and personnel.

Societal Objectives: seek to ensure that the organization becomes socially responsible to the needs and challenges of the society while minimizing the negative impact of such demands upon the organization.

Organizational Objectives: it recognizes the role of HRM in bringing about organizational effectiveness.

Functional Objectives: is to maintain the department's contribution at a level appropriate to the organization's needs. Human resources are to be adjusted to suit the organization's demands. The department's value should not become too expensive at the cost of the organization it serves.

Personnel Objectives: it is to assist employees in achieving their personal goals, at least as far as these goals enhance the individual's contribution to the organization. Personal objectives of employees must be met if they are to be maintained, retained and motivated. Otherwise employee performance and satisfaction may decline giving rise to employee turnover.

1.5. IMPORTANCE OF HUMAN RESOURCE MANAGEMENT

Human Resource Management has a place of great importance. According to **Peter F. Drucker**, —The proper or improper use of the different factors of production depend on the wishes of the human resources. Hence, besides other resources human resources need more development. Human resources can increase cooperation but it needs proper and efficient management to guide it. Importance of personnel management is in reality the importance of labor functions of personnel department which are indispensable to the management activity itself. Because of the following reasons human resource management holds a place of importance.

- ❖ It helps management in the preparation adoption and continuing evolution of personnel programs and policies.
- ❖ It supplies skilled workers through scientific selection process.
- ❖ It ensures maximum benefit out of the expenditure on training and development and appreciates the human assets.
- ❖ It prepares workers according to the changing needs of industry and environment.
- ❖ It motivates workers and upgrades them so as to enable them to accomplish the organization goals.
- ❖ Through innovation and experimentation in the fields of personnel, it helps in reducing costs and helps in increasing productivity.
- ❖ It contributes a lot in restoring the industrial harmony and healthy employer-employee relations.

- ❖ It establishes mechanism for the administration of personnel services that are delegated to the personnel department.

FUTURE CHALLENGES BEFORE THE MANAGERS

Because of continuous changing socio-economic, technological and political conditions, the human resource managers of the future shall have to face more problems in the management of labor. The human resource managers of today may find themselves obsolete in the future due to changes in environment if they do not update themselves some of the important challenges which might be faced by the managers in the management of people in business and industry are discussed below :

Increasing Size of Workforce : The size of organizations is increasing. A large number of multinational organizations have grown over the years. The number of people working in the organization has also increased. The management of increased workforce might create new problems and challenges as the workers are becoming more conscious of their rights.

Increase in Education Level : The governments of various countries are taking steps to eradicate illiteracy and increase the education level of their citizens. Educated consumers and workers will create very tough task for the future managers.

Technological Advances : With the changes coming in the wake of advanced technology, new jobs are created and many old jobs become redundant. There is a general apprehension of immediate unemployment. In the competitive world of today, industry cannot hope to survive for long with old technology. The problem, of unemployment resulting from modernization will be solved by properly assessing manpower needs and training of redundant employees in alternate skills. Thus, the role of human resource management is very important in an organization and it should not be undermined especially in large scale enterprises. It is the key to the whole organization and related to all other activities of the management i.e., marketing, production, finance etc. Human Resource Management is concerned with the managing people as an organizational resources rather than as factors of production. It involves a system to be followed in business firm to recruit, select, hire, train and develop human assets. It is concerned with the people dimension of an organization. The attainment of organizational objectives depends, to a great extent, on the way in which people are recruited, developed and utilized by the

management. Therefore, proper co-ordination of human efforts and effective utilization of human and others material resources is necessary.

Changes in Political Environment : There may be greater Government's interference in business to safeguard the interests of workers, consumers and the public at large. Government's participation in trade, commerce and industry will also pose many challenges before management. The Government may restrict the scope of private sector in certain areas in public interest. It does not mean chances of co-operation between the Government and private sector are ruled out. In fact, there will be more and more joint sector enterprises.

Changing Psychosocial System : In future, organizations will be required to make use of advanced technology in accomplishing their goals while satisfying human needs. In the traditional bureaucratic model, the organizations were designed to achieve technical functions with a little consideration given to the psychosocial system. But future management would be required to ensure effective participation of lower levels in the management of the organization system.

Increasing Aspirations of Employees : Considerable changes have been noted in the worker of today in comparison to his counterpart of 1950s. The workers are becoming more aware of their higher level needs and this awareness would intensify further in the future workers.

Computerized Information System : In the past, the automation of manufacturing processes had a major effect upon the systems of production, storage, handling and packaging, etc. More recently, there has been and in the future there will be the impact of revolutionary computerised information system on management. This revolutionary development would cover two primary areas of personnel management which are as follows : (a) The use of electronic computers for the collection and processing of data, and (b) The direct application of computers in the managerial decision making process.

Mobility of Professional Personnel: Organizations will expand the use of —boundary agents whose primary function will be achieving coordination with the environment. One interesting fact will be an increase in the mobility of various managerial and professional personnel between organizations. As individuals develop greater technical and professional expertise, their services will be in greater demand by other organizations in the environment.

Changes in Legal Environment: Many changes are taking place in the legal framework within which the industrial relations systems in the country are now functioning. It is the duty of the human resource or personnel executive to be aware of these changes and to bring about necessary adjustments within the organizations so that greater utilization of human resources can be achieved. This, indeed, is and would remain a major challenge for the personnel executive.

Management of Human Relations : On the ‘industrial relations’ front, things are not showing much improvement even after so many efforts by the government in this direction. Though a large number of factors are responsible for industrial unrest but a very significant cause is the growth of multi-unions in industrial complexes having different political affiliations. Under the present conditions, it appears that inter-union rivalries would grow more in the coming years and might create more problems in the industry. Management of human relations in the future will be more complicated than it is today. Many of the new generation of employees will be more difficult to motivate than their predecessors. This will be in part the result of a change in value systems coupled with rising educational levels. Greater skepticism concerning large organizations and less reverence for authority figures will be more common. Unquestioning acceptance of rules and regulations will be less likely

1.7. New Role of Human Resource Management

Human Resource Management in the New Millennium‘ has undergone a great revolution by questioning the accepted practices and re-inventing the organizations as well as structures. Many traditional practices have been thrown out. As an example, it can be seen that hierarchies are vanishing and there is greater emphasis on flat organizations. It means a great deal of specialization and skills. It also means upgrading the norms and standards of work as well as performance. The new role of human resource management is much more strategic than before. Some of the new directions of the role of HRM can be summed up as follows:

A Facilitator of Change: To carry people through upheaval requires the true management of human resources.

An Integrated Approach to Management: Rather than being an isolated function, human resource is regarded as a core activity, one which shapes a company’s values. In particular, this can have an impact on customer service.

A Mediator : Establishing and balancing the new and emerging aspirations and requirements of the company and the individual. These changes, which are taking place, involve more commitment of the organization to the development of people by improving performance and cutting costs. As a result of this, the duration of tenure, which was traditionally long standing, is now limited, future is becoming less certain, management opportunities are self-determined and motivational factors are more concerned with enhancing future employability rather than loyalty to the company and, at the same time, the rewards are going up in terms of higher salaries. The future creative careers, will require more involved approach to career development, which will include :

- ✓ Share employees with strategic partner organizations (customers of suppliers) in lieu of internal moves.
- ✓ Encourage independence: Employees may go elsewhere for career development, possibly to return in a few years.
- ✓ Fund-groups of employees to set-up as suppliers outside the organization.
- ✓ Encourage employees to think of themselves as a business and of the organization's various departments as customers.
- ✓ Encourage employees to develop customers outside the organization.
- ✓ Help employees develop self-marketing, networking and consultancy skills to enable them to search out, recognize or create new opportunities for both themselves and the organization.
- ✓ Identify skilled individuals in other organizations who can contribute on a temporary project basis or part-time.
- ✓ Regularly expose employees to new people and ideas to stimulate innovation.
- ✓ Balance external recruitment at all levels against internal promotion to encourage open competition, —competitive tendering‖ for jobs to discourage seeing positions as someone's territory which causes self-protective conformity.
- ✓ Foster more cross-functional teamwork for self-development.
- ✓ Eliminate the culture of valuing positions as career goals in favor of portraying a career as a succession of bigger projects, achievements and new skills learned. The concept of

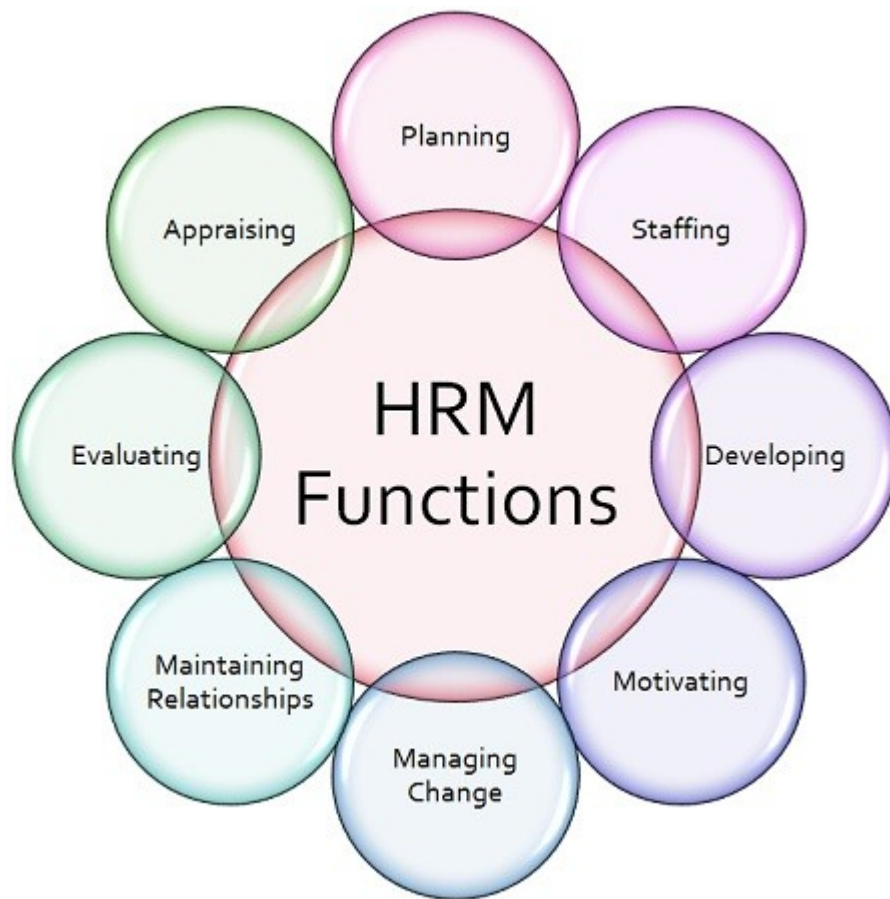
—position is part of the outside static concept of the organization. Positions are out.
Processes and projects are in.

(xii) Abandon top-down performance appraisal in favor of self-appraisal based on internal customer satisfaction surveys and assessing people as you would suppliers.

(xiii) Replace top-down assessment processes with self-assessment techniques and measure performance in terms of results.

