

**POST GRADUATE DIPLOMA IN
HUMAN RESOURCE MANAGEMENT
(PGDHRM)
&
BUSINESS MANAGEMENT
(PGDBM)**

**PAPER II
ELEMENTS OF PERSONNEL MANAGEMENT**

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INTRODUCTION :

As the term implies, personnel management is the management of human resources in an organisation and is concerned with the creation of harmonious working relationships among its participants and bringing about their utmost individual development. Such management is concerned with leadership in both groups and 'individual relationship' and 'labour relations' and 'personnel management'. It effectively describes the process of planning and directing the application, development and utilization of human resources in employment. In fact, personnel management undertakes all those activities, which are concerned with human elements or relations as well as with material elements in an organisation. Whatever functions are listed there in, the main objectives of these functions is to bring together expertise in a scientific way and to create attitudes that motivate a group to achieve its goals economically, effectively and speedily.

FUNCTIONS OF PERSONNEL MANAGEMENT :

Personnel management is the planning, organising, directing and controlling of the procurement, development, compensation, integration, maintenance and separation of human resources to the end that individual, organisational and societal objectives are accomplished. A brief elaboration of the component parts of this definition follows:

Managerial Functions :

These functions influence the performance of operative functions.

Planning :

Effective managers realise that a substantial portion of their time should be devoted to planning. For the personnel manager, planning means the determination in advance of a personnel program that will contribute to goals established for the enterprise. Presumably, the process of goal establishment will involve the active and enlightened participation of the personnel manager with his or her expertise in the area of human resources.

Organising :

After a course of action has been determined, an organisation must be established to carry it out. An organisation is a means to an end. Once it has been determined that certain personnel functions contribute towards the firm's objectives, the personnel manager must form an organisation by designing the structure of relationships among jobs, personnel and physical factors. One must be aware of the complex relationships that exist between the specialised unit and the rest of the organisation. Because of increasing expertise in this function, many top management are looking to the personnel manager for advice in the general organisation of the enterprise.

Directing :

The next logical function after completing planning and organising is the execution of the plan. The basic function of personnel management at any level is motivating, commanding, leading and activating people. Effective directing ensures the willing and effective co-operation of employees for the attainment of organisational goals. Tapping the maximum potentialities of the people is possible through motivation and command. Direction is an important managerial function in building sound industrial and human relations besides securing employee contributions. The personnel manager has to co-ordinate various managers at different levels as far as personnel

functions are concerned. Personnel management function should also be co-ordinated with other functions of management like management of materials, machines and money.

Controlling :

Some degree of control is necessary over the subordinates to evaluate their performance. Control is the managerial function concerned with regulating activities in accordance with the personnel plan, which in turn was formulated on the basis of an analysis of fundamental organisation goals. The essence of control lies in checking existing actions against some desired results determined in the planning process. In other words, it is the act of checking whether everything occurs in conformity with the plan that has been adopted, the instruction issued and the principles pre-determined. It is through control that action and operation are adjusted to pre-determined standards and its basis is information in the hands of the managers. Auditing training programmes, analysing labour turnover, records, directing morale surveys, conducting exit interviews are some of the means for controlling the management of personnel.

Co-ordinating :

The function of co-ordinating is the orderly arrangement of the group effort to provide unity of action in pursuit of common purpose. In other words, co-ordination is the integration and synchronization of group efforts in the enterprise towards the accomplishment of common objectives. Co-ordination in personnel management takes place at all levels. Personnel department has to co-ordinate the task of developing, interpreting and reviewing personnel policies, practices and programmes.

Operative Functions :

The operative functions of personnel management are related to specific objectives of personnel management, viz employment, development, compensation and relations. These functions are to be performed in conjunction with managerial functions.

1. Procurement :

The first objective function of personnel management is concerned with the obtaining of the proper kind and number of personnel necessary to accomplish organisation goals. It deals specifically with such subjects as the determination of human resources requirements and their recruitment, selection and placement.

(i) **Job Analysis:** It is the process of study and collection of information relating to the operations and responsibilities of a specific job. It includes

- (a) Collection of data, information, facts and ideas, relating to various aspects of jobs including men, machines and materials.
- (b) Preparation of job description, job specification, job requirements and employee specification which will help in identifying the nature, levels and quantum of human resources.
- (c) Providing the guides, plans and basis for job design and for all operative functions of human resource management.

(ii) **Human Resource Planning :** It is process of determining and assuring that the organisation will have an adequate number of qualified persons available at proper times, performing jobs which would meet the needs of the organisation and which would provide satisfaction for the individuals involved. It involves

- (a) Estimation of present and future requirements and supply of manpower.
- (b) Calculation of net human resource requirements.

- (c) Taking steps to mould, change develops the existing employees.
- (d) Preparation of action programmes including recruitment, retrenchment, transfer etc.

(iii) Recruitment: It is the process of searching for prospective employees and stimulating them to apply for jobs in an organisation. It deals with

- (a) Identification of existing sources of applicants and developing them.
- (b) Creation / Identification of new sources of applicants.
- (c) Stimulating the candidates to apply for jobs in the organisation.
- (d) Striking a balance between internal and external sources.

(iv) Selection : It is the process of ascertaining the qualifications, experience, skill, knowledge etc., of an applicant with a view to appraising his/her suitability for a job. This function includes

- (a) Framing and developing application blanks.
- (b) Creating and developing valid and reliable testing techniques.
- (c) Formulating interviewing techniques.
- (d) Checking of references.
- (e) Setting up medical examination policies and procedures.
- (f) Line manager's decision.
- (g) Sending letters of appointment and rejection.
- (h) Employing the selected candidates.

(v) Placement : It is the process of assigning the selected candidates to the most suitable job. It is matching of employee specifications with job requirements. This function include

- (a) Counselling the functional managers regarding placement.
- (b) Conducting follow up study, appraising employee performance in order to determine employee adjustment with the job.
- (c) Correcting misplacement if any.

(vi) Induction and orientation : Induction and orientation are the techniques by which a new employee is rehabilitated in the changed surroundings and introduced to the practices, policies, purposes and people etc., of the organisation. They include

- (a) Acquaint the employee with the company, philosophy, objectives, policies, career planning and development, opportunities, product, market share, social and community standing, company history, culture etc.,
- (b) Introduce the employee to the people with whom he has to work such as peers, superiors and subordinates.
- (c) Mould the employee attitude by orienting him to the new working and social environment.

2. Development :

After personnel have been oriented, they must be to some degree developed. Development has to do with the increase of skill, through training, that is necessary for proper job performance. These includes

(i) Performance Appraisal : It is a systematic evaluation of individuals with respect to their performance on the job and their potential for development.

- (a) Developing of policies, procedures and techniques.

- (b) Helping the functional managers.
- (c) Reviewing the consolidation of reports.
- (d) Evaluating the effectiveness of various programmes.

(ii) Training : It is the process of imparting employees the technical and operating skills and knowledge. It includes

- (a) Identification of training needs of the individuals and the company.
- (b) Developing suitable training programmes.
- (c) Helping and advising line management in the conduct of training programmes.
- (d) Imparting requisite job skills and knowledge to employees.
- (e) Evaluating the effectiveness of training programmes.

(iii) Management Development : It is the process of designing and conducting suitable executive development programmes so as to develop the managerial and human relations skills of employees. It includes

- (a) Identification of the areas in which the management development is needed.
- (b) Conducting development programmes.
- (c) Motivating the executives.
- (d) Designing special development programmes for promotions.
- (e) Using the services of specialists and or utilising of the institutional executive development programmes.
- (f) Evaluating the effectiveness of executive development programmes.

(iv) Career Planning and Development : It is the planning of one's career plans by means of education, training, job research and acquisition of work experiences. It includes internal and external mobility.

Internal Mobility : It includes vertical and horizontal movement of employee within an organisation. It consists of transfer, promotion and demotion.

Transfer : Transfer and promotions are the two important ways of personnel adjustments. When employees are transferred without any promotion or demotion, it is simply a transfer. In transfer, there is no material change in the status, responsibilities or pay of the employee. This activity deals with

- (a) Developing transfer policies and procedures.
- (b) Guiding employees and line management on transfer.
- (c) Evaluating the execution of transfer policies and procedures.

Promotion: It deals with upward reassignment given to an employee in the organisation to occupy higher position, which commands better status and or pay, keeping in view the human resources of the employees and job requirements. This function covers

- (a) Formulating of equitable, fair and consistent promotion policies and procedures.
- (b) Advising line management and employees on matters relating to promotions.
- (c) Evaluating the execution of promotions, policies and procedures.

Demotion: It deals with downward reassignment to an employee in the organisation to lower level position. It includes

- (a) Formulating of equitable, fair and consistent demotion policies and procedures.
- (b) Advising line management and employees on matters relating to demotions.
- (d) Overseeing the implementation of demotion policies and procedures.

(v) Organisation Development : Organisation Development is an organisation-wide, planned effort, managed

from the top, with a goal of increasing organisational performance through planned intervention, organisational development looks in depth at the human side of the organisation. It seeks to change attitudes, values, organisation structures and managerial practices in an effort to improve organisational performance.

3. Compensation

It is the process of providing adequate, equitable and fair remuneration to the employees for their contributions to organisation objectives. It includes job evaluation, wages and salary administration, incentives, bonus, fringe benefits, social security measures etc.

(i) Job Evaluation : It is the process of determining the relative worth of jobs. It is concerned with

- (a) Selecting suitable job evaluation techniques.
- (b) Classifying jobs in to various categories.
- (c) Determining relative value of jobs in various categories.

(ii) Wage and Salary Administration: It is the process of developing and operating a suitable wage and salary programmes. It covers

- (a) Conducting wage and salary survey.
- (b) Determining the wage and salary rates based on various factors.
- (c) Administering wage and salary programmes.

(iii) Incentives : It is the process of formulating, administering and reviewing the scheme of financial incentive and additions to regular payment of wages and salary. It includes

- (a) Formulating incentive payment scheme.
- (b) Helping functional managers on the operation.
- (c) Reviewing the incentive plans periodically to evaluate their effectiveness.

(iv) Bonus: It includes payment of statutory bonus according to the payment of Bonus Act 1965 and its latest amendments.

(v) Fringe Benefit: In addition to compensating employees family and adequately for their contribution in the performance of their jobs, organisations these days typically pay for a wide variety of supplementary benefits often called 'fringe benefit'. Broadly speaking, such 'fringes' can be constructed to include all expenditures designed to benefit employees over and above regular pay (housing facilities, educational facilities, conveyance facilities etc.). These benefits are indirect payments, employees receive in addition to their direct wages or salaries.

(vi) Social Security measures: management provides various social benefits security to their employees in addition to fringe benefits. These measures include

- (a) Worker's compensation to those workers (or their dependents) who are involved in accidents.
- (b) Maternity benefits to women employees.
- (c) Sickness benefits and medical benefits.
- (d) Disablement benefits/allowances.
- (e) Dependent benefits.
- (f) Retirement benefits like provident fund, pension, gratuity, etc.

4. Human Relations :

It is the process of interaction among human beings. Human relations is an area of management practice in integrating people in to work situation in a way that motivates them to work together productively, co-operatively, and with economic, psychological and social satisfaction. It includes

- (a) Understanding and applying the models of perception, personality, learning, intra and inter personal relations, intra and inter group relations.
- (b) Motivating the employees.
- (c) Boosting up employee morale.
- (d) Developing the communication skills.
- (e) Developing the leadership skills.
- (f) Redressal of employee grievances.
- (g) Handling disciplinary cases by means of an established disciplinary procedures.
- (h) Counselling the employees in solving their personal, family and work related problems.
- (i) Improving quality of work life of employees through participative and other means.

5. Effectiveness of Human Resource management :

Effectiveness of various personnel programmes and practices can be measured, evaluated by means of organisational health and human resource accounting.

(a) Organisational Health: Organisational health may be studied by looking in to employees' contribution to organisational goals and the employee job satisfaction. Employee satisfaction could be understood by labour turnover, absenteeism and specific and high rate of employee commitment indicate employee-satisfaction about the job and the organisation.

Employee contribution to organisational goals can be measured through employee productivity of different types.

(b) Human Resource Accounting, Audit and research: Effectiveness of human resource management can also be found out through human resource accounting, audit and research.

(i) Human Resource Accounting: It is a measure of the cost and value of human resources to the organisation. Human resource management is said to be effective if the value and contribution of human resource to the organisation is more than the cost of human resources.

(ii) Human Resource Audit: Human Resource Audit refers to an examination and evaluation of policies, procedures and practices to determine the effectiveness of human resource management. Personal audit

- (a) Measures the effectiveness of personnel programmes and practices and
- (b) Determines what should or should not be done in future.

(iii) Human Resource Research: It is the process of evaluating the effectiveness of human resources, policies and practices and developing more appropriate ones. It is concerned with

- (a) Conducting morale attitude, job satisfaction and behaviour surveys.
- (b) Collecting data and information regarding wages, cost-benefit analysis of training, benefits, productivity, absenteeism, employee turnover, strikes, accidents, operations, working hours, shifts etc.
- (c) Tabulating, computing and analysing of the data and information.
- (d) Report writing and submission to the line managers.
- (e) Finding out defects and shortcomings in the existing policies, practices etc.
- (f) Developing more appropriate policies, procedures, and programmes of personnel.

EVALUATION AND GROWTH OF PERSONNEL MANAGEMENT IN INDIA :

The history of the evaluation and growth of personnel management in our country is not very old. It was the Royal Commission on labour which recommended in 1931 the appointment of Labour Officers to deal with the recruitment of labour and to settle their grievances. The next landmark was reached in 1948 when under the factories Act rules laying down the appointment, duties and qualifications of a new statutory officer in industry called the Welfare officer were framed. The following decade saw the emergence of yet another functionary-the personnel officer. This peculiar phenomenon of all the three types officers operating simultaneously in our industrial organisations or the three officers rolled I to one multipurpose officer is still with us in India through chronologically they represent the three stages of our professional development during the past 50 years. As a result, the labour welfare, industrial relations and personnel administration, which together form the new profession of personnel management.

In recent years, however, owing to number of welfare, measure being statutorily enforced and a greater reliance being placed on 'codes' than on 'courts' for the settlement of industrial conflict, his duties in the 'welfare' and 'industrial relations' areas have decreased. As a result, welfare officer is fast yielding place to the personnel officer in many industrial establishments. In some organisations where there are more than one officer with demarcated functions of personnel, industrial relations and labour welfare, the trend is towards relegating welfare functions to a junior officer with a senior status of personnel officers

Despite this recent increase in his status vis-a vis a labour officer and a welfare officer, the personnel officer on the Indian scene continues to present a kaleidoscopic picture of his multiple role structure. He is found handling jobs of all kinds, from personnel to anything but personnel and from pervasive to most superficial. One does not know if more elastic horizons were ever designed for any other industrial role.

It is due to this diversity and elasticity of his role that people call a personnel officer by several names: 'buffer zone' between labour and management, 'third force' in industry, 'non-aligned professional', 'social worker' in the industrial setting, and above all a 'staff adviser' in the organisation and 'executive' in the personnel and welfare spheres.

In the current tradition of India, the personnel is not invested with the necessary authority to implement the decisions effectively and therefore commands relatively less respect from workers and trade unions as well as from technical and other managerial staff of the organisation. In the framing of labour policy, he is not always consulted and in industrial relations sphere, he has a limited function to perform, since a large number of issues in many sectors of industry and business are still dealt with through adjudication machinery.

Factors which have impeded the growth and progress of personnel function in India can be summarised as follows:

1. By creating welfare officers under section 49 of the Factories Act, 1948, the Government has done more harm than good because these statutory officers have not won the support of line management in their organisations.
2. A large number of individual relations laws have resulted in a legalistic approach to labour relations and has made personnel executives dependent on lawyers.
3. The job of a personnel officer is still considered by a large number of employers as a fire-fighting function only to head off union troubles.
4. Personnel executives have generally short range perspective remain insensitive to the organisation's internal needs. Their rigid and unchanging attitudes have been a major factor hindering the growth of personnel function.
5. The inherent weakness of the job that it results cannot be measured in concrete terms has proved frustrating for many personnel executives for evaluating their success.
6. Many personnel executives develop an exaggerated notion about their academic and training

qualifications and consider line managers as inferior. This has made line people hostile to personnel departments generally.

7. The human relations approach to personnel management has not yet taken a firm foothold in our country. The reasons for this lie in our socio-cultural conditions as described below:

(a) Highly authoritarian culture: We have a highly authoritarian culture, which militates against participation and free communication-the two core ideas of human relations.

(b) Abundance of cheap labour: Labour in western countries is scarce and costly. As such there can be no arbitrary dismissals and layoffs. Good human relations are necessary for the industry's survival in west. But this is not so in India which has plenty of human needs.

(c) Technological backwardness: The immense technological progress in the west has raised the standard of living of their workers so much that they are no longer after the satisfaction of economic needs. But it is not so with the Indian worker whose primary needs still continue to be money and job security. The result is that whereas the human relations approach with its emphasis on non monetary incentives might hold some promise for the western workers, it has no attraction for the Indian workers.

Some suggestions to vitalize personnel management in our country are as follows:

- (i) Organisation structure should so designed as to promote line staff mutuality and interdependence.
- (ii) The limitations of the present focus on the mere legal and welfare roles of personnel management should be realised and efforts made to replace these conventional roles by more comprehensive role boundaries.
- (iii) Formal training should be imparted to personnel managers in those areas that essentially relate to behavioural sciences such as selection, performance evaluation, group dynamics, counselling etc.
- (iv) The personnel manager should recognise his own perception about his role. Instead of keeping himself confined to drafting charge-sheets and presiding over canteen committees he should initiate new ideas and methods pertinent to his task.

PERSONNEL MANAGEMENT IN FUTURE :

One can expect several cultural, social and economic changes of great significance in personnel management to sweep through the country in the coming years. With greater emphasis on human dignity and with a stronger and more enlightened labour movement, the tenets of the behavioural school will become popular and widespread. All this will create a climate favourable for the growth and development of personnel management in India. As a consequence, the following changes are likely to occur in the field of personnel management which give a new content form to the job of a personnel manager.

1. Greater involvement in development banking

Our future personnel man will have to be more of development man than a mere administrator of personnel services. With this object, he will have to get very much involved in basic organisational planning. keep pace with social, political and economic factors which can affect the internal situation of the company and advise management on the relationship between these factors and the achievement of organisational goals. He will have to engage himself in planning and meaningful personnel research and also assess the functioning of his own department.

2. Change in Personnel Policies :

The ratio educated to uneducated employed labour force has been growing in India in recent years. The aspiration and needs of educated people differ from those of uneducated people. Hence, existing personnel policies and procedures, many of which were probably developed years ago when educated work force which would demand greater autonomy and discretion in the work place.

3. Change in Manpower :

Level of education of manpower will go up and it will become more mobile. On account of an easy access to better educational and employment opportunities, minority groups and scheduled castes and tribes would become an important source of manpower in future, with the result that the manpower planning of every organisational have to take account of the potential availability of talent and ability in these groups.

4. Increasing Government Role :

In future, there will have to be greater co-ordination between the private and public welfare programmes. The private industry will have to support government efforts to improve public education training and employment.

5. Re-training of workers :

With rapid technological advancements many job requirements will change. This will necessitate re-training and mid-career training of both workers and managers to acquaint them with the changing body of knowledge.

6. Greater importance of occupational health and safety programmes :

Under legislative pressure future personnel managers will have to become more health and safety conscious making full use of research in ergonomics and in the behavioural sciences.

7. Better performance appraisal devices and new forms of compensation :

Methods of sharing the gains from higher productivity will assume even greater significance as there would be greater acceptance of the principle that pay increases should be effectively related to productivity. Similarly the nature of performance appraisal devices may change. They may become more objective in future.

People would value a closer connection between pay and performance and would work harder if they had it.

8. Greater importance of Intrinsic Motivation :

The traditional 'carrot and stick' rewards system which had for the worker both an element of prospect and an element of fear will no longer be as potent as in the past. The positive reward which worked so well in the past may lose some of their power. Many psychological rewards such as interesting and challenging work autonomy and participation would work as better motivators.

9. New work ethic :

The personnel manager would be called upon to mobilise new work ethic by helping line managers in the setting up and enforcement of good quality standards. He will also have to make effort for group cohesiveness because workers' commitment to their groups will be transient and changing. They will tend to rely more heavily on their immediate and constantly changing colleagues in project or team form of organisation.

CONCLUSION :

In short, it can be said that although no fundamental changes are expected to take place in future in the

personnel manager's present role as a 'file-clerk', a 'house-keeper', a 'social-worker' and a 'fire-fighter', yet due to the above changes his prestige and power are likely to increase manifold.

QUESTIONS :

1. "Personnel management involves two categories of functions-managerial and Operative". Describes these functions in detail.
2. What is the future of personnel management in India? Give your estimate about the general status of the field of Personnel Management twenty five years hence.
3. Trace the evolution and growth of personnel management in India. Briefly describe the factors which have impeded the growth and progress of personnel function in India.



HUMAN RESOURCE PLANNING

OBJECTIVES :

After studying this lesson, you should be able to :

- Understand the concept of manpower planning, organisation and process of manpower planning.
- Evaluate various techniques of manpower planning.
- Differentiate short term planning from long term planning of manpower.

STRUCTURE :

- Introduction
- Objectives of HRP
- Concept
- Benefits
- Problems
- HRP at different level
- Cost-contribution Analysis in HRP
- Process
- Techniques of HRP
- Summary
- Review Questions

INTRODUCTION :

The efficient use of organisational resources does not just happen with out of systematic efforts toward goal accomplishment. The long run success of any organisation, therefore, ultimately depends on having the right people in the right job at the right time. Organisational goals have meaning only when people with the appropriate talent, skill and desire are available to execute the tasks needed to realise goals.

OBJECTIVES OF HUMAN RESOURCE PLANNING :

The important objectives of human resource planning in an organisation are:

- (i) To recruit and retain the human resource of required quantity and quality.
- (ii) To foresee the employee turnover and make the arrangements for minimising turnover and filling up of consequence vacancies;
- (iii) To meet the needs of the programmes of expansion, diversification etc.;
- (iv) To foresee the impact of technology on work, existing employees and future human resource requirements;
- (v) To improve the standards, skills, knowledge, ability, discipline etc.;
- (vi) To assess the surplus or shortage of human resources and take measures accordingly;
- (vii) To maintain congenial industrial relations by maintaining optimum level and structure of human resources;
- (viii) To minimise imbalances caused due to non-availability of human resources of right kind, right number in right time and right place;
- (ix) To make the best use of its human resources; and
- (x) To estimate the cost of human resources;

CONCEPT :

E. W. Vetter viewed human resource planning as "a process by which an organisation should move from its current manpower position to its desired manpower position. Through planning, management strives to have the right number and right kind of people at the right places at the right time, doing things which result in both the organisation and the individual receiving maximum long-run benefit."

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

Accordingly, human resources planning may be viewed as foreseeing the human resource requirements of an organisation and the future supply of human resources and (i) making necessary adjustments between these two and organisational plans; and (ii) foreseeing the possibility of developing the supply of human resources in order to match it with requirements by introducing necessary changes in the functions of human resource management. In this connection human resource has to be understood in a broad sense which includes skill, knowledge, values, ability, commitment, motivation etc. in addition to the number of employees.

BENEFITS OF HUMAN RESORCE PLANNING :

Human resource planning (HRP) anticipates not only the required kind and number of employees but also determines the action plan for all the functions of personnel management. The major payoffs of human resource planning may be catalogued in the following way.

1. It checks the corporate plan of the organisation. The corporate plan of the organisation regarding expansion, diversification, technological change, should be backed up by the availability of human resources. HRP anticipates the availability of different categories of manpower. If it is anticipated that the required manpower will not be available, then the HRP suggest the need for modification of corporate plans.
2. It offsets uncertainty and change. Without the HRP, everything regarding requirement of. availability of internal moves of human resources would be in a fluid state and all the managers will be in dilemma about securing suitable personnel until they get them. Sometimes the organisation may have machines, material and money but not men and consequently the production cannot be started. HRP offsets such uncertainties and changes to the maximum extent possible and enables the organisation to have right men at right time and in right place.
3. It provides scope for advancement and development of employees through training, development etc.
4. It helps to satisfy the individual needs of the employees for promotions, transfers, salary enhancement, better benefits etc.
5. It helps in anticipating the cost of salary, benefits and all the cost of human resources facilitating the formulation of budgets in an organisation.
6. It tries to foresee the need for redundancy and plan to check it or to provide for alternative employment in consultation with trade unions, other organisations and government through remodelling organisational, industrial and economic plans.
7. It helps to foresee the changes in values, aptitude and attitude of human resources and to change the techniques of management etc.
8. It helps for planning for physical facilities, working conditions, the volume of fringe benefits like canteen, schools, hospitals, conveyance, child care centres, quarters, company stores etc.
10. It causes the development of various sources of human resources to meet the organisational needs.

11. It helps to take steps to improve human resource contributions in the form of increased productivity, sales, turnover etc.
12. It facilitates the control of all the functions, operations, contribution and cost of human resources.

PROBLEMS IN HUMAN RESOURCE PLANNING :

Through HRP is beneficial to the organisation, employees and trade unions, some problems crop up in the process of HRP. Important among them are:

1. Resistance by Employers and Employees :

Many employers resist HRP as they think that it increases the cost of manpower as trade unions demand for employees based on the plan, more facilities and benefits including training and development. Further, employers in India feel that HRP is not necessary as candidates are / will be available as and when required due to massive unemployment situation. Employers' version may be true about unskilled and electrical staff but it is not true in the case of other categories as there is shortage of certain categories of human resources.

Trade unions and employees also resist HRP as they view that it increases the workload of employees and prepares programmes for securing the human resources mostly from outside. The other reason for their resistance is that HRP aims at controlling the employees through productivity maximisation etc.

2. Uncertainties :

Uncertainties are quite prominent in human resource practices in India due to absenteeism, seasonal employment, labour turnover etc. Frequent changes in industrial scene, particularly in the technological, political, socio-cultural spheres besides the marketing conditions also cause uncertainties in human resource management. All these uncertainties make the HRP less reliable.

3. Inadequate of Information System :

Information system regarding human resources has not yet fully developed in Indian industries due to low status given to personnel department and less importance attached to HRP. Further, the reliable data and information about the economy, other industries, labour market, trends in human resources etc. In addition to these, C.B. Mackey identified the following factors as stumbling blocks in the way of HRP. Often many managers and human resource specialists do not fully understand the HRP process. Suffering from an identity crisis they fail to develop a strong sense of purpose and consequently flounder. Sometimes, HRP activities do not enjoy top management support and continued blessings. In the absence of support from top management in the organisation, human resource specialists find a difficult to obtain information on various vital inputs. Quite often, many HRP programmes fail because of lack of sincere effort. Achieving co-ordination with other management and human resource functions, sometimes, seems to be an impossibility. There is also a tendency for HRP specialists to become absorbed in their own world and don't interact with others. Some people view HRP as a numbers game designated to ensure the flow of people and resources in, out, up, down and across different organisational units. Such an exclusive focus on quantitative routes may force the organisation to discount, the more important qualitative factors. Further, in order to succeed, HRP requires active participation and coordinated effort on the part of operating managers. However, this is casier said than done where operating managers look at the whole exercise with scepticism and growing mistrust. Finally, HRP people should not try the forceful introduction of certain sophisticated techniques just because many companies have started using them. Such a tendency to adopt one or more of these methods (explained earlier) not for what they can do, but rather because 'everyone is using them' may not yield fruitful results.

HRP AT DIFFERENT LEVELS :

Different institutions make HRP at different levels for their own purposes, of which national level, sectoral level, industry level, unit level, departmental level and job level are important.

1. National Level :

Generally Government of India plans for human resources at the national level. It forecasts the demand for and supply of human resource for the entire nation and it takes steps to adjust demand by altering its economic, industrial and agricultural policies and adjust the supply through its population policy, family planning, educational policy etc. It also plans for occupational distribution, sectoral and regional allocation of human resources. HRP at national level helps to plan for educational facilities, hospitals, employment plans, agricultural and industrial development etc.

2. Sectoral Level :

Manpower requirements for a particular sector like agricultural sector, industrial sector or territory sector are projects based on the government policy, projected output/operations etc.

3. Industry Level :

Manpower requirements of particular industry like cement, Textile, chemical are predicted, taking in to account the output/operational level of that particular industry.

4. Unit Level :

This covers the estimation of human resource needs of an organisation or company based on its corporate/business plan.

5. Department Level :

This covers the manpower needs of a particular department in a company.

6. Job level :

Manpower needs of a particular job within department like Mechanical Engineer are forecast at this level.

COSTLY CONTRIBUTION ANALYSIS IN HRP :

Costly contribution analysis of human resources is most important in HRP with a view to plan for more effective human resource system. The human resource components necessary to maximise employee contribution to the job and the organisation, and minimise the cost, should be determined. Planning the human resource system includes determining like creative and innovative skills and abilities, dynamism, leadership qualities, commitment, identification with the organisation etc., considering the measures to acquire those human resources through recruitment, training and development and adjusting the components. Similarly, the cost of human resource should be streamlined and it should be taken as investment on human resources but not mere cost. Human Resource Accounting (HRA) envisages capitalisation of all expenses like cost of recruitment, training etc.

ORGANISATION :

Every line manager is responsible for planning manpower of his respective department and the top management is responsible for the planning of resources for the entire organisation. The personnel department supplies relevant information and data to all the line managers and helps them regarding interdepartmental transfers, promotions, demotions, etc. Personnel department also helps in using the techniques and forecasting the manpower. Personnel department forecasts internal mobility, surplus or deficit of human resources for the

entire organisation, prepares action plans regarding re-deployment, redundancy, employment, development and internal mobility and submits plans to the management at the top which either by its own or by appointing a committee reviews departmental plans and overall plans, makes necessary adjustments and finalises the plans. Personnel department in its turn prepares modified plans for the various other departments basing on finalised overall plan and communicates them to respective heads of department.

Personnel department may also coordinate the control activity of human resource plan and it has to send coordinated reports to the management at the top for actual review, control and monitor the human resource system. The management at the top may appoint a committee consisting of heads of department and external experts or specialists to suggest the management regarding identification of deviations, reasons therefore, and the steps to be taken to correct the deviations. The committee further helps the management in executing the programmes of corrections.

PROCESS OF HUMAN RESOURCE PLANNING :

Human Resource Planning consists of the following areas:

1. Analysing organisational plans.
2. Demand Forecasting-forecasting the overall human resource requirements in accordance with the organisational plans.
3. Supply Forecasting-Obtaining the data and information about the present inventory of human resources and forecast the future changes in present human resource inventory.
4. Estimating the net human resource requirements.
5. In case of future surplus plan for re-deployment, retrenchment and layoff.
6. In case of future deficit, forecast the future supply of human resources with reference to plans of other companies.
7. Plan for recruitment, development and internal mobility if future supply is more than or equal to net human resource requirements.
8. Plan to modify or adjust the organisational plan if future supply will be inadequate with reference to future net requirements.

But the same order may not be followed in the actual planning process as the steps are interdependent and sometimes, the first step and the last step may be processed simultaneously. And the planner sometimes may not explicitly process some steps. However, it is helpful to the planner to plan for human resources effectively without any complications if he/she has an idea about all steps to HRP. These steps are discussed in detail as given below:

1. Analysing The Organisational Plans :

The process of human resource planning should start with analysing the overall organisational plan and the derivative plans like production plan, technological plan, plans for expansion, diversification etc., marketing plan, sales plan and financial plan. Each plan can be further analysed in to sub-units. Detailed programmes should be formulated on the basis of unit wise plans. Practicability of each programme should be ensured. Analysis of organisational plans and programmes helps in forecasting the demand for human resources as it provides the quantum of future work activity.