Personnel Management VS Human Resource Management

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Functions of HRM

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Personnel Management VS HRM

At this point, you might be thinking, what actually is different between personnel management and human resource management. Not only you but many critics have also argued regarding this topic. In fact, some of them have commented that Human Resource Management is just a new title given to Personnel Management in endeavor to rebrand personnel department and achieve more acknowledgement for their role.

On the other hand, remaining critics, after thorough inspection, have noted major differences between personnel management and human resource management.

Although both the management seem to be involved in same organizational activities, the difference is in the way those activities are approached and operated.

For more detailed information regarding differences between personnel management and human resource management, please check the table below.

BASIS OF DIFFERENCE	PERSONNEL MANAGEMENT	HUMAN RESOURCE MANAGEMENT
Meaning	It is traditional approach of managing people at workplace and is concern of personnel department.	It is modern approach of managing people at workplace and is concern of managers of all level (from top to bottom).
Nature	It is a routine function.	It is a strategic function.
Focus	Efficient management is given priority.	Human values and individual needs are given priority.
Function	Personnel administration, labor relation and employee welfare are major functions of personnel management.	Acquisition, development, utilization and maintenance of human resource are major functions of human resource management.
Objective	It manages people in accordance with organization's goal.	It determines human resource needs and formulate policies by matching individual's needs with organization's needs.
Perspective	It regards people as basic input to make desired output.	It regards people as strategic and valuable resource to make desired output.
Job design	Jobs are designed on the basis of division of labor.	Jobs are designed on the basis of teamwork.
Interest	Organization's interest is valued the most.	Interest of organization and interest of employee is

		harmonized.
Orientation	It is discipline, direction and control oriented.	It is development oriented. It provides space for employee involvement, performance and growth.
Communication	Communication is limited, or even restricted.	Communication is open.
Emphasis	It emphasizes on adherence of rules and regulations and their implementation.	It emphasizes on combination of human energies and competencies.
Benefits	<ul style="list-style-type: none"> • Disciplined employees • Increased production 	<ul style="list-style-type: none"> • Committed human resource • Readiness to change • Increased production • Increased profit • Quality of work life
Result	Organizational goal is achieved and employers are satisfied.	Organizational goal is achieved and both employers and employees are satisfied.

CHAPTER TWO

Human Resource Planning, Recruitment, and Selection

Human Resource Planning (HRP)

Human Resource Planning is concerned with the planning the future manpower requirements is the organization. HR manager ensures that the company has the right type of people in the right number at the right time and place, who are trained and motivated to do the right kind of work at the right time. Obviously, human resource planning primarily makes appropriate projections for future manpower needs of the organization envisages plan for developing the manpower to suit the changing needs of the organization from time to time, and foresees how to monitor and evaluate the future performance. It also includes the replacement plans and managerial

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

Definitions of Human Resource Planning

Coleman has defined Human Resource Planning as —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 Wikstrom, Human Resource Planning consists of a series of activities :

- (a) Forecasting future manpower requirements, either in terms of mathematical projections of trends in the economic environment and developments in industry, or in terms of judgmental estimates based upon the specific future plans of a company;
- (b) Making an inventory of present manpower resources and assessing the extent to which these resources are employed optimally;
- (c) Anticipating manpower problems by projecting present resources into the future and comparing them with the forecast of requirements to determine their adequacy, both quantitatively and qualitatively; and
- (d) Planning the necessary programs of requirements, selection, training, development, utilization, transfer, promotion, motivation and compensation to ensure that future manpower requirements are properly met. Coleman has defined Human Resource Planning as —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 Vetter, “HRP is the process by which management determines how the organization should move from its current man power position to desired manpower position. Through planning, management strives to have the right time, doing things which result in both the organization and individual receiving maximum long run benefits”.

According to Gordon Mc Beath, “HRP is concerned with two things: Planning of manpower requirements and Planning of Manpower supplies”.

According to Beach, “HRP is a process of determining and assuming that the organization will have an adequate number of qualified persons, available at proper times, performing jobs

which meet the needs of the enterprise and which provides satisfaction for the individuals involved” Simply HRP can be understood as the process of forecasting an organization’s future demands for and supply of the right type of people in the right number. In other words HRP is the process of determining manpower needs and formulating plans to meet these needs.

HRP includes estimation of how many qualified people are necessary to carry out the assigned activities, how many people will be available, and what, if anything, must be done to ensure personnel supply equals personnel demand at the appropriate point in the future.

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

Objectives of Human Resource Planning

1. To ensure optimum utilization of human resources currently available in the organization.
2. To assess or forecast the future skill requirement of the organization.
3. To provide control measures to ensure that necessary resources are available as and when required.
4. A series of specified reasons are there that attaches importance to manpower planning and forecasting exercises. They are elaborated below:

- ❖ To link manpower planning with the organizational planning
- ❖ To determine recruitment levels.
- ❖ To anticipate redundancies.
- ❖ To determine optimum training levels.
- ❖ To provide a basis for management development programs.
- ❖ To cost the manpower.
- ❖ To assist productivity bargaining.
- ❖ To assess future accommodation requirement.
- ❖ To study the cost of overheads and value of service functions.
- ❖ To decide whether certain activity needs to be subcontracted, etc.

HRP exists as a part of planning process of business. This is the activity that aims to coordinate the requirements for the availability of the different types of employers. The major activities are the forecasting, (future requirements), inventorying (present strength), anticipating (comparison of present and future requirements) and planning (necessary program to meet the requirements).

The HR forecasts are responsible for estimating the number of people and the jobs needed by an organization to achieve its objectives and realize its plans in the most efficient and effective

manner. HR needs are computed by subtracting HR supplies or number of the employees available from expected HR demands or number of people required to produce a desired level of outcome. The objective of HR is to provide right personnel for the right work and optimum utilization of the existing human resources.

Moreover, the objective of HRP is:

- ✓ To ensure optimum utilization of human resources currently available in the organization.
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- ✓ To study the cost of overheads and value of service functions.
- ✓ To decide whether certain activity needs to be subcontracted, etc.

The objectives of human resource planning may be summarized as below:

- ❖ **Forecasting Human Resources Requirements:** HRP is essential to determine the future needs of HR in an organization. In the absence of this plan it is very difficult to provide the right kind of people at the right time.
- ❖ **Effective Management of Change:** Proper planning is required to cope with changes in the different aspects which affect the organization. These changes need continuation of allocation/ reallocation and effective utilization of HR in organization.
- ❖ **Realizing the Organizational Goals:** In order to meet the expansion and other organizational activities the organizational HR planning is essential.
- ❖ **Promoting Employees:** HRP gives the feedback in the form of employee data which can be used in decision-making in promotional opportunities to be made available for the organization.

- ❖ **Effective Utilization of HR:** The data base will provide the useful information in identifying surplus and deficiency in human resources. The objective of HRP is to maintain and improve the organizational capacity to reach its goals by developing appropriate strategies that will result in the maximum contribution of HR.

The objective of HR Planning is to ensure that the organization has the right types of persons at the right time at the right place. It prepares human resources inventory with a view to assess present and future needs, availability and possible shortages in human resource. Thereupon, HR Planning forecast demand and supplies and identify sources of selection. HR Planning develops strategies both long-term and short-term, to meet the man-power requirement.

The focus of HRP is on the following:

- ❖ To have the right skills and jobs at the right time,
- ❖ To forecast the types of human resources needed,
- ❖ To ensure replacements will be available and be prepared to fill vacant posts,
- ❖ To ensure recruitment policies meet the present and future number of jobs and qualities,
- ❖ To ensure that there is effective utilization of human resources,
- ❖ Facilitate personnel procedures for the present and future jobs e.g. recruitment, placement, training, career planning etc.

Human resource plans are prepared using various methods to assist in decision making. The most common methods are managerial judgment (top, middle, lower levels) by banking on the power, authority and responsibility conferred to their positions, and the use of more scientific methods such as ratio trend analysis between different categories of employees. Another is to compare the present and future activity levels and budgets and work study by determining man hours and hence the total number of people in each and with reference to:

- ❖ Areas where there is underutilization.
- ❖ Areas where there is overstaffing.
- ❖ Number and competence levels required.
- ❖ Available opportunities from internal and external sources.

Human resource plans will depend on environmental analysis. In this case, a number of questions have to be answered. For example:

- ❖ To what extent is the work environment conducive for attracting quality job seekers?
- ❖ Does the organization have an effective system for effective human resource utilization?
- ❖ To what extent do employees feel proud of their jobs and the organization?

HR plans must also be supported by evidence from operational effectiveness analysis.

This will include to what extent an employee is utilized, employees' productivity and readiness to respond to a changing environment through flexible work schedules. The development of human resource plans will focus on resourcing, retention, development, utilization, work flexibility, downsizing, and productivity strategies. If a government or an organization ignores human resource planning, this will have serious problems in attracting and retaining the desired staff, being caught up in shortages/ surpluses, failing to competitively respond to the environment and failing to utilize and develop staff to meet present and future demand.

HRP Process

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

Environmental Scanning:

It refers to the systematic monitoring of the external forces influencing the organization. The following forces are essential for pertinent HRP.

- ❖ Economic factors, including general and regional conditions.
- ❖ Technological changes
- ❖ Demographic changes including age, composition and literacy,
- ❖ Political and legislative issues, including laws and administrative rulings
- ❖ Social concerns, including child care, educational facilities and priorities.

By scanning the environment for changes that will affect an organization, managers can anticipate their impact and make adjustments early.

Organizational Objectives and Policies:

HR plan is usually derived from the organizational objectives. Specific requirements in terms of number and characteristics of employees should be derived from organizational objectives. Once the organizational objectives are specified, communicated and understood by all concerned, the HR department must specify its objective with regard to HR utilization in the organization.

HR Demand Forecast

Demand forecasting is the process of estimating the future quantity and quality of people required to meet the future needs of the organization. Annual budget and long-term corporate

plan when translated into activity into activity form the basis for HR forecast. For eg: in the case of a manufacturing company, the sales budget will form the basis for production plan giving the number and type of products to be produced in each period. This will form the basis upon which the organization will decide the number of hours to be worked by each skilled category of workers. Once the number hours required is available organization can determine the quality and quantity of personnel required for the task.

Demand forecasting is influenced by both internal factors and external factors: external factors include competition, economic climate, laws and regulatory bodies, changes in technology and social factors whereas internal factors are budget constraints, production level, new products and services, organizational structure and employee separations.

Demand forecasting is essential because it helps the organization to:

- ❖ Quantify the jobs, necessary for producing a given number of goods,
- ❖ To determine the nature of staff mix required in the future,
- ❖ To assess appropriate levels in different parts of organization so as to avoid unnecessary costs to the organization,
- ❖ To prevent shortages of personnel where and when, they are needed by the organization.
- ❖ To monitor compliances with legal requirements with regard to reservation of jobs.
- ❖ Techniques like managerial judgment, ratio- trend analysis, regression analysis, work study techniques, Delphi techniques are some of the major methods used by the organization for demand forecasting.