2. Forecasting The Overall Human Resource Requirements :

The existing job design and analysis may be thoroughly be reviewed keeping in view the future

capabilities, knowledge and skills of present employees. Further, the job should be redesigned and reanalysed keeping in view the organisational and unit-wise plans and programmes, future work quantum, future activity or task analysis, future skills, values, knowledge and capabilities of present employees and prospective employees. The job generally should be designed and analysed reflecting the future human resources and based on future organisational plans. Job analysis and forecasts about the future components of human resources facilitate demand forecasting. One of the important aspects of demand forecasting is the forecasting of the quality of human resources (skill, knowledge, values, capabilities etc.) in addition to quantity of human resources.

3. Supply Forecasting :

The first step of forecasting the future supply of human resource is to obtain the data and information about the present human resource inventory.

EXISTING INVENTORY :

The data relating to present human resource inventory in terms of human resource components, number, designation-wise and department-wise should be obtained. Principal dimensions of human resources inventory are:

- (i) Head counts regarding total, department-wise, sex-wise, designation-wise, skill-wise, payroll-wise etc.
- (ii) Job family inventory- It includes number and category of employees of each job family i.e. all jobs related to same category like clerks, cashiers, typists, stenographers etc., each sub-job family i.e., all jobs having common job characteristics (skill, qualification, similar operations) like production engineer (mechanical) and maintenance engineer (mechanical) and broad job families like general administration production etc.
- (iii) Age inventory-It includes age wise number and category of employees. It indicates age-wise imbalances in present inventory which can be correlated in future selections and promotions. Age composition of human resources: Generally the individuals are dynamic, creative and innovative during their young age. However, they may lack judgement and maturity during that age. Hence, mixing of employees young and old is preferred by the organisations. The HRP should give due consideration to and keep age-wise human resource mixing at the optimum level by renewing the manpower as shown in manpower Renewal Forecast model.
- (iv) Inventory of skill, experience, values, capabilities.
- (v) Inventory of qualifications and training including minute qualifications and training received.
- (vi) Inventory of salary grades-pay-wise, allowances-wise and total salary-wise.
- (vii) Sex-wise inventory.
- (viii) Local and Non-local wise inventory.
- (ix) Inventory of past performance and future potentialities.

Potential Losses :

The second step of supply forecasting is estimation of future losses of human resources of each department and of entire organisation. Potential losses to the organisation include voluntary quits, deaths, retirements, dismissals, layoffs, disablement due to ill- health or accidents. Potential losses to a particular department or sub-unit include factors like promotions out, transfers out and demotions out in addition to the above factors relating to the organisation. The reasons for potential losses can be classified as:

- (a) Permanent total loss
- (b) Permanent partial loss

- (c) Temporary total loss, and
- (d) Temporary partial loss.

(a) Permanent total loss is due to labour turnover. Labour turnover is measured by the following formula

$$\text{Labour turnover rate} = \frac{\text{Number of employees left During a specified period}}{\text{Average number of employees During the same period}} \times 100$$

Management has to calculate the rate of labour turnover, conduct exit interviews. This helps to forecast the potential loss. Management has also to calculate labour stability index (rate of employees with certain period of experience to total number of employees), survival rate (the proportion of employees who are engaged within a certain period who remain with the firm after so many months or years of service) which help the management to encourage stability and minimise undesirable turnover.

(b) Permanent partial loss consists of wastage of skills, capabilities etc. due to ill health and involvement of employees in accidents. Such loss can be estimated on the basis of health of employees, working conditions and occupational diseases in organisations, safety measures provided and past data relating to sickness rate and accidents rate. These data help not only to estimate loss of some components of human resources like physique, ability etc., but also suggest measures to be taken in order to minimise loss of human resources.

(c) Temporary total loss of human resource is due to absenteeism and deputations out. Past data about absenteeism, the reasons therefore, measures already taken or under implementation to minimise absenteeism help to forecast loss of human resources due to absenteeism. Loss of human resources due to deputations can be anticipated through agreements of one organisation or employees with other organisations.

(d) Temporary partial loss include consultancy, advisory and other services offered by the employees to others. Potential additions should also be estimated after forecasting potential loss.

Potential Additions :

Similar to potential loss, there will also be additions to the present inventory to human resources. Potential additions are three types viz, (a) permanent total, (b) permanent partial, (c) temporary total, and (d) temporary partial.

Permanent total additions to the organisations consist of new hires. It can be estimated based on workload, interim programme etc. Permanent total additions in case of departments include promotions, demotions and transfers within the organisation. These additions can be estimated based on the detailed programme. Permanent partial addition consists of acquisition of new skills, knowledge, values, aptitude etc. by the existing employees.

This additions can be foreseen with the help of morale studies, surveys, organisational programmes, general level of values etc. deputation in, are estimated on the basis of agreement of the organisation, with employees of other companies. Consultancy and advisory services needed are estimated, based on the future changes in technology and special programmes or activities to be undertaken.

The multiple effect of promotions and transfers on the total move should be analysed and taken in to consideration in forecasting changes in human resource supply of various departments. For example, if one

officer in grade C is promoted to D, Three more employees will also get promotions (clerk to officer A, officer A to officer B and officer B to officer C). Thus there are four moves for one promotion. The rate of moves for promotions at higher level are relatively greater than those at lower level.

The difference between the potential loss and potential additions is to be added or subtracted as the case may be to the present inventory of human resource in order to forecast the supply of manpower.

$$\text{Present inventory} = \text{Potential additions} + \text{Potential loss of human resource}$$

Analysing Source of Supply :

After estimating future supply of human resources, the source of supply should be analysed with a view to ensure the availability. Both internal and external factors affecting manpower supply should be analysed. Internal factors include: training facilities, salary levels, benefits, inter-personnel relations, company programmes, scope for self-advancement and growth, promotional opportunities, pride for creative and innovative ideas, providing challenging work etc.

The external factors are classified into local and national factors.

Local factors :

Local factors include, population density in the area, local unemployment level, availability of employees on part time, temporary and casual basis, current and future competition for the similar categories, outcome from local educational and training institutes, residential facilities available, local transport and communication facilities, traditional pattern of employment and availability of manpower with required qualifications and skills, the pattern of place to live, local housing, shopping, educational facilities, medical facilities, regulations of local government like reservation for local candidates, candidates belonging to scheduled, backward and minority communities etc.

National Factors:

These include trends in the growth of working population, training institutes and schemes in the country, outcome from technical, professional, vocational and general educational level, educational institutes in the country, migration and immigration patterns, social security measures (like unemployment benefits, layoffs, retirement benefits etc.), cultural factors, customs, social norms etc., national demands for certain categories of manpower like technologies, scientists, management graduates, computer professionals etc. effect of changing educational patterns, impact of government, national educational policy, impact of government employment regulations such as reservation for candidates belonging to SC, ST and other categories etc.

4. Estimating the Net Human Resource Requirements :

Net human resource requirements in terms of number and components are to be determined in relation to the overall human resource requirements (demand forecast) for a future date and supply forecasts for that date. The difference between overall human resources is to be found out.

5. Action Plan For Redeployment, Redundancy And Retrenchment :

If future surplus is estimated, the organisation has to plan for redeployment, redundancy etc. If surplus is estimated in some jobs/departments, employees can be redeployed in other jobs/departments where the deficit of employees is estimated. Organisation should also plan for training or reorientation before deployment of employees. Redeployment takes place in the form of transfers. If the deficit is not estimated in job/department and surplus is estimated for the entire organisation, the organisation, in consultation with the trade unions, has to plan for redundancy or retrenchment.

Redundancy plan includes: type and number of employees, time of an place of retrenchment, type of help to be extended to retrenched employees in the form of compensation, help in getting new job, priority in filling future vacancies.

6. Forecasting Future supply from all Sources :

If deficit is estimated in any department and in the entire organisation, management has to forecast the future supply of human resources from various sources like internal sources, comparable organisations, educational and training institutes, employment exchanges, labour market etc.

7. Action Plan for Recruitment, Development etc. :

If the forecast relating to future supply of manpower from internal sources of the organisation shown favourable trends, the management may prefer internal candidates and plan for promotion, transfer, training and development. If suitable candidates will not be available from internal sources and, if the forecasts relating to future supply from external sources indicate the availability of required human resources, the personnel manager has to plan for recruitment and selection.

The promotion plan includes establishing of the ratio of internal promotion to external recruits, basis for promotional channel, reservations in promotions etc. The transfer plan includes transfer channel, company rules regarding organisation initiated transfer and employee initiated transfers.

The training and development plan covers areas to be developed, training techniques, training programme, training time, availability developed or changes to the existing course, cost benefit analysis of training, Development of the employees and matching of their improved skills with future job requirement etc.

The productivity plan includes maximisation of productivity or minimisation of labour cost per unit of output through technological changes., improving/streamlining methods, procedures and systems, productivity bargaining, training, financial incentives, developing various schemes, motivation, commitment, organisation development programmes, job enrichment/ enlargement, participation etc. It also includes improving of productivity efficiency.

Recruitment and selection plan covers the number and type of employees required, when they are required for the job, time necessary for recruitment and selection process, recruitment sources, recruitment techniques to be used, selection procedure to be adopted, selection techniques and tests to be used to select to the required candidates. It also covers the time factor for induction, preliminary training and placement.

8. Modify the organisational plan :

If future supply of human resources from all the external sources is estimated to be inadequate or less than the requirements (share of the particular firm in labour market), the manpower planner has to suggest the management to alter or modify the organisational plan. For example, if the organisational plan of Indian Railways indicates that computerisation should be completed in all the stations and officers by 1995 and the estimates of future supply of human resources show that the supply of computer professionals would be less than the human resource requirements from all the sources even by 1995, the railways have to modify their organisational plan by extending the period of computerisation by some more time when the supply of human resources available to railways will be equal to greater than the requirements of human resources.

In view of shortage of certain categories of employees, the organisation has to take care not only of recruitment but also of existing employees.

9. Retention Plan :

Though there is the problem of unemployment, it is an irony that organisations experience shortage of some categories of employees. And some organisation experience shortage of some other categories of

employees due to employee mobility. Hence the organisations have to plan for retention of the existing employees.

Retention plan includes:

- (i) Adjustment of the salary levels with those of the comparable industries so as to remove inequalities.
- (ii) Providing opportunities for career development, providing training facilities adopting the policy of promoting from within, more systematic promotional procedure, providing opportunities for self-development, assignment of challenging work, etc.
- (iii) Introduction of effective consultation and negotiating machinery, encouragement of grievance redressing and conflict resolution rather than suppressing.
- (iv) Providing of extensive training and development facilities. Encouraging the employees to participate in the management, development programmes and training programmes should be effective in meeting not only organisational but individual needs.
- (v) Selection procedure should meet the job and organisation requirements not only for the present position to which the candidate has applied but also his potentialities for future jobs in the career line.
- (vi) Provide more conducive working conditions and extensive fringe benefits.
- (vii) Provide the scope for extensive participation of the employee in decision-making and create the environment that the system in the organisation is participative management but not autocratic management.
- (viii) Provide the facilities for environment for conducive interpersonal relations.
- (ix) Provide the scope for challenging, creative and innovative work.

TECHNIQUES OF HUMAN RESOURCE PLANNING

INTRODUCTION :

Manpower demand forecasting is the key element in the whole human resource planning function. The effectiveness of the HRP therefore depends on the accuracy of the demand forecasting. Different methods are adopted by organisations for this purpose. Important demand forecasting methods are (a) managerial judgement, (b) statistical techniques, (c) econometric models, and (d) work study techniques.

(a) Managerial Judgement :

Most of the small scale and unorganised industries cannot have systematic data banks for manpower information and job analysis. Such organisation resort to the management-judgement approach. Under this methods, the managers or supervisors who are well-acquainted with the workload, efficiency and ability of employees, think about their future workload, future capabilities of employees and decide on the number and type of human resources to be required. This is done by the supervisors concerned who send the proposals to the top officials for approval. Under this bottom-up approach, the management at the top compares the proposals with the organisational plans. Alternatively this exercise can also be done by the top management which in turn sends the information to the down. Under this top-down approach, the management at the top prepares the organisational plans, departmental plans and human resource plans. But the best approach is participative approach, where both the management at the top and supervisors at the bottom meet and decide on the human resource needs based on the experience of the supervisors and the plans formulated by the top officials.

(b) Statistical Techniques :

There are two types of statistical techniques useful for human resource planning viz., (i) ratio-trend

analysis, and (b) econometric methods.

(i) Ratio trend analysis : Under this method, the ratios are calculated, for the past data relating to number of employees of each category and production level, sales level, activity level/ work load level and direct employees and indirect employees. Future production level, sales level activity level/work load are estimated with an allowance for changes in organisation, methods and jobs. Future ratios are also estimated when there are changes to come in organisation and human resources. Then future human resource is calculated on the basis of established ratios. The following example gives clear data.

Present level of production (1-1-90)		1,500 units
Present number of foremen (1-1-90)		3
Ratio is 3:1500 i.e.		1:500
Estimated production on 1-1-92	=	2500 units
Foremen required as on 1-1-92	=	5
(Without giving any provision for charges)		

Future change include: decline in physical stamina of employees, change in values, increase in extra and social activities. And it is estimated that the future ratio would be 1 : 420.

Then foremen required as on 1-1-92 = 6

(c) Econometric models :

Econometric models for human resource planning are built up by analysing past statistical data and by planning and by bringing the relationship among variables. These variables include those factors which affect manpower requirement directly and indirectly like investment, production, sales, activities/work load etc. The economic model or formula is used to forecast manpower needs based on movements in various variables.

(d) Work study Techniques :

These techniques are more suitable where the volume of work is easily measurable. Under this method, total production and activities in terms of clear units are estimated in year. Man-hours required to produce/perform each unit is calculated. Work ability of each employee is estimated in terms of man hours after giving due weightage to absenteeism, rest etc. Then the required number of employees is calculated. The following example gives clear idea.

- (i) Planned operations during the year 1992: 1,60,000 units (for clerical section of personnel Department of XYZ Co. Ltd.)
 - (ii) Standard manhours needed to perform each unit in 1992. : 0.25 hour
 - (iii) Planned man hours needed per year in 1992. 2,000
 - (iv) Work ability per employee in man hours in the year 1992. 2,000
 - (v) Number of employees required in 1992. 40,000
- | | | |
|---|-------|------|
| (for clerical section of personnel
Department of XYZ Co. Ltd). | <hr/> | = 20 |
| | 2,000 | |

Another classification of Methods of Human Resource Demand Estimation are:

- (i) Estimates based on opinions of departmental heads. This method is similar to managerial judgement.
- (ii) Imitation of existing practices in other organisations in the country and/or abroad. This method may be used as a supplementary device for checking the authenticity of other methods adopted.
- (iii) Organisation-cum-succession charts and super-annuation data.
- (iv) Work study method. It includes ascertainment of output target, operationalise output targets, find basic labour requirements for each operation or segment of production schedule. This is similar to economic models.
- (v) Estimation based on technology, equipment, layout and design considerations.
- (vi) Estimation based on various laws. Some laws affect the quantity of HR where as some laws affect the composition of HRs.
- (vii) Historical record of production.
- (viii) Job analysis.
- (ix) Statistical methods. The two important types are projection of basic manpower ratios and regression and correlation analysis. This is similar to statistical techniques discussed earlier.

After estimating the overall human resource requirements the present human resource inventory should be obtained.

SUMMARY :

Manpower planning is important for precisely the same reason that planning in general is significant. Manpower planning anticipates not only the required kind and number of employees but also determines the action plan for all functions of human resource management. Manpower planning is done at national level, Industry level, unit level, department level and job level. It is also done both for short term and long term. The techniques of manpower planning include managerial judgement, statistical techniques, economic models and work study techniques. Various steps of the process of manpower planning include:

- (1) Analysing organisational plan,
- (2) Forecasting overall human resource requirements,
- (3) Forecasting overall supply of human resources,
- (4) Estimating the net human resource requirements,
- (5) Action plan for redeployment and retrenchment,
- (6) Forecasting future supply from all sources,
- (7) Action plan for recruitment, development etc.
- (8) Modifying the organisational plan and
- (9) Retention plan

KEY WORDS

Manpower Planning : It is a process by which an organisation should move from its current manpower position to its desired manpower position.

Manpower Inventory : The data relating to number and kind of manpower job-wise, skill-wise and knowledge-wise.