HR Supply Forecast

Supply forecast determines whether the HR department will be able to procure the required number of workers. Supply forecast measures the number of people likely to be available from within and outside an organization, after making allowance for absenteeism, internal movements and promotions, wastage and changes in hours, and other conditions of work.

- ❖ Supply forecast is required because it is needed as it:
- ❖ Helps to quantify the number of people and positions expected to be available in future to help the organization realize its plans and meet its objectives.
- ❖ Helps to clarify the staff mixes that will arise in future.
- ❖ It assesses existing staffing in different parts of the organization.
- ❖ It will enable the organization to prevent shortage of people where and when they are most needed.

- ❖ It also helps to monitor future compliance with legal requirements of job reservations. Supply analysis covers the existing human resources, internal sources of supply and external sources of supply.

HR Programming

Once an organization's personnel demand and supply are forecasted the demand and supply need to be balanced in order that the vacancies can be filled by the right employees at the right time.

HR Plan Implementation

HR implementation requires converting an HR plan into action. A series of action are initiated as a part of HR plan implementation. Programmes such as recruitment, selection and placement, training and development, retraining and redeployment, retention plan, succession plan etc when clubbed together form the implementation part of the HR plan.

Control and Evaluation

Control and evaluation represent the final phase of the HRP process. All HR plan include budgets, targets and standards. The achievement of the organization will be evaluated and monitored against the plan. During this final phase organization will be evaluating on the number of people employed against the established (both those who are in the post and those who are in pipe line) and on the number recruited against the recruitment targets. Evaluation is also done with respect to employment cost against the budget and wastage accrued so that corrective action can be taken in future.

STEPS IN HUMAN RESOURCE PLANNING

Human resource planning refers to a process by which companies ensure that they have the right number and kinds of people at the right place, at the right time; capable of performing different jobs efficiently. Planning the use of human resources is an important function in every organization. A rational estimate to various categories of personnel in the organization is an important aspect of human resource planning. HRP involves the following steps :

Analysis of Organizational Plans and Objectives: Human resource planning is a part of overall plan of organization. Plans concerning technology, production, marketing, finance, expansion and diversification give an idea about the volume of future work activity. Each plan

can further be analyzed into sub-plans and detailed programs. It is also necessary to decide the time horizon for which human resource plans are to be prepared. The future organization structure and job design should be made clear and changes in the organization structure should be examined so as to anticipate its manpower requirements.

Forecasting Demand for Human Resources: Human resource planning starts with the estimation of the number and type of personnel required at different levels and in different departments. The main steps involved in HRP process are (a) to determine and to identify present and prospective needs of human resource, (b) to discover and recruit the required number of persons. (c) to select the right number and type from the available people. (d) to hire and place in the positions for which they are qualified, (e) to provide information to the selected people about the nature of work assigned to them, (f) to Promote or to transfer as per the needs and the performance of employees, (g) to denote if the employees are disinterested or their performance is not up to the mark, (h) to terminate if they are not needed or their performance is below standard and shows no hopes of improvement. It is the most crucial and critical area of HRD. These HRD managers must pay attention to place right man to the right job through recruitment selection Training and Placement of employees. This calls for the adoption of a systematic procedure to complete recruitment and selection.

Forecasting Supply of Human Resources : One of the important areas of human resources planning is to deal with allocation of persons to different departments depending upon the work-load and requirements of the departments. While allocating manpower to different departments, care has to be taken to consider appointments based on promotions and transfers. Allocation of human resource should be so planned that available 22 manpower is put to full use to ensure smooth functioning of all departments.

Estimating Manpower Gaps: Net human resource requirements or manpower gaps can be identified by comparing demand and supply forecasts. Such comparison will reveal either deficit or surplus of human resources in future. Deficits suggest the number of persons to be recruited from outside whereas surplus implies redundant to be redeployed or terminated. Similarly, gaps may occur in terms of knowledge, skills and aptitudes. Employees deficient in qualifications can be trained whereas employees with higher skills may be given more enriched jobs.

Matching Demand and Supply : It is one of the objectives of human resource planning to assess the demand for and supply of human resources and match both to know shortages and surpluses on both the side in kind and in number. This will enable the human resource department to know overstaffing or understaffing. Once the manpower gaps are identified, plans are prepared to bridge these gaps. Plans to meet the surplus manpower may be redeployment in other departments and retrenchment in consultation, with the trade unions. People may be persuaded to quit through voluntarily retirement. Deficit can be met through recruitment, selection, transfer, promotion, and training plans. Realistic plans for the procurement and development of manpower should be made after considering the macro and micro environment which affect the manpower objectives of the organization.

Corporate Planning and Human Resource Planning Process

Human Resource Planning constitutes an integral part of corporate plan and serves the organizational purposes in more ways than one. For example, it helps organizations to

- (i) capitalize on the strengths of their manpower;
 - (ii) determine recruitment levels;
 - (iii) anticipate redundancies;
 - (iv) determine optimum training levels;
 - (v) serve as a basis for management development programs;
 - (vi) cost manpower for new projects;
 - (vii) assist productivity bargaining;
 - (viii) assess future requirements;
 - (ix) study the cost of overheads and value of service functions; and
 - (x) decide whether certain activities need to be subcontracted.
- The Human Resource plan is a part of the corporate plan. Without it there can be no Human Resource Plan for human resources. If there are several imponderables and unpredictable in the corporate plan, there will be difficulties in Human Resource Planning. Whether or not the Human Resource Planning meets the requirements and is in tune with reality depends on clarity of goals and the validity of the stated assumptions. The other important point is the time frame in defining the future. In Human Resource Planning the future can be classified into three periods : (i) the short-range or

immediate future; (ii) the mid-range; and (iii) the long-range future, none of which can be spelt out in terms of a set number of days, months or years. The immediate future may refer to current situation and experiences and may even concern issues such as overtime and replacements. If there has been previous planning for human resource such plans can serve as a guide in the immediate future. If not, a beginning should be made at once. The mid-range future has a different time span in various companies. It can be as short as a few months or as long as several years. Most would agree upon 2-3 years' period as a mid-range.

The long-range plan could be five years, while 10 to 15 years span could be used for a perspective plan. Long-range plans must be made on the basis of various trends in the economy and in the labour market, and on long-term trends of production in the company. Long-range plans are general rather than a specific, flexible rather than rigid. Nevertheless, a plan can be extremely useful in identifying factors and trends that need to be reckoned with for early warning on possible problems. The long lead time provides the opportunity and resilience to meet exigencies and make necessary adjustments. More complete plans can be had as time slowly brings the long-range into short-range. The first step in the Human Resource Planning process is the establishment of a planning horizon. One should know the period for which the plan will apply. Then, the specific corporate objectives and strategies should be clear. Based on these, estimates or projections for demand and supply of human resources can be made. The difference between the estimates of demand for and supply of Human Resource is often referred to as the Human Resource gap, and one of the main components of the Human Resource strategy is to formulate plans for closing such gaps-perhaps by recruitment and training (if the demand is positive, i.e. demand exceeds supply) or by planned redundancy (if the gap is negative).

Current Interest in HR Planning

Major reasons for the present emphasis on manpower planning include the following:

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

Technological Change: The changes in production technologies, marketing methods and management techniques have been extensive and rapid. Their effect has been profound on job contents and contexts. These changes can cause problems relating to redundancies, retraining and redeployment. All these contribute to the need to plan human resource needs intensively and systematically.

Organizational Change: In a turbulent environment marked by cyclical fluctuations and discontinuities, the nature and pace of changes in organizational environment, activities and structures affect human resource requirements and require strategic consideration.

Demographic Changes: The changing profile of the work force in terms of age, sex, literacy, technical inputs and social background have implications for human resource planning.

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

Legislative Controls : The days of executive fiat and hire and fire policies have passed. Now legislation makes it difficult to reduce the size of an organization quickly and cheaply. It is easy to increase but difficult to reduce the numbers employed because of recent changes in labor law relating to lay-offs and closures. Those responsible for managing human resources must look far ahead and attempt to foresee human resource position.

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

Systems Concept : The spread of systems thinking and the advent of microcomputer as part of the on-going revolution in information technology emphasizes planning and adopting newer ways of handling voluminous personnel records.

Lead Time : A longer lead time is necessary for the selection process and for training and development of the employees, to handle new knowledge and skills successfully.

Requisites for Successful HRP

- ❖ HRP must be recognized as an integral part of corporate planning
- ❖ Support of top management is essential
- ❖ There should be some centralization with respect to HRP responsibilities in order to have co-ordination between different levels of management.
- ❖ Organization records must be complete, up to date and readily available.
- ❖ Techniques used for HR planning should be those best suited to the data available and degree of accuracy required.
- ❖ Data collection, analysis, techniques of planning and the plan themselves need to be constantly revised and improved in the light of experience.

HUMAN RESOURCE INFORMATION SYSTEM

HRIS is an important element in human resource development. It is a system of maintain, collect, and analyze data relating to human resources of the organization. It helps managers in decision-making in respect of promotion, wage fixing, recruitment, training and development. In this way HRIS acts as a decision support system. The inputs of HRIS include the information relating to employees, their abilities, qualifications, potentialities, creative instincts, age, pay scales, various jobs in the organization, their required skills and qualifications to do them, the number of employees and executives manning various positions, organizational objectives, policies and procedures etc.

Levels of human resource planning

Human resource planning could be at the national, ministerial, sectoral, organizational

and departmental levels. At the national level, it is important to know the pool of human resource available and the one that will be required in the distant future because a nation cannot develop without having the right people, both in numbers and skills. The same applies to ministries, sectors, and organizations. HRP is a means to match demand and supply of the labor force. At the national level, the following approach is useful.

- ✓ Consider the annual economic sectors' growth for the planning period e.g. 5 years,
- ✓ Review the stock of labor in the base year. Primary, secondary, colleges, universities, professionals e.g. doctors, engineers, accountants etc.
- ✓ Translate the annual economic growth in terms of labour requirement
- ✓ Consider the attrition rate due to retirement, deaths etc,
- ✓ Consider the number of people leaving schools, colleges etc. The starting point is to look at the school enrolment and transition to different universities and training in other institutions and years of graduation,
- ✓ Monitor the unemployment rate,
- ✓ Fill the gap between demand and supply by proposing action to be taken at certain times in the planning stage. Planning propositions may include emphasis on training in certain disciplines; controlling attrition rate, which may be a result of HIV Aids through national campaigns, or altering the retirement age.

In simple words HRP is understood as the process of forecasting an organization's future demand for and supply of the right type of people in the right numbers. It is only after HRP is done, that the company can initiate and plan the recruitment and selection process. HRP is a sub-system in the total organizational planning. HRP facilitates the realization of the company's objectives by providing right type and right number of personnel. HRP is important because without a clear-cut manpower planning, estimation of a organization's human resource need is reduced to mere guesswork.

Sources of human resource planning data

The data for human resource planning is obtained from different sources but mainly from the organization and individuals. The data from the organization includes, vision, mission, strategies, objectives, activities, resources and the time scale of the strategic plan. The individual employee data covers, the name, date of birth, permanent address, gender, marital status, academic qualifications, professional qualifications, training, job location and the history of their career development as well as current status. Other useful data will include reward packages, terms of service, and working environment. Baseline data on these areas will be useful not only in forecasting demand and supply but also in supporting specific decisions to be made and strategies to be adopted in the implementation of the human resource plan.

Barriers to HRP

Human Resource Planners face significant barriers while formulating an HRP. The major barriers are elaborated below:

- ❖ HR practitioners are perceived as experts in handling personnel matters, but are not experts in managing business. The personnel plan conceived and formulated by the HR practitioners when enmeshed with organizational plan, might make the overall strategic plan of the organization ineffective.
- ❖ HR information often is incompatible with other information used in strategy formulation. Strategic planning efforts have long been oriented towards financial forecasting, often to the exclusion of other types of information. Financial forecasting takes precedence over HRP.
- ❖ Conflict may exist between short term and long term HR needs. For example, there can be a conflict between the pressure to get the work done on time and long term needs, such as preparing people for assuming greater responsibilities. Many managers are of the belief that HR needs can be met immediately because skills are available on the market as long as wages and salaries are competitive. Therefore, long times plans are not required, short planning are only needed.

- ❖ There is conflict between quantitative and qualitative approaches to HRP. Some people view HRP as a number game designed to track the flow of people across the department. Others take a qualitative approach and focus on individual employee concerns such as promotion and career development. Best result can be achieved if there is a balance between the quantitative and qualitative approaches.
- ❖ Non-involvement of operating managers renders HRP ineffective. HRP is not strictly an HR department function. Successful planning needs a co-ordinate effort on the part of operating managers and HR personnel.

Job Analysis

Definition

Developing an organizational structure, results in jobs which have to be staffed. Job analysis is the procedure through which you determine the duties and nature of the jobs and the kinds of people (in terms of skills and experience) who should be hired for them.' It provides you with data on job requirements, which are then used for developing job descriptions (what the job entails) and job specifications (what kind of people to hire for the job). Job Analysis is a procedure by which pertinent information is obtained about a job, i.e., it is a detailed and systematic study of information relating to the operation and responsibilities of a specific job. An authority has defined job analysis as —the process of determining, by observation and study, and reporting pertinent information relating to the nature of a specific job... —It is the determination of the tasks which comprise the job and of the skills, knowledge, abilities and responsibilities required of the worker for a successful performance and which differentiate one job from all others. Some of the definitions of job analysis are given as follows, to understand the meaning of the term more clearly:

According to Michael L. Jucius, “Job analysis refers to the process of studying the operations, duties and organizational aspects of jobs in order to derive specifications or as they called by some, job descriptions.”

According to DeCenzo and P. Robbins, “A job analysis is a systematic exploration of the activities within a job. It is a basic technical procedure, one that is used to define the duties, responsibilities, and accountabilities of a job.”

Flippo has offered a more comprehensive definition of job analysis as, “Job analysis is the process of studying and collecting information relating to the operations and responsibilities of a specific job. The immediate products of the analysis are job descriptions and job specifications” Thus, job analysis involves the process of identifying the nature of a job (job description) and the qualities of the likely job holder (job specification).

Uses of Job Analysis

Job analysis is used as a basis of several interrelated personnel management activities:

Achievement of Goals: Weather and Davis have stated, “Jobs are at the core of every organization’s productivity, if they are designed well and done right, the organization makes progress towards its objectives. Otherwise, productivity suffers, profits fall, and the organization is less able to meet the demands of society, customer, employees, and other with a stake in its success.”

Organizational Design: Job analysis will be useful in classifying the jobs and the interrelationships among the jobs. On the basis of information obtained through job analysis, sound decisions regarding hierarchical positions and functional differentiation can be taken and this will improve operational efficiency.

Organization and Manpower Planning: It is helpful in organization planning, for it defines labour in concrete terms and co-ordinates the activities of the work force, and clearly divides duties and responsibilities.

Recruitment and Selection: Job analysis provides you with information on what the job entails and what human requirements are required to carry out these activities. This information is the basis on which you decide what sort of people to recruit and hire.

Placement and Orientation: Job analysis helps in matching the job requirements with the abilities, interests and aptitudes of people. Jobs will be assigned to persons on the basis of suitability for the job. The orientation programme will help the employee in learning the activities and understanding duties that are required to perform a given job more effectively.

Employee Training and Management Development: Job analysis provides the necessary information to the management of training and development programmes. It helps in to determine the content and subject matter of in training courses. It also helps in checking application information, interviewing test results and in checking references.

Job Evaluation and Compensation: Job evaluation is the process of determining the relative worth of different jobs in an organization with a view to link compensation, both basic and supplementary, with the worth of the jobs. The worth of a job is determined on the basis of job characteristics and job holder characteristics. Job analysis provides both in the forms of job description and job specification.

Performance Appraisal: Performance appraisal involves comparing each employee's actual performance with his or her desired performance. Through job analysis industrial engineers and other experts determine standards to be achieved and specific activities to be performed.

Health and Safety: It provides an opportunity for identifying hazardous conditions and unhealthy environmental factors so that corrective measures may be taken to minimize and avoid the possibility of accidents.

Employee Counseling: Job analysis provides information about career choices and personal limitation. Such information is helpful in vocational guidance and rehabilitation counselling. Employees who are unable to cope with the hazards and demands of given jobs may be advised to opt for subsidiary jobs or to seek premature retirement.

Information provided by Job Analysis

Job analysis provides the following information :

Job Identification : Its title, including its code number;

Significant Characteristics of a Job : Its location, physical setting, supervision, union jurisdiction, hazards and discomforts;

What the Typical Worker Does : Specific operation and tasks that make up an assignment, their relative timing and importance, their simplicity, routine or complexity, the responsibility or safety of others for property, funds, confidence and trust;

Which Materials and Equipment a Worker Uses : Metals, plastics, grains, yarns, milling machines, punch presses and micrometers;

How a Job is Performed : Nature of operation - lifting, handling, cleaning, washing, feeding, removing, drilling, driving, setting-up and many others;

Required Personal Attributes : Experience, training, apprenticeship, physical strength, co-ordination or dexterity, physical demands, mental capabilities, aptitudes, social skills;

Job Relationship : Experience required, opportunities for advancement, patterns of promotions, essential co-operation, direction, or leadership from and for a job.

Steps in Job Analysis

The six steps of job analysis are:

1. **Determine the Use of the Job Analysis Information:** Start by identifying the use to which the information will be put, since this will determine the type of data you collect and the technique you use to collect them.
2. **Collection of Background Information:** According to Terry, “The make-up of a job, its relation to other jobs, and its requirements for competent performance are essential information needed for a job evaluation. This information can be had by reviewing available background

information such as organization charts; class specifications , and the existing job descriptions which provide a starting point from which to build the revised job description”.

3. Selection of Jobs for Analysis: To do job analysis is a costly and time consuming process. It is hence, necessary to select a representative sample of jobs for purposes of analysis. Priorities of various jobs can also be determined. A job may be selected because it has undergone undocumented changes in job content.

4. Collection of Job Analysis Data: Job data on features of the job, required employee qualification and requirements, should be collected either from the employees who actually perform a job; or from other employees (such as foremen or supervisors) who watch the workers doing a job and thereby acquire knowledge about it; or from the outside persons, known as the trade job analysis who are appointed to watch employees performing a job. The duties of such a trade job analyst are

- (i) to outline the complete scope of a job and to consider all the physical and mental activities involved in determining what the worker does.;
- (ii) find out why a worker does a job; and for this purpose he studies why each task is essential for the overall result; and
- (iii) the skill factor which may be needed in the worker to differentiate between jobs and establish the extent of the difficulty of any job.

5. Processing the Information: Once job analysis information has been collected, the next step is to place it in a form that will make it useful to those charged with the various personnel functions. Several issues arise with respect to this. First, how much detail is needed?

6. Preparing Job Descriptions and Job Classifications: Job information which has been collected must be processed to prepare the job description form. It is a statement showing full details of the activities of the job. Separate job description forms may be used for various activities in the job and may be compiled later on. The job analysis is made with the help of these description forms. These forms may be used as reference for the future.

7. Developing Job Specifications: Job specifications are also prepared on the basis of information collected. It is a statement of minimum acceptable qualities of the person to be placed on the job. It specifies the standard by which the qualities of the person are measured. Job analyst prepares such statement taking into consideration the skills required in performing the job properly. Such statement is used in selecting a person matching with the job.

Methods for Collecting Job Analysis Data

As discussed earlier, information is to be collected for job analysis. Such information may be collected by the trained job analysis, superiors concerned and job holders themselves. Job information is collected through the following methods:

- 1. Participant Diary/Logs:** Workers can be to keep participant diary/long or lists of things they do during the day. For every activity he or she engages in, the employee records the activity (along with the time) in a log. This can provide you with a very comprehensive picture of the job, especially when it's supplemented with subsequent interviews with the worker and his or her supervisor.
- 2. Interview:** There are three types of interviews you can use to collect job analysis data: individual interviews with each employee; group interviews with groups of employees having the same job; and supervisor interviews with one or more supervisors who are thoroughly knowledgeable about the job being analyzed.
- 3. Critical Incidents:** In this method, job holders are asked to describe incidents concerning the job on the basis of their past experience. The incidents so collected are analyzed and classified according to the job areas they describe.
- 4. Technical Conference Method:** This method utilizes supervisors with extensive knowledge of the job. Here, specific characteristics of a job are obtained from the "experts." Although it is a good data gathering method, it often overlooks the incumbent worker's perception about what they do on their job.
- 5. Job Performance:** Under this method, the job analyst actually performs the job under study to get first-hand experience of the actual tasks, and physical and social demands of

the job. This method can be used only for jobs where skill requirements are low and can be learnt quickly and easily. This is a time consuming method and is not appropriate for jobs requiring extensive training.

6. Functional Job Analysis: Functional job analysis (FJA) is employee- oriented analytical approach of job analysis. This approach attempts to describe the whole person on the job. The main features of FJA include the following:

- The extent to which specific instruction are necessary to perform the task
- The extent to which reasoning and judgment are required to perform the task
- The mathematical ability required to perform the task and
- The verbal and language facilities required to perform the task.

7. Observation Method: Using this method, a job analyst watches employees directly on the job. Observations are made on various tasks, activities, the pace at which tasks are carried out, and the way different activities are performed. This method is suitable for jobs that involve manual, standardized, and short job cycle activities. This method also requires that the entire range of activities be observable; possible with some jobs.

8. Questionnaires: The method is usually employed by engineering consultants. Properly drafted questionnaires are sent out to job-holders for completion and are returned to supervisors.

Purposes and Uses of Job Analysis

A comprehensive job analysis program is an essential ingredient of sound personnel management. It is fundamental to manpower management programs because the results of job analysis are widely used throughout the programs. The information provided by job analysis is useful, if not essential, in almost every phase of employee relations.

Organization and Manpower Planning : It is helpful in organizational planning for it defines labor needs in concrete terms and coordinates the activities of the work force, and clearly divides duties and responsibilities.

Recruitment and Selection : By indicating the specific requirements of each job (i.e., the skills and knowledge), it provides a realistic basis for hiring, training, placement, transfer and promotion of personnel.