Redundant manpower : Manpower which is not useful for the present jobs.

Retrenchment : Relieving the employees from duty due to lack of work or their unsuitability to job requirements.

BOOKS FOR FURTHER READING

1. CB Mamoria: Personnel Management, Himalaya Publishing House.
2. Dale S. Beach: Personnel, Macmillan.
3. C S Venkataratnam and Srivastava: Personnel management, Tata McGraw Hill Publishing Co.

REVIEW QUESTIONS

1. If human resource planning is so significant, why is it not done more extensively and better?
2. What is the process of manpower planning before a factory is commissioned and for an on-going enterprise? Examine different approaches for manpower control and review.
3. What are the techniques for human resource planning?
4. "Although nothing can be done about the past performance, perhaps even about the present performance can certainly be made excellent as the organisation desires, provided proper care is taken today to plan for the quantity of tomorrow's manpower". Elucidate.
5. What do you understand by human resource planning? How would you draw-up a manpower plan for an organisation?
6. What is manpower planning? What factors do you consider while forecasting manpower needs of an organisation?
7. What are the objectives and benefits of human resource planning?
8. How do you draw upon action plan to the manpower plan for a newly instituted industry?
9. Suppose human resource planner forecast that computerisation in Wadia Industries Ltd. indicates that the firm needs 25 percent newer employees in the next three years, what actions would you suggest the management of Wadia Industries Ltd., being its chief personnel manager?
10. How do you plan for qualitative aspects of human resource relating to values, attitude, ethos etc. of the young managers who will come out from the management institutes during 1995 to 2000?



RECRUITMENT AND SELECTION

OBJECTIVES :

After studying this lesson, you should be able to

- Understand the meaning, subsystems and policy of recruitment
- Identify the different source of recruitment and techniques involved in it.
- Explain scientific selection process.

STRUCTURE :

- Introduction
- Systems of recruitment
- Complexity of the function of recruitment
- Recruitment policy
- Centralised vs. Decentralised Recruitment
- Why do organisations prefer internal source.
- Recruitment techniques
- Selection process
- Selection procedure
- Steps in scientific selection process
- Placement
- Induction
- Training
- Summary
- Review questions.

INTRODUCTION :

Once the required number and kind of human resources are determined, the management has to find the places where human resources are/will be available and also find the means of attracting towards the organisation before selecting suitable candidates for job. This whole process is generally known as recruitment. Some people use the term 'recruitment' for employment. These two are not one and the same. Recruitment is only one of the steps in the entire employment process. Some authors use the term recruitment function precedes the selection function and it includes only finding, developing the sources of prospective employees and attracting them to apply for jobs in an organisation, where as the selection is the process of finding out the most suitable candidate to the job out of the candidates attracted (i.e., recruited). Formal definition of recruitment would give clear-cut idea about the function of recruitment.

DEFINITION :

Recruiting refers to those sets of activities an organisation uses to attract job candidates possessing the appropriate characteristics to help the organisation reach its objectives. According to Byars and Rue, "recruitment involves seeking and attracting a of people from which qualified candidates for job vacancies can be chosen. The basic purpose is to develop a group of potentially qualified people."

The concept of recruitment can be analysed by discussing the processes involved through systems approach.

SUB-SYSTEMS OF RECRUITMENT :

There are four distinct subsystems in recruitment.

- (a) Finding out and developing the sources where the recruit number and kind of employees are/will be available.
- (b) Developing suitable techniques to attract the desirable candidates
- (c) Employing the techniques to attract candidates, and
- (d) Stimulating as many candidates as possible and making them to apply for jobs irrespective of number of candidates required. Management has to attract more candidates in order to increase selection ratio(i.e., number of application per one job vacancy) in order to select the most suitable candidates out of total candidates available.

COMPLEXITY OF THE FUNCTION OF RECRUITMENT :

Performing the function of recruitment i.e., increasing the selection ratio is not as easy as it seems to be. This is because of the hurdles created by the internal factors and external factors, which influence the organisation. The first activity of recruitment i.e., searching for prospective employees is affected by many factors like (i) organisational policy regarding filling up of certain percentage of vacancies by internal candidates; (ii) local candidates (sons of soil); (iii) influence of trade unions; (iv) government regulations regarding reservation of certain number of vacancies to candidates based on community/region/caste/sex; and (v) influence or recommendations of vested interest, nepotism etc. As such, the management is not free to find out or develop the source of desirable candidates and alternatively it has to divert its energies for developing the sources within the limits of those factors. The other activity of recruitment affected by the internal factors such as (i) working conditions; (ii) promotional opportunities; (iii) salary levels, type and extent of benefits; (iv) other personnel policies and practices; (v) image of the organisation; and (vi) ability and skill of the management to stimulate the candidates. It is also affected by external factors like (i) personnel policies and practices of various organisations regarding working conditions, salary, benefits, promotional opportunities in other organisations; and (ii) government regulations. However, the degree of complexity of recruitment function can be minimised by formulating sound policies.

RECRUITMENT POLICY :

Recruitment policy of any organisation is derived from the personnel policy of the same organisation. In other words, the former is a part of the latter. However, recruitment policy by itself should take into consideration the government's reservation policy, policy regarding sons of soil etc., personnel policies of other organisations regarding merit, internal sources, social responsibility in absorbing minority sections, woman etc. Recruitment policy should commit itself to the organisation's personnel policy like enriching the organisation's human resources or serving the community by absorbing the worker sections and disadvantaged people of the society, motivating the employees through internal promotions, improving the employee loyalty to the organisation by absorbing the retrenched or laid off employees or casual/temporary employees or dependents of present/former employees etc.

The following factors should be taken in to consideration in formulating recruitment policy. They are:

- a. government policy;
- b. personnel policies of other competing organisations;
- c. organisation's personnel policies;
- d. recruitment sources;

- e. recruitment needs;
- f. recruitment cost;
- g. selection criteria and preference etc.

IMPACT OF PERSONNEL POLICIES ON RECRUITMEN :

As mentioned earlier, recruitment policies are mostly drawn from personnel policies of the organisation. According to Dale Yadar and Paul D. Standohar, general personnel policies provide a variety of guidelines to be spelt out in recruitment policy. Important among them are:

- (a) abiding by the public policy and relevant law on selection;
- (b) providing the employees the security and continuous employment;
- (c) integrating the organisational needs and individual needs;
- (d) providing the freedom and opportunity to employees to utilise their talent; skill and knowledge to the maximum extent;
- (e) treating all the employees fairly and equally in all employment relationships including salary, benefits, promotions and transfers;
- (f) protecting minority and women candidates;
- (g) providing suitable jobs which can be handled easily by physically-handicapped and to those employees who are partially disabled due to accidents during the course of duty and to those who can not do their present jobs due to health reasons.

After formulation of the recruitment policies, the management has to decide whether to centralise or decentralise the recruitment function.

CENTRALISED VS DECENTRALISED RECRUITMENT :

Recruitment practices vary from one organisation to another. Some organisations like commercial banks resort to centralised recruitment, while others like the Indian Railways (for group III and Group IV provisions) resort to decentralised recruitment practices. Personnel department at the central office performs all the functions of recruitment in case of centralised recruitment and personnel departments at unit level /zone level perform all the functions of recruitment concerning to the jobs of the respective unit of zone.

Merits of centralised Recruitment :

1. Average cost of recruitment per candidate/ unit should be relatively less due to economics of scale.
2. It would have more expertise available to it.
3. It can ensure broad uniformity among human resources of various units/ zones in respect of education, skill, knowledge, talent etc.
4. It would generally be above malpractices. Abuse of powers favoritism bias etc. would be minimal.
5. It would facilitate inter-changeability of staff among various units/zones.
6. It enables the line managers of various units and ones to concentrate on their operational activities by relieving them from the recruitment functions.
7. It enables centralised training programmes which further bring uniformity and minimise average cost of staff.

Merits of Decentralised Recruitment :

1. The unit gets most suitable candidates as it is well aware of the requirements of the jobs regarding cultural, traditional, family background aspects, local factors, social factors etc.
2. Units can recruit candidates, as and when they are required, without any delay.
3. The units would enjoy freedom in fighting out, developing the sources, in selecting the employing the techniques to stimulate the candidates.
4. The unit would enjoy better familiarity and control over the employees it recruits rather than on employees selected by the central recruitment agency.

Both the systems of recruitment have their own merits and demerits. Hence the management has to weigh both the merits and demerits of each system before making a final decision about centralising and decentralising the recruitment.

SOURCES OF RECRUITMENT :

Sources are distinct from techniques. Generally, the learners of human resource management may feel that sources and techniques of recruitment are one and the same. But they are different. Sources are those where prospective employees are available like employment exchanges, while techniques are those which stimulate the prospective employees to apply for jobs like nomination by employees, advertising, promotion etc.

When a person is needed to fill a vacant organisational position, may come from inside or outside the company. Some companies prefer to recruit from within, since this aid employee morale, loyalty and motivation. Other companies prefer to recruit from external sources to prevent inbreeding and to encourage new ways of thinking. Although recruitment policies vary significantly from company to company, some authorities feel it is a good practice to promote from within whenever anyone in the company has the requisite qualifications needed to fill a vacancy.

Internal sources: Internal sources include:

- (a) present permanent employees,
- (b) present temporary / casual employees,
- (c) retrenched or retired employees,
- (d) dependents of deceased, disabled, retired and present employees.

Why do Organisations prefer Internal Source?

Organisations prefer Internal Source to internal source, for the following reasons:

- (i) Internal recruitment can be used as a technique of motivation.
- (ii) Morale of employees can be improved.
- (iii) Suitability of the internal candidates can be judged better than the external candidates as "known devils are better than unknown angels."
- (iv) Loyalty, commitment, a sense of belongingness, and security of the present employees can be enhanced.
- (v) Employees psychological needs can be met by providing the opportunity for advancement.
- (vi) Employees economic needs for promotion, higher income can be satisfied.
- (vii) Cost of selection can be minimised.
- (viii) Cost of training, induction, orientation, period of adaptability to the organisation can be minimised.
- (ix) Trade unions can be satisfied.
- (x) Social responsibility towards employees may be discharged.

But organisations do not excessively rely on internal source, as too much consumption of sugar tastes bitter. The excessive dependence on this source results in in-breeding, discourages flow of new blood in to the organisation, organisation would become dull and become less innovative.

EXTERNAL SOURCES :

Organisations have at their disposal a wide range of external sources for recruiting personnel. External recruiting is often needed in organisations that are growing rapidly, or that have a large demand for technical, skilled, or managerial employees.

Organisations usually exploit external sources of recruitment for the following reasons:

- (i) The suitable candidates with skill. Knowledge, talent etc., are generally available.
- (ii) Candidates can be selected without any pre-conceived notion or reservations.
- (iii) Cost of employees can be minimised because employees selected from this source are generally placed in minimum pay scale.
- (iv) Expertise, excellence and experience in other organisations can be easily brought into the organisation.
- (v) Human resources mix can be balanced with different background, experience, skill etc.
- (vi) Latest knowledge, skills, and creative talent can be brought into the organisation.

External sources include:

- (a) Educational and Training Institutes,
- (b) Private Employment Agencies/Consultants,
- (c) Public Employment Exchanges,
- (d) Professional Associations,
- (e) Data Banks,
- (f) Casual Applicants,
- (g) Similar Organisations,
- (h) Trade Unions.

(a) Educational and Training Institutes : Organisations get the candidates institutions like Colleges and Universities imparting education in Science, Commerce, Arts, Engineering and Technology, Agriculture, Medicine, management Studies etc. most of the Universities and Institutes imparting technical education in various disciplines like engineering, technology, management studies provide facilities for campus recruitment and election. They maintain the bio-data of the students or participants. Organisations seeking to recruit the candidates from this source can directly contact the institutes either in person or by post and stimulate the candidates to apply for jobs.

(b) Private Employment Agencies/ Consultants : Consultancy agencies like ABC Consultants, Ferguson and Company for example perform the recruitment function on behalf of a client company by charging fee. Line managers are relieved from recruitment functions so that they can concentrate on their operational activities when recruitment functions is entrusted to a private agency or consultants. But due to limitations of high cost, and confidential nature of this function, managements sometimes don't depend on this source. However, this agencies function effectively in the recruitment for higher level positions.

(c) Public Employment Exchanges : Public Employment Exchanges in the country were set up by the Government to provide information about vacancies to the candidates and to help the organisations in finding out suitable candidates. The Employment Exchange (Compulsory Notification of Vacancies) Act, 1959 makes

it obligatory for public sector and private-sector enterprise in India to fill certain types of vacancies through public employment exchanges. These industries have to depend on public employment exchanges for the specified vacancies.

(d) Professional Organisations : Professional organisations or associations maintain complete bio-data of their members and provide the same to various organisations on requisition. They also act as an exchange between their members and recruiting firms in exchanging information, clarifying doubts etc. Organisations find this source more useful to recruit the experienced and professional employees like managers and engineers.

(e) Data Banks : The management may maintain a data bank wherein the bio-data of the candidates from different sources like Employment Exchange, Educational and Training Institutes, and from candidates directly are collected and stored in the computer. It will be useful source and the company can get the participants as and when it needs to recruit.

(f) Casual Applicants : Depending upon the image of the organisation, its prompt response, participation of the organisation in the local activities, candidates apply casually for jobs through mail or hand over the applications in Personnel Department. This would be a suitable source for temporary and lower level jobs.

(g) Similar Organisations : Generally, experienced candidates are available in organisations producing similar products or are engaged in similar business. The management can get most suitable candidates from this source. This would be the most effective source for executive positions and for newly established organisation or diversified or expanded organisations.

(h) Trade Unions : Generally, unemployed or under-employed person seeking a change in employment put a word to the trade union leaders with a view to getting suitable employment due to the latter's intimacy with management. The trade unions leaders thus possess information about the availability of the candidates. In order to satisfy the trade union leaders, at times managements require trade unions for suitable candidates.

It is not necessary, however, to tap all these sources in order to recruit people. Usually management decides about the sources to be exploited well in advance depending on the nature of the vacancy to be filled in, the time required to fill the vacancy, the availability of a larger pool of candidates etc. Once this exercise is over, management has to decide about the techniques to be followed for recruiting candidates for various organisational positions.

Recruitment techniques :

Recruitment techniques are the means or media by which management contacts prospective employees or provide necessary information or stimulate them to apply for jobs. Management uses different types of techniques to stimulate internal and external candidates. Techniques useful to stimulate internal candidates are:

1. Promotions : Most of the internal candidates are stimulated to take up higher responsibilities and to express their willingness for higher-level jobs, if management gives them the assurance that they will be provided to the higher level.

2. Transfers : Employees will be stimulate to work in the new sections or places, if management wishes to transfer them to the places of their choice.

3. Recommendations of the present employees : Management can contact, persuade the outsiders to apply for job in the organisation through the recommendations to the candidates by the present employees, trade union leaders etc.

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

5. Advertising : Advertising is a widely accepted technique of recruitment, though it mostly provides one-way communications. It provides the candidates the information about the job and company and stimulates them to apply for jobs. It includes advertising through different media like newspapers, magazines of all kinds, radio, television etc.

Whatever be the medium chosen it should aim at (a) attracting attention of the prospective candidates, (b) creating and maintaining interest, and (c) stimulating action by the candidates.

Types of Recruitment Appeal :

The recruiter should know what his organisation can offer and what the potential candidate wants? Different candidates like young, old, women, men have different needs. An appeal's effectiveness depends upon applicant's fundamental and immediate needs and those needs which are not met by his present needs. Recruiters should have the talents of an advertising expert, the skills of a salesman and a market research specialist. They should also know that an organisation's appeal may be effective in hiring employees but not in retaining them. They should use those features in recruiting the candidates that are desired by the prospective candidates. Research studies shows that male workers desire security, opportunity for advancement, self-determination, freedom in the job etc., where as women employees desire personnel relations with people at work, good supervision, pleasant working condition etc.