Wage and Salary Administration : By indicating the qualifications required for doing specified jobs and the risks and hazards involved in its performance, it helps in salary and wage administration. Job analysis is used as a foundation for job evaluation.

Employee Training and Management Development : Job analysis provides the necessary information to the management of training and development program. It helps it to determine the content and subject-matter of in-training courses. It also helps in checking application information, interviewing, weighing test results, and in checking references.

Performance Appraisal : It helps in establishing clear-cut standards which may be compared with the actual contribution of each individual.

Health and Safety : It provides an opportunity for indentifying hazardous conditions and unhealthy environmental factors so that corrective measures may be taken to minimise and avoid the possibility of accidents.

Job Description

Job description is the immediate product of job analysis process; the data collected through job analysis provides a basis for job description and job specification. **Job Description** is a written record of the duties, responsibilities and requirements of a particular job. It is concerned with the job itself and not with the job holders. It is a statement describing the job in such terms as its title, location, duties, working conditions and hazards.

According to Zerga, a job description helps us in:

- (i) Job grading and classification
- (ii) Transfers and promotions.
- (iii) Adjustments of grievances;
- (iv) Defining and outlining promotional steps:
- (v) Establishing a common understanding of a job between employers and employees;
- (vi) Investigation accidents ;

Writing Job Description

A Job description is a written statement of what the job holder actually does, how he or she does it, and under what conditions the job is performed. This information is in turn used to write a job specification. This lists the knowledge, abilities, and skills needed to perform the job satisfactorily. While there is no standard format you must use in writing a job description, most descriptions contain at least sections on:

- 1. Job Identification:** It includes the job title, alternative title, department, division, and plant and code number of the job.
- 2. Job Summary:** Job summary describes the contents of the jobs in terms of activities or tasks performed. Job summary should clear the nature of the job.
- 3. Duties and Responsibilities:** This is the most important phase of job description and should be prepared very carefully. It describes the duties to be performed along with frequency of each major duty.
- 4. Supervision:** Under it is given number of persons to be supervised along with their job titles, and the extent of supervision involved –general, intermediate or close supervision.
- 5. Relation to Other Jobs:** It describes the vertical and horizontal relationships of work flow. It also indicates to whom the jobholder will report and who will report to him. It gives an idea of channels of promotion.
- 6. Machine,** tools and equipment define each major type or trade name of the machines and tools and the raw materials used.
- 7. Working Conditions:** The working environment in terms of heat, light, noise, dust and fumes etc, the job hazards and possibility of their occurrence and working conditions should also be described. It will be helpful in job evaluation.

8. Social Environment: It specifies the social conditions under which the work will be performed. In this part the size of work group, interpersonal interactions required to perform the job and development facilities are mentioned

Job Specification

The job specification states the minimum acceptable qualifications that the incumbent must possess to perform the job successfully. Based on the information acquired through job analysis, the job specification identifies the knowledge, skills, and abilities needed to do the job effectively. Individuals possessing the personal characteristics identified in the job specification should perform the job more effectively than individuals lacking these personal characteristics. It is clear from the above definitions that job specification is a statement of summary of personnel requirements for a job. It may also be called “standard of personal for the selection”

A Job Specification should include:

- (i) Physical characteristics,** which include health, strength, endurance, age, height, weight, vision, voice, eye, hand and foot co-ordination, motor co-ordination, and colour discrimination.
- (ii) Psychological and social characteristics** such as emotional stability, flexibility, decision making ability, analytical view, mental ability, pleasing manners, initiative, conversational ability etc.
- (iii) Mental Characteristics** such as general intelligence, memory, judgement, ability to concentrate, foresight etc.
- (iv) Personal Characteristics** such as sex, education, family background, job experience, hobbies, extracurricular activities etc.

Recruitment

Recruiting is the discovering of potential applicants for actual or anticipated organizational vacancies. Recruitment means search of the prospective employee to suit the job requirements as represented by job specification—a technique of job analysis. It is the first stage in selection

which makes the vacancies known to a large number of people and the opportunities that the organization offers.

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

Recruitment arises out of the following situations:

- ❖ Vacancies created due to expansion, diversification, and growth of business.
- ❖ An increase in the competitive advantage of certain concerns, enabling them to get more of the available business than formerly.
- ❖ An increase in business arising from an upswing during the recovery period of a business cycle.
- ❖ Vacancies created due to transfer, promotion, retirement, termination, permanent disability or death.
- ❖ The normal population growth, which requires increased goods and services to meet the needs of the people.
- ❖ A rising standard of living, which requires more of the same goods and services as well as the creation of new wants to be satisfied.

Sources of Recruitment

The various sources of recruitment are generally classified as internal source and external source.

(a) Internal Sources : This refers to the recruitment from within the company. The various internal sources are promotion, transfer, past employees and internal advertisements.

(b) External Sources : External sources refers to the practice of getting suitable persons from outside. The various external sources are advertisement, employment exchange, past employees, private placement agencies and consultants, walks-ins, campus recruitment, trade unions, etc. The following external sources of recruitment are commonly used by the big enterprises:

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.

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.

Media Advertisement: Advertisement in newspapers or trade and professional journals is generally used when qualified and experienced personnel are not available from other sources. 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.

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.

Management Consultants: Management consultancy firms help the organizations to recruit technical, professional and managerial personnel

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.

Recommendation: 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.

Labor Contractors: Workers are recruited through labor 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

MERITS OF EXTERNAL SOURCES

The merits of external sources of recruitment are as under:

1. Qualified Personnel: By using external sources of recruitment the management can make qualified and trained people to apply for vacant Jobs in the organization.

2. Wider choice : When vacancies are advertised widely a large number of applicants from outside the organization apply. The management has a wider choice while selecting the people for employment.

3. Fresh Talent: The insiders may have limited talents. External sources facilitate infusion of fresh blood with new ideas into the enterprise. This will improve the overall working of the enterprise.

4. Competitive Spirit: If a company can tap external sources, the existing staff will have to compete with the outsiders. They will work harder to show better performance.

Demerits of External Sources

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

- 1. Dissatisfaction among Existing Staff:** External recruitment may lead to dissatisfaction and frustration among existing employees. They may feel that their chances of promotion are reduced.
- 2. 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.
- 3. 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.
- 3. 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.

Merits of Internal Sources

The following are the merits of internal sources of recruitment:

- It creates a sense of security among employees when they are assured that they would be preferred in filling up vacancies.
- It improves the morale of employees, for they are assured of the fact that they would be preferred over outsiders when vacancies occur.
- It promotes loyalty and commitment among employees due to sense of job security and opportunities for advancement.
- The employer is in a better position to evaluate those presently employed than outside candidates. This is because the company maintains a record of the progress, experience and service of its employees.
- Time and costs of training will be low because employees remain familiar with the organization and its policies.
- Relations with trade unions remain good. Labor turnover is reduced.

· As the persons in the employment of the company are fully aware of, and well acquainted with, its policies and know its operating procedures, they require little training, and the chances are that they would stay longer in the employment of the organization than a new outsider would.

■ It encourages self-development among the employees. It encourages good individuals who are ambitious.

■ It encourages stability from continuity of employment.

■ It can also act as a training device for developing middle and top-level managers.

Demerits of Internal Sources

However, this system suffers from certain defects as:

■ There are possibilities that internal sources may “dry up”, and it may be difficult to find the requisite personnel from within an organization.

■ It often leads to inbreeding, and discourages new blood from entering an organization.

■ As promotion is based on seniority, the danger is that really capable hands may not be chosen. The likes and dislikes of the management may also play an important role in the selection of personnel.

■ Since the learner does not know more than the lecturer, no innovations worth the name can be made. Therefore, on jobs which require original thinking (such as advertising, style, designing and basic research), this practice is not followed. This source is used by many organizations; but a surprisingly large number ignore this source, especially for middle management jobs.

Process of Recruitment

Recruitment process passes through the following stages:

■ Recruitment process begins when the personnel department receives requisitions for recruitment from any department of the company. The personnel requisitions contain details about the position to be filled, number of persons to be recruited, the duties to be performed, qualifications expected from the candidates, terms and conditions of employment and the time by which the persons should be available for appointment etc.

■ Locating and developing the sources of required number and type of employees.

■ Identifying the prospective employees with required characteristics.

■ Developing the techniques to attract the desired candidates. The goodwill of an organization in the market may be one technique. The publicity about the company being a good employer may also help in stimulating candidates to apply. There may be others of attractive salaries, proper facilities for development etc.

■ Evaluating the effectiveness of recruitment process.

Factor Affecting Recruitment

The factors affecting recruitment can be classified as internal and external factors.

The internal factors are:

■ Wage and salary policies;

- The age composition of existing working force;
- Promotion and retirement policies;
- Turnover rates;
- The nature of operations involved the kind of personnel required;
- The level and seasonality of operations in question;
- Future expansion and reduction program;
- Recruiting policy of the organization;
- Human resource planning strategy of the company;
- Size of the organization and the number of employees employed;
- Cost involved in recruiting employees, and finally;
- Growth and expansion plans of the organization.

The external factors are:

- Supply and demand of specific skills in the labor market;
- Company's image perception of the job seekers about the company.
- External cultural factors: Obviously, the culture may exert considerable check on recruitment. For example, women may not be recruited in certain jobs in industry.
- Economic factors: such as a tight or loose labor market, the reputation of the enterprise in the community as a good pay master or otherwise and such allied issues which determine the quality and quantity of manpower submitting itself for recruitment.

Criteria of Selection

Selection decisions are usually based on how an applicant is rated (rather, predicted) in terms of the likelihood of success on the job. The information used found in the application blanks, performance in one or more tests and the interview(s). The criteria of selection needs to be critical to the job. **Frequently educational qualifications, technical skills and achievements are used as the basis for selection.**

Selection

Human resource selection is the process of choosing qualified individuals who are available to fill positions in an organization. Selection is the process of choosing people by obtaining and assessing information about the applicants with a view to matching these with the job requirements.

“Selection is the process of differentiating between applicants in order to identify (and hire) those with a greater likelihood of success in a job”.

The major factors which determine the steps involved in a selection process are as follows:

- Selection process depends on the number of candidates that are available for selection.
 - Selection process depends on the sources of recruitment and the method that is adopted for making contact with the prospective candidates.
 - Various steps involved in as selection process depend on the type of personnel to be selected.
- A comprehensive selection process involves the various steps:

1. Application Pool: Application pool built-up through recruitment process is the base for selection process.

2. Preliminary Screening and Interview: It is highly noneconomic to administer and handle all the applicants. It is advantageous to sort out unsuitable applicants before using the further selection steps. For this purpose, usually, preliminary interviews, application blank lists and short test can be used.

3. Application Blank or Application Form: An application blank is a traditional widely accepted device for getting information from a prospective applicant which will enable the management to make a proper selection. The blank provides preliminary information as well as aid in the interview by indicating areas of interest and discussion.

(a) Biographical Data: Name, father's name, date and place of birth, age, sex, nationality, height, weight, identification marks, physical disability, if any, marital status, and number of dependants.

(b) Educational Attainment: Education (subjects offered and grades secured), training acquired in special fields and knowledge gained from professional/technical institutes or through correspondence courses.

(c) Work Experience: Previous experience, the number of jobs held with the same or other employers, including the nature of duties, and responsibilities and the duration of various assignments, salary received, grades, and reasons for leaving the present employer.

(d) Salary and Benefits: Present and expected.

(e) Other Items: Names and addresses of previous employers, references, etc. An application blank is a brief history sheet of an employee's background and can be used for future reference, in case needed. The application blank must be designed from the viewpoint of the applicant as well as with the company's purpose in mind. It should be relatively easy to handle in the employment office. Application form helps to serve many functions like:

Its main usefulness is to provide information for reference checking, good interviewing, and correlation with testing data.

4. Selection Tests: Types of tests and rules of good of testing have been discussed in brief below:

A. Aptitude Tests: These measure whether an individual has the capacity or talent ability to learn a given job if given adequate training. These are more useful for clerical and trade positions.

B. Personality Tests: At times, personality affects job performance. These determine personality traits of the candidate such as cooperativeness, emotional balance etc. These seek to assess an individual's motivation, adjustment to the stresses of everyday life, capacity for interpersonal relations and self-image.

C. Interest Tests: These determine the applicant's interests. The applicant is asked whether he likes, dislikes, or is indifferent to many examples of school subjects, occupations, amusements, peculiarities of people, and particular activities

D. Performance Tests: In this test the applicant is asked to demonstrate his ability to do the job. For example, prospective typists are asked to type several pages with speed and accuracy.

E. Intelligence Tests: This aims at testing the mental capacity of a person with respect to reasoning, word fluency, numbers, memory, comprehension, picture arrangement, etc. It measures the ability to grasp, understand and to make judgment.

F. Knowledge Tests: These are devised to measure the depth of the knowledge and proficiency in certain skills already achieved by the applicants such as engineering, accounting etc.

4. **Interview:** An interview is a procedure designed to get information from a person and to assess his potential for the job he is being considered on the basis of oral responses by the applicant to oral inquiries by the interviewer. Interviewer does a formal in-depth conversation with the applicant, to evaluate his suitability.

Objectives of Interviews: Interview helps:

- To obtain additional information from the candidate.
- Facilitates giving to the candidate information about the job, company, its policies, products etc.
- To assess the basic suitability of the candidate.

The selection interview can be:

- One to one between the candidate and the interviewer:
- Two or more interviewers by employers representatives-sequential;
- By a panel of selections, i.e., by more than representative of the employer.

Chapter Three : TRAINING AND DEVELOPMENT

The Concept of Training & Development

“Training & Development is any attempt to improve current or future employee performance by increasing an employee's ability to perform through learning, usually by changing the employee's attitude or increasing his or her skills and knowledge.”

Training: Training refers to the process of imparting specific skills. An employee undergoing training is presumed to have had some formal education. No training program is complete without an element of education. Hence we can say that Training is offered to operatives.

Development: Development means those learning opportunities designed to help employees to grow. Development is not primarily skills oriented. Instead it provides the general knowledge and attitudes, which will be helpful to employers in higher positions.

TRAINING AND DEVELOPMENT OBJECTIVES

Individual Objectives – help employees in achieving their personal goals, which in turn, enhances the individual contribution to an organization.

Organizational Objectives – assist the organization with its primary objective by bringing individual effectiveness.

Functional Objectives – maintain the department's contribution at a level suitable to the organization's needs.

Societal Objectives – ensure that an organization is ethically and socially responsible to the needs and challenges of the society. The quality of employees and their development through training and education are major factors in determining long-term profitability of a small business. If you hire and keep good employees, it is good policy to invest in the development of their skills, so they can increase their productivity.

NEED AND IMPORTANCE OF TRAINING

- 1. Increasing Productivity:**
- 2. Improving Quality :**
- 3. Helping a Company Fulfill its Future Personnel Needs :**
- 4. Improving Organizational Climate :**
- 5. Improving Health and Safety:**
- 6. Obsolescence Prevention :**
- 7. Personal Growth**

Chapter Six Performance Appraisal

Meaning of Performance Appraisal

Performance appraisal system has been defined in many ways. The easiest way to understand the meaning of performance appraisal is as follows:

Performance appraisal is the systematic, periodic and an impartial rating of an employee's excellence in matters pertaining to his present job and his potential for a better job. The overall objective of performance appraisal is to improve the efficiency of an enterprise by attempting to mobilize the best possible efforts from individuals employed in it. Such appraisals achieve our objectives including the salary reviews the development and training of individuals, planning job rotation and assistance promotions.

Performance appraisal and review in the formal, systematic assessment of how well employees are performing their jobs in relations to establish standards and the communication of that assessment to employees.

Performance appraisal includes all formal procedures used to evaluate personalities and contributions and potentials of group members in a working organization. It is a continuous process to secure information necessary for making correct and objective decisions on employees.

Performance appraisal is a systematic evaluation of the employees performance at work. Performance appraisal is a process of evaluating an employee's performance on a job in terms of its requirement.

Performance appraisal is a formal program in an organization which is concerned with not only the contributions of the members who form part of the organization, but aims at spotting the potential also.

Performance appraisal is the systematic evaluation of the individual with respect to his performance on the job and his potential for development.

Performance appraisal is concerned with determining the differences among the employees working in the organization.

Performance appraisal employs rating techniques for comparing individual employees in the work group, in terms of personal qualities or deficiencies and the requirements of their respective jobs.

“performance appraisal is the systematic, periodic and an impartial rating of an employee's excellence in the matters pertaining to his present job and his potential for a better job.”

“Performance appraisal refers to all formal procedures used in working organizations to evaluate personalities and contributions and potential of group members.”

It is a systematic way of judging the relative worth of an employee while carrying out his work in an organization.

“A regular and continuous evaluation of the quality, quantity and style of the performance along with the assessment of the factors influencing the performance and behavior of an individual is called as performance appraisal.”

In short, we can say that performance appraisal is **expected to result in an assessment of: development potential of the employees, training needs for the employees; capabilities of employees being placed in higher posts, behavior and obedience of the employees; and the need of the organization to evolve a control mechanism.**

Characteristics of Performance Appraisal

The following are the characteristics of Performance Appraisal

1. A Process : Performance appraisal is not a one-act play. It is rather a process that involves several acts or steps.

2. Systematic Assessment : Performance appraisal is a systematic assessment of an employee's strengths and weakness in the context of the given job.

3. Main Objective : The main objective of it is to know how well an employee is going for the organisation and what needs to be improved in him.

4. Scientific Evaluation : It is an objective, unbiased and scientific evaluation through similar measure and procedures for all employees in a formal manner.

5. Periodic Evaluation : Although informal appraisals tend to take place in an unscheduled manner (on continuous) basis with the enterprises a supervisors evaluate their subordinates work and as subordinates appraise each other and supervisors on a daily basis, yet the systematic (i.e., formal) appraisal of an individual employee is likely to occur at certain intervals throughout that person's history of employment (say quarterly, six monthly, annually, etc.)

6. Continuous Process : In addition to being periodic performance usually is an ongoing process. It means that appraisals are regularly scheduled and are not dumped on the employee on whimsical dates without relevance. The process has not been broken in person's history of employment however, the periodicity of appraisal may be changed as per needs of the situation.

7. Employee Feedback : Performance appraisal system provides information to employees on how well they are doing their jobs, and this feedback is provided to them when it is relevant. Performance appraisal is also called Employee Rating and Service Rating. Performance appraisal and merit rating are used synonymously.

5.2 PURPOSE OF PERFORMANCE APPRAISAL

The following are the main purposes of performance appraisal.

1. Appraisal Procedure : It provides a common and unified measure of performance appraisal, so that all employee are evaluated in the same manner. It gives an in discriminatory rating of all the employees.

2. Decision Making : Performance appraisal of the employees is extremely useful in the decision making process of the organization. In selection, training, promotion, pay increment and in transfer, performance appraisal is very useful tool. 51

3. Work Performance Records : Performance appraisal gives us a complete information in the form of records regarding every employee. In the case of industrial disputes even arbitrator accepts these records in the course of grievance handling procedure.

4. Employees Development : Performance appraisal guides the employees in removing their defects and improving their working. The weaknesses of the employee recorded in the performance appraisal provide the basis for an individual development programme. If properly recorded and used, the performance appraisal gives the fair opportunities to employees to correct and rectify their mistakes.

5. Enables Supervisors to be More Alert and Competent : Performance appraisal enables supervisor to be more alert and competent and to improve the quality of supervision by giving him a complete record of employee's performance. He can guide an employee, where he is prone to commit mistakes.

6. Merit Rating : Merit rating is another name of performance appraisal, it gives supervisors a more effective tool for rating their personnel. It enables them to make more careful analysis of employee's performance and make them more productive and useful.

7. Improves Employer Employee Relations : Performance appraisal is not only a useful guide for the supervisors and employees but it improves the employer-employee relations by creating a more conducive and amicable atmosphere in the organization. It also stimulates free exchange of thoughts and ideas between the supervisor and his men. In this way performance appraisal bridges the emotional gap between the employer and employee by bringing them more close and by reducing man-to-man differences in the organization.

5.3 Need and Importance of Performance Appraisal

- (1) To give information about the performance of employees on the job and give ranks on the basis of which decisions regarding salary fixation, demotion, promotion, transfer and confirmation are taken.
- (2) To provide information about amount of achievement and behavior of subordinate in their job.
- (3) To provide information about an employee's job-relevant strengths and & weaknesses.
- (4) To provide information so as to identify shortage in employee regarding ability, awareness and find out training and developmental needs.
- (5) To avoid grievances and in disciplinary activities in the organization.
- (6) It is an ongoing process in every large scale organization.

It is important because of several reasons such as:

- 1. Personal Attention:** Performance appraisal evaluation, gives employee to draw personal concern from supervisor and talk about their own strengths and weaknesses.
- 2. Feedback:** Employees on a regular basis get feedback of their performances and issues in which they lack, which needs to be resolved on a regular basis.
- 3. Career Path:** It allows employees and supervisors to converse goals that must be met to grow within the company. This may encompass recognizing skills that must be acquired, areas in which improvement is required, and additional qualification that must be acquired.
- 4. Employee Accountability:** Employees are acquainted that their evaluation will take place on a regular basis and therefore they are accountable for their job performance.
- 5. Communicate Divisional and Company Goals:** It not only communicates employees' individual goals but provides an opportunity for managers to explain organizational goals and in the manner in which employees can contribute in the achievement of those goals.

6.4 Objectives of Performance Appraisal

- 1. Salary Increase:** Performance appraisal plays an important role in making decision about increase in salary. Increase in salary of an employee depends on how he is performing his job. Evaluation of an employee takes place on a continuous basis which may be formally or informally. In a large as well as in small organizations performance appraisal takes place but it may be in a formal or informal way. It shows how well an employee is performing and to what extent a hike in salary would take place in comparison to his performance.
- 2. Promotion:** Performance appraisal gives an idea about how an employee is working in his present job and what his strong and weak points are. In comparison to his strength and weaknesses it is decided whether he can be promoted to the next higher position or not. If necessary what additional training is required. Similarly it could be used for demotion, discharge of an employee and transfer.
- 3. Training and Development:** Performance appraisal gives an idea about strengths and weaknesses of an employee on his present job. It gives an idea about the training required by an

employee for overcoming the limitations that an employee is having for better performance in future.