SELECTION PROCESS :

After identifying the sources of manpower, searching the prospective employees and stimulating them for applying for jobs in the organisation, management's next task is the selection of the right employees at the right time. The guiding policy in general is the intention to choose the best-qualified and suitable candidate for each unfilled spot and to avoid commitments to those who will not work well. The objective of the selection decision is to choose the individual who can most successfully perform the job from the pool of qualified candidates. The selection procedure is the system of functions and devices adopted in a given company to ascertain whether the candidates specifications are matched with the job specifications and requirements or not.

Selection Procedure :

There is no standard selection process that can be followed by all the companies. Companies may follow different selection techniques or methods depending upon the size and nature of the business, kind and number of persons to be employed, government regulations to be followed etc. Thus, each company may follow any one or the possible combinations of methods of selection, convenient or suitable to it. Following are the selection methods generally followed by the companies:

Selection procedure /employs several methods of collecting information about the candidate's

qualifications, experience, physical and mental ability, nature and behaviour, knowledge, aptitude and like for judging whether a given applicant is suitable for the job. The selection procedure is not a single act but it is essentially a series of methods or stages by which different types of information can be secured through various selection techniques. At each step, facts may come to light which are useful for comparison with the job requirements and employee specifications.

Steps in Scientific Selection Process :

1. Job analysis : Job analysis is the basis for selecting the right candidate. Every organisation should finalise the job analysis, job description, job specification and employee specifications before proceeding to the next step of selection.

2. Recruitment : Recruitment refers to the process of searching for prospective employees and stimulating them to apply for jobs in an organisations. Recruitment is the basis for the remaining steps of the selection process.

3. Application form : Application form is also known as application blank. The technique of application blank is traditional and accepted for securing information from the prospective candidates. It can also be used as a device to screen the candidates at the preliminary level. Many companies formulate their own style of application forms depending upon the requirement of information based on the size of the company, nature of business activities, type and level of jobs etc. They also formulate different application forms for different jobs, at different levels, so as to solicit the required information for each job. Some companies may ask the prospective applicant to apply on white paper giving particulars about his name, date of birth, mailing address, educational qualifications, experience etc.

4. Written Examination : Some organisations conduct written examination for the qualified candidates after they are screened on the basis of the application blanks so as to measure the candidate's ability in arithmetical calculations, to know the candidate's attitude towards the job, to measure the candidate's aptitude, reasoning, knowledge in various disciplines, general knowledge and English language.

5. Preliminary Interview : The preliminary interview is to solicit necessary information from the prospective applicants and to assess the applicant's suitability to the job. This may be conducted by an assistant in the personnel department. The information thus provided by the candidate may be related to the job or personal specifications regarding education, experience, salary expected, aptitude towards the job, age, physical appearance and other physical requirements etc. If the information supplied by the candidate is below/ above the requirements of the job, the candidate may be eliminated depending upon the availability of number of suitable candidates. Thus, preliminary interview is useful as a process of eliminating the undesirable and unsuitable candidates.

Preliminary interviews are short and known as stand-up interviews or sizing-up of the applicants or screening interviews. However, certain amount of care is to be taken to ensure that the desirable candidates are not eliminated.

6. Group Discussion : Group discussion is used in order to secure further information regarding the suitability of the candidate for the job. It is a method where the groups of the successful applicants are brought around a conference table and asked to discuss either a case study or a subject matter. The candidates in the group are required to analyse, discuss, find alternative solutions and select the sound solution. A selection thus observe

the candidates in the areas of initiating the discussion, explaining the problem, soliciting unrevealing information. The selection panel, basing on its observation, judges the candidate's skill and ability and ranks them according to their merit. In some case, the selection panel may also ask the candidates to write the summary of the group discussion in order to know the candidate's writing ability as well.

7. Tests : The next stage in the selection process is conducting different tests. The objective of test is to solicit further information to assess the employee suitability to the job. The important tests are:

(i) Intelligence test : This test measures various factors like capacity for comprehension and reasoning, word-fluency, verbal comprehension, numbers, memory, space, picture arrangements etc.

(ii) Aptitude test : This test measures whether an individual has the capacity to learn a given job if he is given adequate training. Examples of specific aptitudes are mechanical , clerical, academic etc.

(iii) Interest test and personality test : The purpose of this test is to find out the types of work in which the candidate is interested (likes and dislikes) .Personality test is similar to interest test, in that, they involve a serious problem of obtaining honest answers. These tests probe deeply to discover clues to an individual's value system, his emotional reactions and maturity and characteristic moods. They are express in such traits as self-confidence, tact, emotional control, optimism, decisiveness, conformity, objectivity, patience, fear, distrust, initiative, judgement, dominance, impulsiveness, sympathy integrity and stability.

(iv) Situational test : These test evaluate a candidate in a similar life situation. Group discussion and basket are examples of situational tests.

(v) Judgement test : This test seeks to evaluate the applicant's ability to apply knowledge judiciously in solving a problem.

8. Final interview : Final interview is the most essential step in the process of selection. In this step the interviewer matches the information obtained about the candidate through various means to the job requirements and to the information obtained through his own observation during interview. Different types of interviews are adopted by organisations important among them are:

9. Medical examination : Certain jobs require certain physical qualities like clear vision, perfect hearing, unusual stamina, tolerance of hard working conditions, clear tone, etc. Medical examination reveals whether or not a candidate possess this qualities.

10. Reference checks : After completion of the final interview and medical examination, the personnel department will engage in checking references. Candidates are required to give the names of reference in their application forms. These references may be from the individuals who are familiar with the candidate's academic achievements or from the applicant's previous employer, who is well versed with the applicant's job performance, and sometimes from co-workers. Reference checks are taken as a matter of routine and treated casually or omitted entirely in many organisations. But a good reference check used sincerely will fetch a useful and reliable information to the organisation.

11. Final decision by the line manager : The line manager concerned has to make the final decision whether to select or reject a candidate after soliciting the required information through different techniques discussed earlier. The line manager has to take much care in taking the final decision not only because of economic implications but also because of behavioural and social implications. A careless decision of rejecting a candidate would impair the morale of the people and they suspect the selection procedure and the basis of selection of the organisation.

12. Employment: After the final decision, is taken to select the individual the organisation has to intimate the decision to the successful as well as unsuccessful candidates. The organisation sends the appointment order to the successful candidates, either immediately or after sometime, depending upon its time schedule. The organisation communicates the conditions of employment to the successful candidates along with the appointment order. Candidates, who accept the conditions of employment of the organisation report for duty. Then the candidate is employed by the organisation by receiving the joining report from the candidate formally. After this stage, the candidate becomes the employee of the organisation. The management places the new employee, preferably on probation, before placing him on the right job.

TESTS :

1. Aptitude test :

These tests measures whether an individual has the capacity or latest ability to learn a given job, if given adequate training. Aptitudes can be divided into general and mental ability or intelligence and specific aptitudes, such as mechanical, clerical, manipulative capacity etc.

(a) Intelligence test : These tests, in general, measures intelligence quotient of a candidate. In detail, these tests measure capacity for comprehension, reasoning, word fluency, verbal comprehension, numbers, memory and space. Other factors such as digit spans-both forward and backward, information known, comprehension, vocabulary, picture-arrangement and object assembly.

Though these tests are accepted as useful ones, they are criticised against deprived sections of the community. Further, it is also criticised that these tests may probe to be too dull as election device. Intelligence tests include: sample learning, ability, the adaptability tests etc.

(b) Mechanical aptitude test : These tests measure the capacities of spatial visualisation, perceptual speed and knowledge of mechanical matter. These tests are useful for selecting apprentices, skilled mechanical employees, technicians etc.

(c) Psychomotor test : These tests measure abilities like manual dexterity motor ability and eye-hand co-ordination of candidates. These tests are useful to select semi-skilled workers and workers for repetitive operations like packing, watch assembly.

(d) Clerical aptitude test : These tests measure specific capacities involved in office work. Items of this test include spelling, computation, comprehension, copying, word measuring etc.

2. Achievement test

These tests are conducted when applicants claim to know something, as these tests are concerned with what one has accomplished. These tests are more useful to measure the specific achievement, when an organisation wishes to employ experienced candidates. These tests are classified into:

(a) Job knowledge test : Under this test, a candidate is tested in the knowledge of a particular job. For example, if a junior lecturer applies for the job of a senior lecturer in commerce, he may be tested in job knowledge, where he is asked questions about Accountancy Principles, Banking law, Business management etc.

(b) Work sample test : Under this test, a portion of the actual work is given to the candidate, as a test, and the candidate is asked to do it. If a candidate applies for a post of lecturer in Management, he may be asked to deliver a lecture on Management information system as a work sample test.

3. Situational test

This test evaluates a candidate in a similar real life situation. In this test, the candidate is asked to cope

with the situation or solve critical situations of the job.

(a) Group discussion : This test is administered through group discussion approach to solve a problem under which candidates are observed in the areas of initiating, leading, proposing valuable ideas, conciliating skills, oral communicating skills, coordinating and concluding skills.

(b) In basket : Situational test is administered through in basket. The candidate, in this test, is supplied with actual letters, telephone and telegraphic message, reports and requirements by various officers of the organisation, adequate information about the job and organisation. The candidate is asked to take decision on various items based on the basket information regarding requirements in the memoranda.

4. Interest test

These tests are inventories of the likes and dislikes of candidates in relation to work, job, occupations hobbies and recreational activities. The purposes of this test is to find out whether a candidate is interested in or disinterested in the job for which he is a candidate and to find out in which area of the job range/ occupation the candidate is interested. The assumption of this test is that there is a high correlation between the interest of the candidate in a job and job success. Interest inventories are less faked and they may not fluctuate at the age of 30.

5. Personality test

These tests probe deeply to discover clues to an individual's value system, his emotional reactions and maturity and characteristic mood. They are express in such traits as self-confidence, tact, emotional control, optimism, decisiveness, conformity, objectivity, patience, fear, distrust, initiative, judgement, dominance, impulsiveness, sympathy integrity, stability and self-confidence.

(a) Objective test : Most personality test are objective tests as they are suitable for group testing and can be scored objectively.

(b) Projective test : Candidates are asked to project their own interpretation of certain standard stimulus situations, basing on ambiguous pictures, figures etc., under these tests.

Personality tests have disadvantages in the sense that they can be faked by sophisticated candidates and most candidates give socially acceptable answer.

INTERVIEWS :

Various forms of employment interviews are adopted to solicit different kinds of information and to measure the candidates skills, knowledge etc. at different planes. Employment interviews can be divided into three categories, Preliminary interview, Core interview and decision making interview.

1. Preliminary Interview:

It is generally regarded as exchange of basic information between the candidate and the personnel manager about the job and organisation, like job nature, salary, working conditions, benefits etc. It is helpful to the organisation to weed out unwanted hands and to the candidate to select or reject the job. Sometime it may prove to be unsatisfactory, when the exchange of information between the candidate and the organisation is not true. This interview may generally be informal and unstructured.

(a) Informal interview : This is the interview which can be conducted at any place by any person to secure the basic and non-job related information. The interaction between the candidate and the personnel manager when the former meets the latter to enquire about the vacancies or additional particulars in connection with the employment advertisement is an example of informal interview.

(b) Unstructured interview : In this interview the candidate is given the freedom to tell about himself by

revealing his knowledge on various items/areas, his background, expectations, interest etc. Similarly, the interviewer also provides information on various items required by the candidate.

2. Core interview :

It is normally the interaction between the candidate the line executive or experts on various areas of job knowledge, skill, talent, etc. This interview may takes various forms like:

(a) Background information interview : This interview is intended to collect the information which is not available in the application blank and to check that information provided in the application blank regarding education, place of domicile, family, health, interest, likes, dislikes, extracurricular activities of the applicant.

(b) Job and probing interview : This interview aims at testing the candidate's job knowledge about duties, activities, methods of doing the job, critical/problematic areas, methods of handling those areas etc.

(c) Stress interview : This interview aims at testing the candidate's job behaviour ad level of understanding during the period of stress and strain. Interviewer test the candidate by putting him under stress and strain by interrupting the applicant from answering, criticising his opinions, asking questions pertaining to unrelated areas, keeping silent for unduly long period after he has finished speaking etc. Stress during the middle portion of the interview gives effective results. Stress interview must be handled with at most care and skill. This type of interview is often invalid, as the interviewee's need for a job, his previous experience in such type of interviews may inhibit his actual behaviour under such situations.

(d) Group discussion interview : There are two methods of conducting group discussion interviews viz., Group interview method and discussion interview method. All the candidates are brought into one room i.e., interview room and are interviewed one by one under group interview. This methods helps busy executives to save valuable time and gives a fair account of the objectivity of the interview to the candidates.

Under the discussion interview method, one topic is given for discussion to the candidates who assemble in one room and they are asked to discuss the topic in detail. This type of interview helps the interviewer in appraising certain skills of the candidates like initiative, inter-personal skill, dynamism, presentation, leading, comprehension, collaboration etc.

Interviewees are at ease in this category of interviewee because of its informality and flexibility. But it may fail to cover some significant portions of the candidate's background and skills.

(e) Formal and structured interview : 'In this type of interview, all the formalities, procedures like fixing the value, time, panel of interviewers, opening and closing, intimating the candidates officially etc., are strictly followed in arranging and conducting the interview. The course of the interview is preplanned and structured, in advance, depending on the job requirements. The questions/ items of discussion are structured and experts are allotted different areas and questions to be asked. There will be very little room for the interviewers to deviate from the questions prepared in advance in sequence.

(f) Panel interview : Interviewing of candidates by one person may not be effective as he cannot judge the candidates in different areas/ skills owing to lack of knowledge and competence in multiple disciplines and areas. Hence, most organisations invite a panel of experts, specialised in different areas,/ fields/ disciplines, to interview candidates. A panel of experts interviews each candidate, judges his performance individually and prepares a consolidated judgement based on each expert's judgement and weightage of each factor. This type of interview is known as panel interview. This type of interview would be more effective as each candidate is appraised by an expert in relevant areas. Experts should be cautioned against over accuracy, excessive weightage to a particular factor, domination of other experts etc.

(g) Depth interview : In this type of interview, the candidates would be examined extensively in core areas of knowledge and skills of the job. Experts in that particular field examine the candidates by posing relevant questions as to extract critical answers from them, initiating discussions regarding critical areas of the job, and by asking the candidates to explain even minute operations of the job performance. Thus the candidate is

examined thoroughly in critical core in their interview.

Decision-Making Interview :

After the candidates are examined by the experts including the line managers of the organisation in the core areas of the job, the head of the department/ section concerned interviews the candidates once again, mostly through informal discussion. The interviewer examines the interest of the candidate in the job, organisation, reaction/ adaptability to the working conditions, career planning, promotional opportunities, work adjustments and allotment etc. The personnel manager also interviews the candidates with a view to find out his reaction/ acceptance regarding salary, allowances, benefits, promotions opportunities etc. The head of the department and the personnel manager exchange the views and then they jointly inform their decision to the chairman of the interview board, who will finally makes the decision about he candidates performance and their ranks in the interview.

Placement :

When once the candidate reports for the duty, the organisation has to place him initially in the job for which he is selected. Thereafter, the candidate will be trained in various related jobs during the period of probation or training. The organisation, generally, decides the final place ment after the initial training is over, on the basis of candidate's aptitude and performance during the training/ probation period. Probation period generally ranges between six months and two years. If the performance is not satisfactory, the organisation may extent the probation or ask the candidate to quite the job. If the employee's performance during the probation period is satisfactory, his service will be regularised and he will be placed permanently on a job.

Induction :

Introducing the new employee who is designated as probationer to the job, job location, surroundings, organisation, organisational surroundings, various employees is the final step of employment process. Induction is the process of receiving and welcoming an employee when he first joins a company and giving him the basic information he needs to settle down quickly and happily and start work.

Lecture, handbook, film, group seminar are used to impart the information to new employees about the environment of the job and the organisation in order to make the new employee acquaint himself with the new surroundings. Some of the companies do not lay emphasis on this function as they view that this function will be automatically performed by the colleagues of the new employees. Induction is essential as the newcomer may feel insecure, shy, nervousness, which may leads to instability and turnover. Hence induction plays a pivotal role in acquainting the new employee to the new environment, company rules and regulations.