4. Feedback: Performance appraisal gives an idea to each employee where they are, how they are working, and how are they contributing towards achievement of organizational objectives. Feedback works in two ways. First, the person gets view about his performance and he may try to conquer his weaknesses which may lead to better performance. Second, the person gets satisfied after he relates his work with organizational objectives. It gives him an idea that he is doing a meaning full work and can also contribute in a better way.

5. Pressure on Employees: Performance appraisal puts a sort of stress on employees for better performance. If the employees are aware that they are been appraised in comparison to their performance and they will have positive and acceptable behaviour in this respect.

Essentials of an Effective Performance Appraisal System

The following are the essentials of an effective Performance Appraisal System :

Mutual Trust : The existence of an atmosphere of confidence and trust so that both supervisor and employee may discuss matters frankly and offer suggestions which may be beneficial for the organization and for an improvement of the employee. An atmosphere of mutual trust and confidence should be created in the organization before introducing the appraisal system.

Clear Objectives : The objectives and uses of performance appraisal should be made clear and specific. The objectives should be relevant, timely and open. The supervisor must very thoroughly evaluate the employee's performance so that he is capable of meeting challenges about his ratings of his subordinate.

Standardization : Well-defined performance factors and criteria should be developed. These factors as well as appraisal form, procedures and techniques should be standardized. It will help to ensure uniformity and comparison of ratings. The appraisal system should be performance based and uniform.

Training : Evaluators should be given training in philosophy and techniques of appraisal. They should be provided with knowledge and skills in documenting appraisals, conducting post appraisal interviews, rating errors, etc.

Job Relatedness : The evaluators should focus attention on job-related behavior and performance of employees. The results of performance rather than personality traits should be given due weight. The individual as a person should never be criticised.

Strength and Weaknesses : The raters should be required to justify their ratings. The supervisor should try to analyse the strength and weaknesses of an employee and advise him on correcting die weakness.

Feedback and Participation : Arrangements should be made to communicate the ratings to both the employees and the raters. The employees should actively participate in managing performance and in the ongoing process of evaluation. **Individual Differences :** While designing the appraisal system, individual differences in organizations should be recognized. Organizations' differ in terms of size, nature, needs and environment. Therefore, the appraisal

system should be tailor-made for the particular organization. The needs of rates in terms of feedback, mobility, confidence and openness should also be considered.

Post Appraisal Interview : A post-appraisal interview should be arranged so that employees may be supplied with feedback and the organization may know the difficulties under which employees work, so that their training needs may be discovered.

Review and Appeal : A mechanism for review of ratings should be provided. Which particular technique is to be adopted for appraisal should be governed by such factors as the size, financial resources, philosophy and objectives of an organization. The results of the appraisal, particularly when they are negative, should be immediately communicated to the employees, so that they may try to improve their performance.

6.6 Steps in Appraising Performance

Various steps in appraising performance of employees are as follows :

Establishing Performance Standard : The process of evaluation begins with the establishment of Performance Standards. While designing a job and formulating a job description, performance standards are usually developed for the position. These standard should be very clear and not vague, and objective enough to be understood and measured. These standard should be discussed with the supervisors to find out which different factors are to be incorporated. Weights and points to be given to each factor and these then should be indicated on the Appraisal Form, and later on used for appraising the performance of the employees.

Communicating Performance Expectations to Employees : The next important step is to communicate the aforesaid standards to the concerned employees. Their jobs and jobs-related behavior should be clearly explained to them.

Measuring Actual Performance : The third step is the measurement of actual performance. To determine what actual performance is, it is necessary to acquire information about it we should be concerned with how we measure and what we measure. Four sources of information are frequently used to measure actual performance: personal observation, statistical reports, oral reports and written reports.

Comparing Actual Performance with Standards : The next step is comparison of actual performance with the standards. By doing so the potentiality for growth and advancement of an employee can be appraised and judged. Efforts are made to find out deviations between standard performance and actual performance.

Discussing the Appraisal with the Employee : After comparing actual performance with standards, the next step is to discuss periodically the appraisal with the employee. Under this discussion good points, weak points, and difficulties are indicated and discussed so that performance is improved. The information that the subordinate receives about his performance assessment has a great impact of his self-esteem and on his subsequent performance. Conveying good news is considerably less difficult for both the manager and the subordinate than when performance has been below expectations.

Initiating Corrective Action : The final step is the initiation of corrective action whenever necessary. Immediate corrective action can be of two types. One is immediate and deals predominantly with symptoms. The other is basic and delves into causes. Immediate corrective action is often described as putting out fires whereas basic corrective action gets to the source of deviation and seeks to adjust the difference permanently.

6.7 METHODS OR TECHNIQUES OF PERFORMANCE APPRAISAL

Several methods and techniques are used for evaluating employee performance. They may be classified into two broad categories as **Traditional Methods and Modern Methods.**

Traditional Methods of Performance Appraisal

There are different techniques/methods which are used for performance appraisal of employees. Some of the methods of performance appraisal are:

Ranking Method : Ranking method is the oldest and simplest method of rating. Here, each employee is compared with all others performing the same job and then he is given a particular rank i.e. First Rank, Second Rank etc.

2. Grading Method : Under this method of performance appraisal, different grades are developed for evaluating the ability of different employees and then the employees are placed in these grades. These grades may be as follows : (i) Excellent; (ii) very good; (iii) Good; (iv) Average; (v) Bad; (vi) Worst.

3. Man-to-Man Comparison Method : This method was first used in USA army during the 1st World War. Under this method, few factors are selected for analysis purposes.

4. Graphic Rating Scale Method of Performance Appraisal: This is the very popular, traditional method of performance appraisal. Under this method, scales are established for a number of fairly specific factors. A printed form is supplied to the rater. The form contains a number of factors to be rated. Employee characteristics and contributions include qualities like quality of work, dependability, creative ability and so on.

MODERN METHOD OF APPRAISAL AND CAREER DEVELOPMENT

Management by Objective (MBO) : Management by objective can be described as, a process whereby the superior and subordinate managers of an organisation jointly identify its common goals, define each individual's major areas of responsibility in terms of results expected of him and use these measures as guides for operating the unit and assessing the contribution of each of its members.

The Process of MBO

- 1. Establishment of Goal :**
- 2. Setting the Performance Standard :**
- 3. Comparison of Actual Goals with the Standard Goals :**
- 4. Establishing New Goals, New Strategies :**

Benefits or Advantages of MBO

- 1. Balanced Focus on Objectives :**
- 2. Better Managing Things :**
- 3. Better Organizing :**
- 4. MBO Reduces Role Conflict and Ambiguity :**
- 5. It Provide more Objective Appraisal Criteria :**
- 6. More Motivation :**
- 7. Managers Complete with Themselves**
- 8. Develop Personal Leadership**
- 9. MBO Identifies Problem Early.**
- 10. Identifies Performance Deficiency**

DISADVANTAGES OF MBO

- 1. Unfavorable Attitude of Managers:**
- 2. Difficult to Apply MBO Concepts :**
- 3. Heavy Paper Work**
- 4. Time Consuming**
- 5. Tug of War :** There is sometimes tug of war in which the subordinates try to set the lowest targets possible and the supervisors the highest.

Limitations of Performance Appraisal

Time Consuming

Lack of Reliability : Reliability implies stability and consistency in the measurement. Lack of consistency over time and among different raters may reduce the reliability of performance appraisal.

Incompetence : Raters may fail to evaluate performance accurately due to lack of knowledge and experience.

No Uniform Standards : The standards used for appraisal purpose are not uniform within the same organization. This makes the rating unscientific.

Absence of Effective Participation of Employees

Resistance of Employees to Appraisal

Paperwork : Some supervisors feel that performance appraisal is paperwork. They make such complaints because many times, performance appraisal reports are found only in the files rather than rendering any practical use.

Fear of Spoiling Relations :

Stereotyping : This implies forming a mental picture of a person on the basis of his age, sex, caste or religion. It results in an over-simplified view and blurs the assessment of job performance.

Negative Approach : Performance appraisal loses most of its value when the focus of management is on punishment rather than on development of employees.

Multiple Objectives : Raters may get confused due to too many objectives or unclear objective of performance appraisal.

Resistance : Trade unions may resist performance appraisal on the ground that it involves discrimination among its members. Negative ratings may affect interpersonal relations and industrial relations particularly when employees/unions do not have faith in the system of performance appraisal.

Halo Effect : Generally, there is the presence of a halo effect which leads to a tendency to rate the same individual first, which once has stood first.

Individual Differences : Some people are more distinct while some are very liberal in assigning the factors, points or number to the employees. They are unable to maintain a fair distinction between two individuals. It also nullifies the utility of this system.

Unconfirmed : Sometimes the results of performance appraisals are not confirmed by other techniques of motivation, incentive wages plans and so on. Factors are introduced in the managerial appraisal because of a fact or bias in the person concerned conducting the appraisal.

Factors Affecting Performance Appraisal

1. Value System of Evaluator: The task of evaluator is to assess the work of subordinate and write reports of the same. They are projected to do this for some purposeful assessment. It happens that evaluator sometime judges the performance on the basis of their own value system. Each person has his own value system and socio-cultural environment. Mostly, it is found that the reports are influenced by the evaluator's value-system. This subjective element has lot of impact on final report.

2. Dominant Work Orientation: The performance Appraisal Report of a subordinate is prepared by a superior is found to have an impact by the dominant work orientation of the superior officer. Sometimes there is more emphasis on certain aspect of the work as compared to other aspect which may be equally important by the superior. It introduces subjectivity performance appraisal system.

3. Loyalty: It plays a vital role in evaluating employee. An Employee shows loyalty due to many reasons such as common values, objectives, emotional needs, interests, caste, religion, language or region. Loyalty brings the superior and the loyal subordinate closer and closer to each other,

and creates distance between those employee who are not loyal to their superior. This makes assessment of superior to be biased.

4. Level of Achievement: Subordinates evaluation may also depend on the level of achievement of the superior. If there is a vast difference between the level of achievement of the superior and Subordinate, then it can create problems of adjustment and purpose for which evaluation is done is not achieved.

5. Factors Hindering Objective Assessment: There are various factors which obstruct the objective appraisal of the performance of the subordinates. These factors are as follows:

- a) Superiority complex of the superior reporting officer.
- b) Overall performance assessment do not take place only certain incidence are assessed.
- c) Past-record of the subordinate.
- d) Personality of the subordinate.
- g) Ability of the subordinate to exercise influence at higher level.

6.12 Benefits of Performance Appraisal

An effective performance appraisal system can be of benefit to three parties they are for organization, for appraiser and for appraise.

1) For the Organizations: Following are the benefits of an organization.