Generally the new comer may expect opportunities for advancement, social status and prestige, responsibility and opportunities to use special aptitudes and skills opportunity to be creative and original. But jobs with low initial challenge, inadequate feedback, inadequate performance appraisal result in shock and frustration.

SUMMARY :

The various terms such as task, duty, position, job, job family, job analysis, job description, job specification, job evaluation, etc. are explained in detail. The process of job analysis, the important sources of job analysis information form part of Lesson 1. Recruitment occupies an important place in the human resources management. The two important methods, i.e. centralised and decentralised methods and the various sources of recruitment of personnel have been discussed in detail in the Lesson 2. While recruitment is concerned with encouraging people to seek jobs in the organisation, selection involves choosing the right people for the jobs

through a process of elimination. Tests and interviews are the two important elements in the selection process. The 3 lesson, therefore, centred around the different types of tests and interviews that are usually adopted in the organisations.

QUESTIONS

1. What do you know by job analysis? Analyse the important aspects in the process of job analysis.
2. Explain the important sources of job analysis information.
3. Explain the concept of job description. What information does it contain?
4. Write short notes on:
 - (a) Job family
 - (b) Job specification
 - (c) Job description
5. Distinguish between centralise and decentralised recruitment. Examine the merits and demerits of each method.
6. What are the important sources of recruitment? Explain the various sources in relation to the different types of jobs in the organisation.
7. Describe the important requirement? Excaudate in important steps in the selection process.
8. Comment on the usefulness of different types of test in the selection of personnel.
9. Are interviews necessary in the selection? Describe some of the types of interviews that are normally used n organisation.

KEY WORDS

Job Analysis : A systematic investigation to the tasks, duties and responsibilities of a job.

Job Description : A written summary of tasks, duties and responsibilities of a job.

Job Specification : The minimum skills, education, and experience necessary for an individual to prefer a job.

Recruitment : Is searching the prospective candidates and stimulating them to apply for jobs.

Selection Procedure : It is the system of functions and devices adopted in a given company to ascertain whether the candidate's specifications are matched with the job specifications and requirements or not.

Placement : It is the determination of the job to which an accepted candidate is to be assigned and his assignment to the job.

Induction : It is the process of receiving and welcoming an employee when he first joins a company and giving him the basic information he needs to settle down quickly and happily and start work.

BOOKS FOR FURTHER READING

1. Michael J. Jucius, Personnel Management, Richard D. Irwin.
2. Milton M. Mandell, The Selection Process, D.B. Tare Porewala & Sons Co (p) Ltd.,
3. Paul Pigors and Charles A. Myers, Personnel Administration, McGraw Hill.

REVIEW QUESTIONS

1. What concepts have been applied to job design in recent years? What considerations determine whether the traditional or the more modern approach will be successful in a given application?
2. What are the uses of analysis in various functions of Personnel management?
3. Exercise: Preparing Employee Specification. Write the employee specification for the job of a General Manager (Research and Development) for lighting products in South Indian Lighting Company Limited.

Hyderabad on the basis of the following information.

The company is a professionally managed, manufacturing company having a turnover of Rs. 50 crores. The company has a diversified product range and a number of factories have been established in different parts of South India. Technical agreements have been entered into with leading British, U.S. and Swiss Companies in recent times. The top management of the company is fully committed to research and product development .

4. Exercise: Job Analysis

Prepare Job description, job specification, Employee specification for any job in your university/ college by analysing it. Use the various techniques of collection of data and information. Collect the data and information from different sources like University / College records, the job holder, his superior, his subordinates and colleagues. Critically examine the recorded job description, job specification and employee specification. Offer suggestions for updating and improving the job analysis.

5. What is recruitment? What are the important sources of recruitment and techniques of recruitment for hi-tech industries.

6. What is selection? Explain the selection process for selecting financial analysts by a mutual fund company.

7. What is testing in selection? Explain the importance of tests and interviews in selection process.

8. Drafting Exercises

a. Prepare the advertising copy for recruiting women candidates for the position of Production Executives in Bharat Heavy Electricals Ltd., Bangalore.

b. Structure the application blank for recruiting Personnel managers in all Zonal Railways in the Indian Railways.

c. Draft an appointment order for the post of General Manager (Finance) in Steel Authority of India Ltd.

9. Induction is guided adjustment of employee to the organisation and his work environment. Discuss.



TRAINING AND JOB CHANGE

TRAINING EMPLOYEES

OBJECTIVES :

After studying this lesson, you should be able to :

- Identify the need for training.
- Explain the benefits of training to employees and employers.
- Understand the principles of training.
- List out the training needs

STRUCTURE :

- Introduction
- Meaning
- Training inputs
- Need for training
- Importance of training
- Benefits to employees
- Training needs
- Review Questions

INTRODUCTION :

Training plays a very important role in human resource development. It is necessary, useful and productive for all categories of employees. Training involves the development of skills that are usually necessary to perform a specific job. Its purpose is to achieve a change in the behaviour of those trained and to enable them to do their job better. Training makes newly appointed workers fully productive in less time. Training is a continuous process. The managers should continuously be engaged in training their subordinates. They should ensure that any training programme should attempt to bring about positive changes in the knowledge, skills and attitudes of the employees.

MEANING :

According to Flippo, training is the act of increasing the knowledge and skills of an employee for doing a particular job. The major outcome of training is learning. A trainee learns new habits, refined skills and useful knowledge during the training that helps him to improve performance. Training enables an employee to do his present job more efficiently and prepare himself for a higher level job.

Training imparts the ability to detect and correct errors. It provides skills and abilities that may be called on in the future to satisfy the organisation's human resources needs. Training may be carried out on the job or in the classroom. In the latter case, it may be onsite or offsite- perhaps in a hotel or a training centre- or it may be in a simulated environment designed similar to the work environment in important respects. In any case, trainees are expected to acquire abilities and knowledge that will enable them to perform their jobs more effectively.

TRAINING INPUTS :

Skills, attitudes, and knowledge are three basic inputs for training. Any training in an organisation is aimed at making desired modifications in skills. Attitudes and knowledge of employees so as to make employee perform his job most efficiently and effectively.

Skills :

Training provides skills ranging from the acquisition of simple mechanical skills to complex administrative ones. Training an employee for a particular skill is undertaken to enable him to be more effective on the job. For instance, new workers can be trained to achieve levels of output expected out of him. Similarly existing workers whose levels of output are not as expected can be given training again.

Attitudes :

Attitudes are a set of feelings either favourable or unfavourable. Through orientation of induction programmes, organisations develop favourable attitudes in new employees toward the achievement of organisational goals. Training programmes in industry are aimed at moulding employee attitudes to achieve support for company activities, and to obtain better cooperation and greater loyalty.

Knowledge :

Training aims at imparting knowledge to employees. The modern industry may have peculiar problems. The knowledge acquired in training helps employees to understand all these problems. This knowledge of a worker is specific to his job and related broadly to plant, machinery, material product, and quality and standard of product. Knowledge of managerial personnel relates to the complex problems in organising, planning, staffing, directing and controlling.

Training initiated for imparting knowledge to employees should consider three aspects:

1. Knowledge in general about factory and work environment or job context.
2. Specific knowledge related to job content.
3. Knowledge related to quality and standards of product or quality of work.

NEED FOR TRAINING :

The primary concern of an organisation is its viability. Therefore the efficiency of organisation is required. There is continuous environmental pressure for efficiency, and if the organisation does not respond to this pressure, it may find itself rapidly losing whatever share of the market it has. Employee training imparts specific skills and knowledge to employees in order that they contribute to the organisation's efficiency, and be able to cope with the pressures of the changing environment. Training is needed to achieve the following purposes.

1. Newly recruited employees require training so as to perform their tasks effectively. Instruction, guidance, coaching helps them to handle jobs competently, without any wastage.
2. Training is necessary to prepare existing employees for higher level jobs (promotion).
3. Existing employees require refresher training so as to keep abreast of the latest developments in job operations. In the face of rapid technological changes, this is an absolute necessity.
4. Training is necessary if the person is shifted from one job to another (transfer).
5. Training is necessary to make employees mobile and versatile. They can be placed on various jobs depending on organisational needs.
6. Training is needed to bridge the gap between what the employee has and what the job demands. Training is needed to make employees more productive and useful in the long run.

- There are three other factors, which could necessitate training.

Change In Technology :

Change in technology has become the order of the day. In order to keep pace with technological changes, the organisations is likely to be increasingly mechanised or automated mechanization and automation of the plant is necessary for the organisation's survival; hence, organisations have to train its employees for

more skilled operations. New skills are required to operate new machinery, or familiarity with new processes and production techniques has to be introduced.

Organisational Complexity :

Organisations have become complex because of the introduction of mechanisation and automation. The change in technology also contributed to it. There are wide ranges of products. The medium Organisations these days seem to have an appetite for expansion. Expansion has led to a growth in the number of employees, and layers of hierarchical levels, and a variety of complex organisational structures and control mechanisms. Expansion, in its wake, also brings in complex problems of coordination and integration of activities. As a result, the need for training and retraining is felt at all levels in modern organisations, from shop floor to top executives.

Human Relations :

The change in technology and growing complexity of organisations has led to various human problems, like alienation, interpersonal and inter group problems. The attitudes and aspirations of people are also changing fast. To keep pace with all these changes and to help the human resources contribute their maximum, effective human relations have to be maintained.

IMPORTANCE OF TRAINING :

Training provides a number of benefits to both employees and employers. It makes the employee more productive and more useful to an organisation. The importance of training can be studied based on the benefits to business and employees.

BENEFITS TO THE BUSINESS :

1. The efficiency of the employees will increase and hence trained workers can work more efficiently.
2. Wastage will be reduced as the trained employees use machines, tools, materials properly.
3. Training improves the knowledge of employees regarding the use of machines and equipment. As such the number of accidents will reduce. Trained workers need not be put under close supervision, as they know how to handle properly.
4. The performance of the employees will be increased. They can produce quantitative goods and services by putting the materials, tools and equipment to good use.
5. Training makes employees to become loyal to an organisation.

They will be less inclined to leave the organisation where there are more opportunities for growth.

BENEFITS TO THE EMPLOYEES :

1. Trained employees are more useful to the firm. Hence, they will find employment more easily.
2. Trained employees are more efficient and effective. They can combine materials, tools and equipment in a right way and produce more with minimum effort.
3. Training employees to secure promotions easily. They can realise their career goals comfortably.
4. Training makes an employee to market for himself. He can move from one organisation to another easily. With this mobility, he can pursue career goals actively.
5. Training helps employees to avoid mistakes, accidents on the job. It makes them to handle jobs with confidence. They will be more satisfied on their jobs. Their morale will be increased.

Thus, training can contribute to higher production, fewer mistakes and accidents, greater job satisfaction

and morale, and lower labour turnover. Also, it can enable employees to cope with organisational, social and technological change. Effective training is highly essential as it contributes value to the human resources of an organisation.

Training Objectives :

Every training programme should have certain objectives. The design of the programme depends on the objectives. The personnel manager is responsible to formulate the objectives of the training programme. While formulating the objectives he should keep in mind the company's overall objectives. The general objectives of training are:

- a. To prepare the employee both new and existing to meet the present as well as ever changing requirements of the job and the enterprise.
- b. To overcome obsolescence.
- c. To impart the basic knowledge and skill to the new employees which they need for better performance of a particular job.
- d. To prepare employees for higher level jobs.
- e. To build up a second line of competent officers and prepare them to occupy more responsible positions.
- f. To expose to the latest concepts, information and techniques and developing the skill to the employees.
- g. To develop the senior managers by providing them with opportunities for an interchange of experience within and outside with a view to correcting the narrowness of outlook that may arise from over specialisation.
- h. To improve the morale, sense of responsibility, cooperation among the employees of some department.
- i. To ensure quality and economic output.
- j. To improve human relations in a department.

PRINCIPLES OF TRAINING :

The employee training should be guided by some principles. The principles of training are given below:

1. Motivation :

Some kind of motivation is necessary for an employee to participate actively in training programmes. The effectiveness of learning depends on motivation. In other words, the trainee will acquire new skills or knowledge quickly if he or she is highly motivated. Thus, training must be related to the desires of the trainee such as more wages or better job, recognition, status, promotion etc. The trainee should find out novel ways to motivate experienced employees who are already enjoying better facilities.

2. Progress Information :

There must be information to the trainee regarding his progress. This doesn't mean, the trainee should not bombard the trainee with excessive information or information that can be misinterpreted. The trainee has a desire to learn new skills to remain up-to-date. In order to sustain his interest it is necessary to provide only the right kind of information.

3. Reinforcement :

The effectiveness of the trainee in learning new skills or acquiring new knowledge should be reinforced by means of rewards and punishments. Examples of positive reinforcement are promotions, rise in pay, prizes etc. Punishments are called as negative punishments, e.g., demotions, threats of dismissal, cuts in salary etc. Management can punish the trainees whose behaviour is undesirable. But the negative consequences of such punishments on employee behaviour and performance must be kept in mind.

4. Practice :

“Practice makes a man perfect”, so goes the old saying. A trainee should actively participate in the training programmes in order to make the learning programme an effective one. Continuous practice is highly essential for effective learning. Jobs are broken down into elements from which the fundamental physical, sensory and mental skills are extracted. Training exercises should be provided for each skill.

5. Full Vs. Part :

Research has not indicated clearly whether it is desirable to reach (employees) the complete job at a stretch or dividing the job into parts and teaching each part at a time. If the job is complex and requires a little to long to learn, it is better to teach each part of the job separately and then put the parts together into an effective complete job. Generally, the training process should start from the known and proceed to the unknown and from the easy to the difficult when parts are taught. However the trainee has to teach the trainees based on his judgement on their motivation and convenience.

6. Individual Difference :

Individual training is costly, and group training is economically viable and advantageous to the organisation. But individuals vary in intelligence and aptitude. So it is necessary to adjust the training programme to the individual abilities and aptitude, depending on the financial strength of the organisation.

TRAINING NEEDS :

Training should be related to both organisation's and the individual's needs. Training needs can be identified by the following methods.

1. Views of the line managers.
2. Performance appraisal.
3. Company and departmental plans.
4. Views of training manager.
5. Analysis of job difficulties.

P.W. Thayer and Mc Ghee Model based on 1. Organisation analysis, 2. Task analysis and 3. Man analysis can help in identifying the training needs.

Organisation Analysis :

Organisational analysis involves a detailed analysis of the organisation structure, objectives of the organisations, the strength and quality of human resources, future plans of the organisation both short-term and long-term, and understanding the organisational culture. The above analysis would facilitate in understanding deficiencies that should be rectified.

Task Analysis :

Task analysis is detailed examination of a job, its various operations and the conditions under which it has to be performed. Analysis of the job and its various components indicate the skills and training to perform the job as per the standards.

Man Analysis :

Man analysis includes the analysis of individual employee's abilities, skills, inputs required for the performance, growth and development in terms of career planning. The training requirements of an individual can be obtained by observation. Man analysis helps to identify whether an employee requires training and if so,

what kind of training. The idea of training needs can be obtained from the individual's typical behaviour. The sources of such behavioural information are:

- a. Observation at the place of work, examination of job schedules, quantum of spoilage, wastage, and clues about interpersonal relations of the employees;
- b. Interviews with superiors and employees;
- c. Comparative studies of good vs. poor employees to identify differences, skills and training gaps.
- d. Personnel records;
- e. Production reports;
- f. Review of literature regarding the job and machines used. Job-knowledge tests, work sampling and diagnostic psychological tests also provide information about employees. Thus, a variety of sources need to be studied.

SUMMARY :

The basic purpose of the training is to develop skills and efficiency of the employees. The trained employees are assets to the organisation. Training is not only beneficial to the employees but also beneficial to the employers. Skills, attitudes and knowledge are the basic inputs of training. The training programmes should have certain objectives. The objectives should be formulated keeping in view the overall objectives of the organisation.

KEYWORDS

Skills, Attitudes, Knowledge, Motivation, Reinforcement, Task Analysis
Man Analysis

REVIEW QUESTIONS

1. Define training. Explain the need for training in a manufacturing organisation.
2. What are the training inputs? What are the principles and objectives of training?
3. What is the significance of training? Explain its benefits to employees and organisation.
4. What are training needs? Explain the methods of identifying training needs.

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LEARNING AND TRAINING

OBJECTIVES :

After studying this lesson, you should be able to:

- Explain the basic principles of learning.
- Describe the theories of learning and influence of learning model on individual;
- Discuss the importance of motivation to learn; and
- Suggest a training department to create conducive learning climate.

STRUCTURE :

- Introduction
- Meaning of principles
- Theories of learning.
- Influence of Learning Model on Individual
- Motivation to learn
- Characteristics of learning process
- Problems in learning

INTRODUCTION :

Training is a learning process. The personnel manager too has to spell out the objective of the training. Whatever may be the method of training, trainee should understand the principles of learning so that he can easily internalise of what is taught.

MEANING AND PROINCIPLES :

Andrew F. Sikula defined learning as "that human process by which skills, knowledge, habits and attitudes are acquired and utilised in such a way that behaviour id modified". Models of human learning are studied in order to find out the reasons for fast and accurate learning. The following factors identified by Sikula would provide insight into the learning process of individuals.

- a. All human beings can learn.
- b. Gives a positive comparison total and a certain percentage of the total positive evaluation. An individual must be motivated to learn.
- c. learning is active but not passive.
- d. Learners may acquire knowledge more rapidly with guidance. Fed-back ensures improvement in speed and accuracy of learning.
- e. Appropriate material (like case studies, tools, problems, reading etc.) shuld be provided.
- f. Time must be provided to practice learning.
- g. Learning methods should be varied. A variety of methods should be introduced to off-set fatigue and boredom.
- h. The learner must secure satisfaction from learning.
- i. Learners need reinforcement of correct behaviour.
- j. Standards of performance should be set for the learner.
- k. Individual differences play a large part in the effectiveness of the learning process.
- l. Ego movement is widely regarded as a major factor in learning.
- m. The rate of learning decreases when complex skills are involved.
- n. Learning is closely related to attention and concentration.

The following five principles have a bearing on the effectiveness of learning process. They are participation, repetition, relevance, transference, and feed-back.

Participation :

Learning usually is quicker and long-lasting when the learner participates actively. Participation improves motivation and apparently engages more senses that help reinforce the learning process. As a result of participation, people learn quicker and retain that learning longer. For example, most people never forget how to ride a bicycle because they actively participated in the learning process.

Repetition :

Although seldom fun, repetition apparently etches a pattern into our memory. Studying for an examination, for example, involves repetition of key ideas so that they can be recalled during the test. Likewise, most people learn the alphabet and the multiplication tables by repetition, during the childhood and are retained forever through a process known as internationalisation.

Relevance :

Learning is helped when the material to be learned is meaningful. For example, trainers usually explain the overall purpose of a job to trainees before explaining specific tasks. This explanation allows the worker to see the relevance of each task and the relevance of following the correct procedure.

Transference :

The closer the demands of the training programme to the demands of the job, the faster a person learns to master the job. For example, pilots usually are trained in flight simulators because the simulators very closely resemble the actual cockpit and flight characteristics of the plane. The close match between the simulator and the plane allows the trainee to transfer quickly the learning in the simulators to actual flight conditions.

Feedback :

Feedback gives learners information on their progress. With feedback, motivated learners can adjust their behaviour. Without feedback, the learners cannot gauge their progress and may become discouraged. Test grades are feedback on the study habits of test takers.

THEORIES OF LEARNING :

Learning can be done through direct experience OR BY OBSERVATION. The effect of learning can be assessed through measuring the change in the attitude and behaviour of learner. There are two major learning theories which dominated the learning research over the years. They are cognitive view and environment perspective.

Edwin A. Locks argues that an individuals purpose or intentions direct his or her actions. It is a cognitive process. B.F. Skinner believe that the individual is acted upon and his or her behaviour is a function of its external consequences. So it is influenced by the environment.

Albert Bandura recently offered a new approach, which blends both the theories. The new approach is called Social-Learning theory. This theory emphasises, learning is a continuous interaction between the individual and the particular social environment in which he or she functions. It believes that one can learn by observing what happens to other peoples. As the nature if training is mostly by observation, this theory has considerable application potential.

INFLUENCE OF LEARNING MODEL ON INDIVIDUAL :

Learning model influences the individual learning. Research indicates that we have learned comes from watching model, that is from parents, teachers, peers, motion picture and television performers, bosses and so on. Deccenzo and Robins have found four processes of influence of a model on an individual.

1. Attention Process :

People only learn from a model why they recognise and pay attention to its critical features. We tend to be most influenced by models that are attractive, repeatedly available, that we think are important, or that we see as similar to us.

2. Retention Process :

A model's influence will depend o how well the individual remembers the model's action, even after the model is no longer readily available.

3. Motor Reproduction Processes :

After a person has seen a new behaviour by observing the model, watching must be converted to doing. This process then demonstrates that the individual can perform the modelled activities.

4. Reinforcement process :

Individuals are to be motivated to exhibit the modelled behaviour, if positive incentives or rewards are provided. Behaviour that are reinforced will be given more attention, learned better, and performed more often.

Social learning theory tells what a training programme should include. It tells that there should be a model. The model should get the attention of trainees; provide motivational properties; help the trainee file a way what he or she has learned for later use; and if the training has taken place off the job; allow the trainee some opportunity to transfer what he has been learned on the job.

MOTIVATION TO LEARN :

The success of any training programme depends on the attitude of both trainers and the trainees. There must be interest and desire in trainee to learn to a maximum extent. The interest and desire in trainees make them participate sincerely and seriously during the training programme. A trainee should be motivated to commit himself to the programme. When does motivation begin? Motivation begins even before starting the training programme. Motivation is a continuous process. It should go along with the programme and should continue even after the completion of the programme. How to motivate a trainee is the next issue to be resolved. Motivation can be done by offering some benefits to the employees like offering confirmation to the probationers, promotions, wage like, enhancing benefits and rewards/ awards etc., to the successful trainees. The next important question is who is to motivate? Al the line managers are expected to motivate the employees of their respective departments. The personnel manager and the training manager are responsible for motivating employees by explaining the content of the programme, matching the training programme to the needs of tra&nees, and use of the training in reducing their weaknesses and further strengthening their knowledge, skill, aptitudes etc. The teacher/ instructor plays an important role in motivating the trainees during the programme. The techniques of recognition, prestige, responsibility, advancement, growth, status, may be used for motivation. Congenial working conditions during training programme, audio-visual aids in instruction, course content, and presentation of subject also motivate the employees.

FAILURE OF MOTIVATION :

Though management tries to motivate the employees, it may not succeed in all situations. It fails in the following circumstances:

- a. If the trainee does not have interest and desire to progress or develop.
- b. If there is no tradition of training the employees in the organisation.
- c. When the employees resist the training being provided only on traditional lines and when it is not necessary.
- d. When the training programme is not conducive.
- e. Lack of ability to learn on the part of trainees.
- f. When the employees have the feeling that they cannot succeed and that they are deemed to fail in everything.
- g. When the training programme affects job security and thereby leads to retrenchment of other employees.
- h. When the future job (for which training is going to be given) demands extra ordinary physical and mental energy, skills, knowledge etc.

CHARACTERISTICS OF LEARNING :

Whatever may be the learning model, the learning process consists of the following characteristics.

- Learning is not one time job. It is a continuous process.
- People learn through their personal experiences, stimulated experiences, and from others experiences.
- Learning is done stage by stage, that is from unknown stage to known stage and single stage to complex stage.
- Learning needs repetition in teaching to improve perfection and in skill.
- After learning there must be an opportunity to practice the learned skills, knowledge and abilities acquired through learning.
- There is scope for conflict in learning. This conflict arises when the learner knows or has developed some habits, which are incorrect in terms of the method being learned.

Learning and teaching :

The training programme will not be effective if the trainers lack aptitude for teaching and teaching skills. Training comprises both learning and teaching. Hence teaching principles should also be understood.

Teaching Principles :

The following are the teaching principles.

- Only the correct method of work should be taught.
- Job analysis and motion study techniques should be used.
- Training under actual working conditions should be preferred to class room training.
- Accuracy should be given more emphasis than speed.
- Teaching should be in different time intervals.
- In training programmes, it should be recognised that it is easier to train young workers than old workers due to their decreasing adaptability with the increase in age.

Learning Climate :

Conducive climate in the training programme encourages learner to participate with attentiveness and creates interest and sincerity in learner. The learning climate includes working conditions, relationships with other trainees and trainees, conditions for relaxation, freedom, scope for social interaction and formation of

social groups. It also consists of ideal physical and psychological environment. Ideal physical environment consists of suitable location with ample source, adequate accommodation, audio-visual aids, air conditioning, ventilation, lighting and other facilities like canteen facilities for relaxation. Ideal psychological environment, consisting of business atmosphere, friendly environment, frequent communication, follow up regarding performance and progress, enthusiastic, helpful and broad-minded trainer etc., should be created and provided. Provision for measuring learner's progress through tests should also be made in order to regulate, correct and follow up the training programme.

PROBLEMS IN LEARNING :

However effectively designed the training programme may be, the learning process may have some problems. The instructor should overcome the problems by taking appropriate steps. The possible learning problems identified by Talbot and Ellis are as follows;

- Both trainer and learner lack knowledge, skill, aptitude and favourable attitude.
- There may not be proper application of knowledge and skill.
- There may be psychological problems like fear and shy.
- Inability to transfer learning to operational situation.
- Too much dependence on repetition on demonstration and practice.
- Some learners show unwillingness to change.
- The trainees may lack motivation.
- Negative attitude about involvement about participation.

SUMMARY :

Learning is quicker and long-lasting when the learner participates actively in training. The learner should be given feedback information about his progress. There were initially two theories of learning called cognitive process and environmental process. Recently, another theory called Social learning. Theory has been offered which is a combination of the two earlier theories. There must be a learning model which influences the learners. The learners should be continuously motivated in a conducive climate to participate in learning.

KEY WORDS

Participation, Repetition, Relevance, Transference, Feedback, Cognitive Process, Environmental Process, Social Learning, Attention, Retention, Motor Reproduction, Reinforcement.

REVIEW QUESTIONS

1. Define learning? Explain the principles of learning.
2. Explain various theories of learning. What is the influence of learning model on individual?
3. Explain the following in brief
 - a. Motivation to learn
 - b. Characteristics of learning process.
 - c. Teaching principles.
 - d. Learning climate.
 - e. Problems in learning.
4. What are the problems that are normally, encountered in the training programmes? How do you overcome them.
5. describe the important principles of training.

6. How do you identify the training needs of individuals in an organisation?

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TRAINING METHODS

OBJECTIVES :

After studying this lesson, you should be able to:

- Define the objectives of Training methods;
- Classify the training methods into on-the-job and off-the-job training methods;
- Explain the training procedure;
- Identify the areas where training should be given for a particular job;
- Suggest a training department that how to evaluate training programme.

STRUCTURE :

- Introduction
- Objectives of training
- On the job training methods
- Off-the-job methods
- Areas of training
- Training to different Categories of Employees
- Evaluation of training Programme
- Summary
- Review questions

INTRODUCTION :

Training methods refers to the specific means by which training is imparted to the individuals. There are various methods of training which can broadly classified into on-the job training methods and off-the-job training methods. The choice of a method would depend on a variety of factors, such as competence of instructors, relevance to the participants, the programme design, the content and finally its cost implications.

OBJECTIVES OF TRAINING METHODS :

Training methods have a number of objectives. The method of training has to be chosen in relation to the programme requirements.

The objectives of the training programme are:

- To impart the basic knowledge and skill to new entrants and enable them to perform their jobs well;
- To equip the employee to meet the changing requirements of the job and the organisation;
- To reach the employees the new techniques and ways of performing the job or operations; and
- To prepare employees for higher level tasks and build up a second line of competent managers.

ON THE JOB TRAINING METHODS :

1. Job rotation
2. Apprenticeships and coaching.
3. Job instruction
4. Committee assignments.

1. Job Rotation :

To cross-train employees in a variety of jobs, some trainers will move the trainee from job to job. Each move normally is preceded by job instruction training. Besides giving workers variety in their jobs, cross-training helps the organisation when vacations, absences, and resignations occur. Learner participation and

high job transferability are the learning advantages of job rotation.

2. Apprenticeships and Coaching :

Apprenticeships involve learning from a more experienced employee or employees. This approach of training may be supplemented with off-the-job classroom training. Most craft workers, such as plumbers and carpenters, are trained through formal apprenticeship programmes. Assistantships and internships are similar to apprenticeships. This approach uses high levels of participation by the trainee.

Coaching is similar to apprenticeship because the coach attempts to provide a model for the trainee to copy. Most companies use some coaching. It tends to be less formal than an apprenticeship programme because there are few classroom sessions, and the coaching is provided when needed rather than being part of a carefully planned programme. Coaching is almost always handled by the supervisor or manager and not the personnel department. Participation, feedback, and job transference are likely to be high in this form of learning.

3. Job Instruction :

Job instruction training is received directly on the job and is used primarily to reach workers. A trainer, supervisor, or co-worker serves as the instructor. This method includes each of the learning principles. Inclusion of the five learning principles occurs because this training is provided through a series of carefully planned steps.

First, the trainee receives an overview of the job, its purpose, and its desired outcomes, which emphasizes the relevance of the training. Then the trainer demonstrates the job to provide the employee with a model to copy. Since the employee is shown the actual actions that the job requires. Next, the employee is allowed to mimic the trainer's example. Demonstrations by the trainer and practice by the trainee are repeated until the job is mastered by the trainee. Repeated demonstrations and practice provide the advantage of repetition and feedback. Finally, the employee performs the job without supervision; although the trainer may visit the employee to see if there are any lingering questions.

4. Committee Assignments :

In this method, trainees are asked to solve an actual organisational problem. The trainees have to work together and offer solutions to the problem. This method of training helps them develop team spirit and work unitedly towards common goals.

OFF-THE-JOB METHODS :

- | | |
|-----------------------------------|---------------------|
| 1. Vestibule training | 2. Role playing |
| 3. Lecture and Video Presentation | 4. Case study |
| 5. Simulation | 6. Management Games |
| 7. In-basket Exercise | 8. Self Study |
| 9. Laboratory Training | |

1. Vestibule training :

In this method, actual work conditions are simulated in a classroom. Materials, files and equipment that are used in actual job performance are also used in training. This type of training is commonly used for training personnel for electrical and semi-skilled jobs. The duration of this training ranges from a few days to a few weeks. Theory can be related to practice in this method.

2. Role playing :

The role play method requires participants to enact roles on the basis of a written script or an oral description of a particular situation. The enactment process provides an insight and understanding of the demands

and situations of the assigned role, thereby facilitating empathy with another's role. The main emphasis is in management training is in facilitating a better understanding of interpersonal problems, and attitude change. If not handled well, however, it could degenerate into childish exercise, where, instead of focussing on the problem to be understood, the situation might be dramatised.

3. Lecture and Video Presentation :

Lecture and other off-the-job techniques tend to rely more heavily on communication rather than modelling, which is used in on-the-job programmes. These approaches are applied in both training and development. Lecture is a popular approach because it offers relative economy and a meaningful organisation of materials. However, participation, feedback, transference, and repetition are often low. Feedback and participation can be improved when discussion is permitted along with the lecture process.

Television, films, presentations are similar to lectures. A meaningful organisation of materials is a potential strength, along with initial audience.

4. Case study :

The case is an actual situation, which is written for discussion purpose. Analysis would need problems identification, analysis of the situation and of its causes. There could be several solutions to the problem, and each of these alternatives and their implications need to be examined. In this real world, on many occasions, a manager may not have all the relevant information with him before taking decision. Similarly, the case method approximates this reality and in many situations, decisions are taken with limited data. The managerial response in such a situation is understood and as such case analysis helps the trainees to develop problem-solving skills.

5. Simulation :

Simulation exercises involve a mechanical simulator that replicates the major features of the work situations. Driving simulators used in driver's education programmes are an example. This training method is similar to vestibule training, except the simulator more often provides instantaneous feedback on performance.

6. Management Games :

The game is built around the model of a business situation and trainees are divided into teams representing the management of competing companies. They simulate the real-life process of taking operating decisions. Decisions taken are analysed by a computer, or manually, and the implications of these decisions are feedback. The game is played in several rounds.