- It leads to better performance throughout the organization, due to successful communication of the objectives and values of the organizations, sense of being close to the organization, loyalty and improved relationships between managers and staff.
- Overall improvement in the duties performed by each employee of the organization.
- Due to performance appraisal of employee new ideas for improvement in their work is generated.
- Long-term plans can be generated.
- The need for training and development can be identified more clearly.
- A traditions of nonstop improvement and success in the organization can be formed and maintained.
- Career development plans can be chalked out for capable employee to enhance their performance in future.

2) For the appraiser: Following are the benefits to the appraiser:

- It gives an opportunity to the appraiser to develop a general idea of individual jobs and departments.
- For every new or difficult situation new idea is generated for improvement or for overcoming that problem.
- It gives an opportunity to integrate team and individual objectives and targets with departmental and organizational objectives.
- It gives an opportunity to explain the amount of work expected by manager from teams and individuals.
- It gives an opportunity to focus more on targets.

■ It enables to form more productive relationship with staff based on mutual trust and understanding.

3) For the Appraisee: Following are the benefits for the appraisee:

- Increased motivation.
- Increased job satisfaction.
- Increased sense of personal value.
- Increase in morale of an employee.
- It gives an opportunity to know their strength and weaknesses.
- It gives an idea about areas of their improvement.
- There will be a chance to subordinate to express his views even after performance appraisal
- An employee should express his emotional needs and his value system which is considered to be important today.

CHAPER Five Compensation and Incentives

Meaning and Definition of Compensation

In layman's language the word 'compensation' means something, such a money, given or received as payment for service.

Compensation is a comprehensive term which includes wages, salaries and all other allowance and benefits.”

Wages are the remuneration paid for skilled, semi-skilled and unskilled operative workforce. Salary is the remuneration of those employees who provides mental labour to the employer such as supervisor, office staff, executive etc wages are paid on daily or hourly basis where as salary is paid on monthly basis.

Objectives of Compensation Planning

A sound compensation structure tries to achieve these objectives:

- To attract manpower in a competitive market.
- To control wages and salaries and labour costs by determining rate change and frequency of increment.
- To maintain satisfaction of employees by exhibiting that remuneration is fair adequate and equitable.
- To induce and improved performance, money is an effective motivator.

a) To Employees:

- i. Employees are paid according to requirement of their jobs i.e highly skilled jobs are paid more compensation than low skilled jobs. This eliminates inequalities.
- ii. The chances of favoritism are minimized.
- iii. Jobs sequence and lines of promotion are established wherever they are applicable.
- iv. Employee's moral and motivation are increased because of the sound compensation structure.

b) To Employers:

- i. They can systematically plan for and control the turnover in the organization.
- ii. A sound compensation structure reduces the likelihood of friction and grievance over remunerations.

- iii. It enhance an employee morale and motivation because adequate and fairly administrative incentives are basis to his wants and need.
- iv. It attracts qualified employees by ensuring and adequate payment for all the jobs.
- v. In dealing with a trade union, they can explain the basis of their wages program because it is based upon a systematic analysis of jobs and wages facts.

Factors Affecting Compensation Planning

Factors determining compensation of an employee considerable amount of guess word and negotiation are involved. But following are the certain factors which have been extracted as having an important bearing upon the final decision:

Supply and Demand of Labor: Whatever the organization produces as commodity they desire services and it must pay a price that of workers acting in concert. If more the labor is required, such as at war time prosperity, there will be tendency to increase the compensation; whereas the situation when anything works to decrease the supply of labor, such as restriction by a particular labour union, there will be a tendency to increase the compensation. The reverse of each situation is likely to result in a decrease in employee compensation, provided, labour union, ability to pay, productivity, government do not intervene.

Ability to Pay: Labour Unions has often demanded an increase in compensation on the basis that the firm is prosperous and able to pay.

Management's Philosophy: Management's desire to maintain or improve moral, attract high caliber employees, reduce turnover, and improve employees standard of living also affect wages, as does the relative importance of a given position to a firm.

Legislation: Legislation related to plays a vital role in determining internal organization practices. Various acts are prescribed by government of country for wage hours laws. Wage-hour laws set limits on minimum wages to be paid and maximum hours to be worked.

Various Modes of Compensation

Wages and Salary- Wages represent hourly rates of pay and salary refers to monthly rate of pay irrespective of the number of hours worked. They are subject to annual increments. They differ from employee to employee and depend upon the nature of jobs, seniority and merit.

Incentives- These are also known as payment by results. These are paid in addition to wages and salaries. Incentive depends upon productivity, sales, profit or cost reduction efforts. Incentive scheme are of two types:

- Individual incentive schemes.
- Group incentive schemes.

Fringe Benefits- These are given to employees in the form of benefits such as provident fund, gratuity, medical care, hospitalization, accident relief, health insurance, canteen, uniform etc.

Non- Monetary Benefits- They include challenging job responsibilities, recognition of merit, growth prospects, competent supervision, comfortable working condition, job sharing and flexi time.

Incentives

Incentives are monetary benefits paid to workmen in lieu of their outstanding performance. Incentives vary from individual to individual and from period to period for the same individual. An incentive scheme is a plan or program to motivate individual or group on performance. An incentive program is most frequently built on monetary rewards (incentive pay or monetary bonus), but may also include a variety of non monetary rewards or prizes.”

Kinds of Incentives

Incentives can be classified under the following categories:

1. Individual and Organizational Incentives
2. Financial and Non-Financial Incentives
3. Positive and Negative Incentives

7.5. Fringe Benefits

Employees are paid several benefits in addition to wages, salary, allowances and bonus. These benefits and services are called ‘fringe benefits’ because these are offered by the employer as a fringe.

Fringe benefits are any wage cost not directly connected with the employees productive effort, performance, service or sacrifice”.

“Fringe embrace a broad range of benefits and services that employees receive as part of their total compensation, package pay or direct compensation and is based on critical job factors and performance”

Kinds of Fringe Benefits

1) Old Age and Retirement Benefits –

2) Workman’s Compensation - these benefits are provided to employee if they are got ignored or die under the working conditions and the sole responsibility is of the employer.

3) Employee Security- Regular wage and salary is given to employee that gives a feeling of security.

4) Payment for Time Not Worked

5) Safety and Health

6) Health Benefits

CHAPTER SIX Discipline

8.1 Meaning & Definition of Discipline

Discipline means getting obedience to rules and regulations of the organization. Discipline is absolutely essential for the smooth running of business.

Fayol, stated that **discipline is obedience, application, energy and outward mark of respect.**

“Discipline is the force that prompts an individual or a group to observe the rules, regulations and procedures which are deemed to be necessary to the attainment of an objective; it is force or fear of force which restrain an individual or a group from doing things which are deemed to be destructive of group objectives.

It is also the exercise of restraint or the enforcement of penalties for the violation of group regulations.”

Thus discipline can be regarded as **a force that requires employees to follow the rules and regulations of an organization considered vital for its efficient working.**

In brief, **discipline is an employee’s self control which motivates him to comply with the organization’s goals and objectives.**

8.2. Main Characteristics of Discipline

- (i) To guarantee successful fulfillment of organizational goals it motivates workers to abide by the instructions issued by the management or superiors.
- (ii) It is a negative approach in the sense that it discourages employees in under taking some activities while encouraging to undertake the few others.
- (iv) On Violation or disobedience of organization rules it imposes fine or reprimand, therefore, it is also called as punitive or big stick approach

8.3. Aims & Objectives of Discipline

The aims and objectives of discipline are as follows:-

- (i) For the achievement of organizational goals it tries to earn the willing approval of employees.
- (ii) To introduce the component of uniformity and assurance despite the numerous difference despite the numerous differences in informal behaviour patterns in the organization.
- (iii) For improving the quality of production by enhancing the morale and working efficiency of the employees.
- (iv) To generate respect for human relations in the organization.
- (v) To confer and seek direction and responsibility.

Indiscipline

Indiscipline may be expressed as non – compliance to formal and informal rules and regulations of an organization. Indiscipline may prove to have detrimental effects on the morale and motivation of the employees as well as on the organization as a whole. There are various socio-economic and cultural factors that play a role in creating indiscipline in an organization.

FACTORS RESULTING IN DISCIPLINE

- ❖ WRONG WORK ASSIGNMENTS
- ❖ UNFAIR LABOUR PRACTICES
- ❖ WAGE DIFFERENTIALS
- ❖ DEFECTIVE GRIEVANCE PROCEDURE
- ❖ PAYMENT OF VERY LOW WAGES
- ❖ POOR COMMUNICATION
- ❖ VICTIMISATION BY MGT.
- ❖ INEFFECTIVE LEADERSHIP

Ways to Cope With Indiscipline

Management can adopt various strategies as mentioned in the figure below to keep a check on indiscipline in the organization. These include:

- ❖ COUNSELLING JOB – ENRICHMENT & EDUCATION
- ❖ JOB – ENRICHMENT
- ❖ GRIEVANCE HANDLING TRAINING
- ❖ PROPER INDUCTION & PROGRAMME

Causes & Approaches Towards Disciplinary Action

(I) Causes Related To the Worker

- (a) Illiteracy and low intellectual level of workers.
- (b) Workers' personal problems like their fears, hopes, aspirations etc.
- (c) Inborn tendencies of workers to flout rules.

(II) Causes Related To the Socio – Cultural Factors -

- (a) Misunderstanding and rivalry among workers.
- (b) Discrimination based on caste, color, sex, place in imposing penalties.

(III) Causes Related To the Work Environment –

- (a) Bad working conditions.
- (b) Defective supervision
- (c) Non-placement of right person on the right job.

(IV) Causes Related To the Management Practices –

- (a) Lack of clarity in rules & regulation as laid out by the top management.
- (b) Faulty performance appraisal systems leading to favoritism thereby generating indiscipline.
- (c) Absence of sympathetic and scientific management.

8.7. Principles of Discipline

Discipline should be based on certain just and fair principles to be accepted by the employees. The basic Prerequisites or principles to be observed are:-

- (i) The very objectives of organizational discipline should be clearly laid out
- (ii) The code of conduct should be framed with consultation & collaboration of the workers or their representatives.
- (iii) The code of conduct must be communicated to all concerned in the organization.
- (iv) The rules and regulation concerning the discipline should understandable by all.
- (v) The rules of conduct must able to settle the grievances if any arising during the period be of employment.

Guidelines of a Disciplinary Action

- (a) Fixation of Responsibility –**
- (b) Proper Framing & Communication of Rules –**
- (c) Rules and Regulations Should be Reasonable –**
- (d) Equal Treatment –**
- (e) Prompt Action –**
- (f) Search for the Facts –**
- (g) Natural Justice**

The model method for enforcement of discipline should have the four important characteristics of a red – hot – stove.

- (i) Advance Warning –**
- (ii) Immediate Effect –**
- (iii) Consistency –**
- (iv) Impersonal Approach –**

Procedure for Disciplinary Action

- (a) Ascertaining the Statement of the Problem –**
- (b) Searching for the Underlying Facts –**
- (c) Deciding upon the Type of Penalty**
- (d) Application of Penalty –**
- (e) Follow-up on Disciplinary Action –**

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