7. In-basket Exercise :

This is a simulation training technique designed around the incoming mail of a manager. A variety of situations is presented which would usually be dealt with an executive in his working day. His reactions and responses are taken down in writing and then analysed. Feedback on his decisions forces him to re-consider not only his administrative actions but also his behavioural style. A variation of this is the incident method where significant incidents having behavioural implications are analysed and used as a training method.

8. Self Study :

Carefully planned instructional materials can be used to train and develop employees. These are particularly useful when employees are dispersed geographically or when learning requires little interaction. Self-study techniques range from manuals to pre-recorded cassettes or videotapes. Unfortunately, few learning principles are included in this type of training.

9. Laboratory Training :

Laboratory Training is a form of group training primarily used to enhance interpersonal skills. It, too, can be used to develop desired behaviours for future job responsibilities. Participants seek to improve their human relations skills by better understanding themselves and others. It involves sharing their experiences and examining the feelings, behaviour, perceptions, and reactions that result. Usually a trained professional serves as a facilitator. The process relies on participation, feedback, and repetition. One popular form of laboratory training is sensitivity training, which seeks to improve a person's sensitivity to the feelings of others.

TRAINING PROCEDURE :

To be effective, a training programme should have a plan and procedure. The steps involved in training procedure are given below:

1. Preparing the Instructor :

The instructor should know what and how to teach. It must be divided into logical parts so that each can be taught at a proper time without the trainee losing perspective of the whole. This becomes a lesson plan. For each part one should have in mind the desired technique of instruction, that is, whether a particular point is best taught by illustration, demonstration or explanation.

2. Preparing the trainee :

The trainee must put the trainees at ease. Because people are somewhat nervous when approaching a unfamiliar task. Though the instructor may have executed this training procedure, many times he or she forgets its newness to the trainee. The quality of empathy is a mark of the good instructor.

3. Getting ready to teach :

This stage of programmes involves the following activities:

- Planning the programme
- Preparing the instructor's outline. Do not try to cover too much material;
- Keeping the session moving along logically.
- Discussion of each item in depth
- Adoption of material from standardised texts when it is available.
- When the standardised text is not available, develop the programme and course content based on group approach . Group consists of employer, skilled employees, supervisors, trade union leaders and others familiar with job requirements. Group prepares teaching material.
- Teach about standards for the trainee like quality, quantity, waste or scrap, ability to work without supervision, knowledge of procedures, safety rules, human relations etc.

4. Presenting the Operation :

There are various alternative ways of presenting the operation viz., explanation, demonstration etc. An instructor mostly uses the method of explanation. One may also illustrate various points through the use of pictures, charts, diagrams and other training aids. Demonstration is an excellent device when the job is essentially physical in nature. The following sequence is a favourite with some instructors.

- Explain the sequence of the entire job.
- Do the job step by step according to the procedure.
- Explain each step in detail.
- Have the trainee explain the entire job.

5. Try out the trainee's performance :

The trainee should now be asked to start the job independently. Some instructors prefer that the trainee explains each step before doing it, particularly if the operation involves any dangers. The trainee, through repetitive practice, will acquire requisite skills.

6. Follow up :

The final step in most training procedures is that of follow-up. When people are involved in any problem or procedure, it is unwise to assume that things are always constant. Follow-up can be adopted to a variable reinforcement schedule as suggested in the discussion of learning principles. The follow-up system should provide feedback on training effectiveness and on total value of training system.

AREAS OF TRAINING :

There are several areas in an organisation in which training should be given to the employees. But all these areas cannot be bundled into one and make a training programme. Hence there is need to divide it into different areas so as to give training in each area. Some areas of training can be given by on-the-job training method and the others by off-the-job training methods. The areas of training are as follows.

- | | |
|--------------------------------------|---------------------|
| 1. Company policies and procedures, | 2. Specific skills, |
| 3. Human relations, | 4. Problem solving. |
| 5. Managerial and supervisory skills | |

TRAINING TO DIFFERENT CATEGORIES OF EMPLOYEES :

There are different categories of employees in an organisation. The job analysis provides the information regarding job content of different jobs. Hence, the management has to take into consideration the job analysis data in preparing training methods and content. The following are some of the training methods for different categories of employees.

1. Supervisory training :

A supervisor has to learn how to supervise his employees. The content of the training programme includes production control, organisation methods, work/activity control, work study, job evaluation, company policies and practices, personnel policies, procedures, programmes, training the subordinates, grievance handling, disciplinary procedure, communication, effective instruction, report writing, performance appraisal, personnel records, dealing with absenteeism, labour turnover, industrial and labour laws, leadership qualities etc. As supervisor is an intermediary between employees and management, if he is trained properly, most of the problems at the shop floor can be effectively handled by him.

2. Sales personnel training :

The sales personnel has to impress the customer about the usefulness and the quality of the products. Both the type of training, on-the-job as well as off-the-job training should be imparted to sales personnel. The training programme content includes job knowledge, organisational knowledge, knowledge about the company products, customers, competitors, sales administration procedures, laws concerning sales, special skills like prospecting, making presentations, handling objections, closing the sales etc., Apart from these, the sales employees should be taught to develop loyalty to the company and a positive attitude towards its products.

3. Clerical training :

Clerks in an organisation deal with office work which includes going through files, understanding them, and interpreting them. Clerical training is imparted through both on-the-job and off-the-job methods. The

training content includes, organisation and methods, company policies, procedures and programmes, background knowledge of the company, forms, reports, written communication, clerical aptitude, maintaining ledgers, records etc.

EVALUATION OF TRAINING PROGRAMME :

After the training is over, management must evaluate the effectiveness of the training programme. There must be some basis of evaluation. Hamolin defined training evaluation as an attempt to obtain information on effect of training performance and to assess the value of training in the light of the information. When the evaluation is over, naturally controlling and correcting process of training programme will start.

SUMMARY :

The training methods are divided into on-the-job training and off-the-job training methods. The training programme should follow a procedure. The organisation should prepare the instructor list. Then proceed to trainee to get him prepared for training. There must be follow up after training is over. It enhances the effectiveness and the value of training system. Training needs to be given in different areas like company policies, supervisory skills, human relations etc. The training methods adopted to various categories of employees are different.

KEY WORDS

On-the-job training, Job Rotation, Apprenticeship, Coaching,
Vestibule training, Role play, Case study, Simulation,
Management Game, Review In-basket Exercise, Laboratory training,
Follow-up, Human Relations, Problem solving

REVIEW QUESTIONS

1. Explain different methods of training the employees? Suggest a suitable training method for salesman of pharmaceutical company.
2. What is job rotation? How does it help in acquiring new skills and knowledge?
3. Explain the steps involved in training procedure.
4. Briefly discuss the important areas of training.
5. Identify and prepare suitable methods of training for different categories of employees.
6. How do you evaluate training programme? What are the essentials of successful evaluation?

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Role of the Personnel Manager

Personnel Management is that part of Management, which is primarily concerned with human factor within an Organisation.

Principles and Theories :

The objective of Personnel Management is the maintenance of the relationship between the management and the managed on a basis which, by consideration of the well-being of the individual, enables all those engaged in the undertaking, to make their maximum personal contribution to its effective working.

The British Institute of Personnel Management has defined personnel Officer as follows "Personnel Officers are those persons specially qualified by training and experience to advise in the formation of personnel policy, to secure understanding and application of that policy at all levels of the organization and to be responsible for the appropriate executive duties arising there from"

Personnel Managers are essentially social workers within an industry (1) to properly relate the man to the job and the job to the man,(2) to promote proper human relations between various levels of personnel employed in the industry, and (3) to administer welfare services. Human approach and social work skills are required for the successful discharge of these duties.

Personnel Management requires scientific approach to human relations. A Personnel Manager is a human engineer. He is the lubricating shaft between the Management and the labour in industry.

Different designations, such as Labour Officer, Personnel Officer, Welfare Officer, Labour Relation Officer, etc., are being used in different organisations. The term 'Welfare Officer' as laid down in the Factories Act 1948, does not clearly convey the idea of the duties and functions expected to be performed by a Personnel Officer. The correct designation and comprehensive one is Personnel Manager, especially in industries, where there is one person for Personnel Management. The latest trend is to make the role of Personnel Manager more comprehensive and designate him as Human Resource Development(HRD) Manager.

A Personnel Manager is a connecting link between the labour and Capital. He has pledged himself for service. "By love, serve one another", is his guiding motto.

Personnel management is a relatively new profession, of human engineering and scientific management of human beings, endowed with dignity of statutory recognition. Appointment of Welfare Officer in industrial establishments and plantations is mandatory. India is the only country among the industrially advanced countries of the world which has promulgated a law for the appointment of Welfare Officers.

Philosophy of Personnel management is based on the right of each person to be judged on his own merit. So personnel managers must have respect for human personality which transcends all distinctions of language, race, religion, custom, class or caste.

Functions and Responsibilities :

The Personnel Manager has to play an important role in securing the necessary spirit of mutual trust, co-operation and goodwill between the two elements of the industry, employees and employers. His principle function is the direction and co-ordination of the human relations of an industrial organization with a view to getting the maximum production with the minimum effort and friction and with proper regard for the genuine well being of the workers. He must interpret the needs of the workers to the Management and the policies of the management to the workers and administer all labour matters. He is a functional authority. His relation with other executives and Department Heads must be good. He has a definite hand in framing labour policies. The

essential function of the Personnel Manager is to act as a link between the Labour and the Management. It is his responsibility to ensure that the rights and privileges of labour, as laid down in the standing orders and other labour legislations, are always and fully protected. He is responsible to convey to the Management the needs and wishes of labour and for keeping the Management fully advised in regard to all developments and trends in labour ranks. He must keep himself fully informed in respect of all labour legislations. The promulgations of a number of labour laws in recent years and the legal issues emanating from them has added to the responsibilities of the Personnel Managers. To fulfil his tasks effectively and successfully, he must win the confidence of the labour. The extent to which he comes to be regarded as their friend, philosopher and guide, will be largely the measure of his success.

Personnel Manager is the person to whom the employees can look up with confidence at times of problems and distress. He holds the balance in the maintenance of industrial peace. Industrial peace, harmony and good relations depends on him to a very large extent. Dissatisfaction and frustration may be there, because he is not able to satisfy all those who approach him with requests.

Personnel Managers is the conscience of the management, advising the Management on social trends, industrial relations and personnel policy. He must ensure that all departments heads and supervisors know and understand the personnel policy of the company. He is the chief adviser of the departments for the effective functioning of which his role is of paramount importance.

Qualifications of a Personnel Manager :

Personnel management is largely a technical job and has to be handled by men trained, talented and experienced for the same. It is a profession in itself. "Is a personnel manager born?" One can not deny that there may be few. But the general bulk are those who acquire the talent and ability. He must have the vocation for the job. He must have a strong character. He must possess a high degree of tact and dynamism and maturity of understanding and judgement. Abundant patience and knowledge of the working of the human mind are essential qualities of a personnel manager.

A personnel manager, by his conduct and action, must be able to secure and maintain the confidence of both the employees and employers. This can be achieved only if he is scrupulously honest and impartial in the discharge of his duties. He must always be ready to render all possible help to those who are in difficulties. He must equip himself fully with the basic principles and theories which constitute his functions. He must maintain a high standard of efficiency.

He must have a thorough knowledge of the economic conditions of the country; must be familiar with the various industrial laws in force and must have a good background of the subjects like Personnel Management, Industrial Psychology, Sociology and Statistics. Initiative is an essential qualification for a personnel manager.

He should be familiar with the method and nature of the working of the organization. Ability to understand inter-departmental as well as the line and staff relationship is most important for him. He must know the people and work, and what their duties and responsibilities are. He must possess intimate knowledge of the labour needs of the different departments and of conditions governing wages.

Rules under section 49 of the Factories Act, 1948 which provides for the appointment of Welfare Officers, prescribes the qualifications required for the incumbent as follows: "A person shall not be eligible for appointment as a Welfare Officer unless he possesses a degree of a university or a diploma in Social Science and has adequate knowledge of the language spoken by majority of the workers." Provision has, however, been made in certain State Rules for exemption from the above prescribed qualifications for persons with adequate experience.

Personnel manager is often criticized and shouted at by the labour and jeered at by the Management at times of disturbance; the former view him with suspicion and the latter trying to pass the buck on to him. Unless

he is able to face the situation with a hearty smile, without any bias or prejudice, his performance will be poor. He has to act without fear or favour, but tactfully. He is not to be influenced by one side. He must try to ensure that justice is done and fairness meted out.

Personnel manager is engaged in the great task of converting raw human materials into effective links in industry and useful members of society. What is needed most is the human understanding by him in his role as a human engineer. In short, integrity, personality, energy, originality, human understanding, impartiality, sound commonsense and tact are the greatest assets required to be a successful Personnel manager. The success depends on his personal qualities, attitude of mind and a real sense of vocation. He requires experience and ability. He must have a pleasing personality, patience, diplomacy, persuasiveness, ingenuity, imagination, power of expression, good business judgement, a broad knowledge of personnel administration and the ability to gain and hold the respect of all persons with whom he is associated.

Training of Personnel Manager :

A Personnel Manager, particularly a new recruit, however qualified, he is, requires through implant training. He must have a fair knowledge of the industry, wage structure, working conditions, employee services, retirement benefits and all other details affecting personnel. He should be assigned under a senior officer for a period of training in order that he understands the various functions of his office, particularly, processing of transfer and promotions, employment and internal administration of all other departments.

There are three kinds of training for personnel managers, viz., (1) pre-employment training, (2) in-service training and (3) post-employment training or refresher or extension courses. Where there are different branches of the same concern, with personnel manager employed in each branch, and a Chief Personnel Manager at the Head Office, it is essential to have regular meetings and conferences for them, to enable them to follow a uniform policy, whenever necessary.

Personnel management is a profession, with great scope for expansion. A strong professional association on national level is a necessary for the growth of the profession. The National Institute of Personnel Management (NIPM), is a professional association of personnel managers. The aim and objectives of the NIPM are to spread ideas concerning the importance of human values in industry, to promote the study of personnel and industrial welfare problems and to promote and safeguard the status of those engaged in personnel and welfare work. Through the Institute and its regional chapters and study groups, personnel managers can keep in touch with each other and pool their knowledge and experience. Short term courses sponsored by the government or professional organizations or institutes should be arranged to train personnel managers who are already in service. There are various educational institutions in the country for the training of personnel managers. The Tata Institute of Social Sciences in Bombay is the pioneer and there are many others which have followed suit.

An essential part of a well-run personnel department is an Industrial Relations Manual, detailing the policy of the employer on all phases of Industrial Relations and Procedure. The full training of a personnel manager is not a matter to be accomplished in one or two years, but is a matter of continuous process over a number of years.

Duties of a Personnel Manager :

Duties of a personnel manager have been explained by various Institutes of Personnel Management and other professional organizations. The duties of Welfare Officers defined in the Factories Act, 1948 are comprehensive. Rules under Section 49(2) and 50 of the Factories Act provide that the duties of a Welfare Officer be as follows:

1. to establish contact and hold consultation with a view to maintaining harmonious relation between the Factory Management and the workers.

2. to bring to the notice of the Management the grievances of the workers, individual as well as collective, with a view to securing their expeditious redress and to act as a negotiating officer with Trade Unions.
3. to study and understand the point of view of labour in order to help the Factory Management to shape and formulate labour policies of the factory and to interpret those policies to the workers in a language they can understand.
4. to watch industrial relations with a view to using his influence in the event of a dispute between the management and the workers and to help to bring about a settlement by perspective efforts.
5. to deal with wage and employment matters by joint consultation with the management and worker's representative bodies.
6. to exercise a restraining influence over workers going on illegal strikes and management declaring illegal lockouts and to help in preventing anti-social activities.
7. to maintain a natural attitude during legal strikes or lockouts and in bringing about a peaceful settlement.
8. to ensure fulfilment on the part of the management all their obligations, statutory or otherwise, concerning the application of provisions of the Factories Act, 1948 and the rules made hereunder and to establish liaison with the Factory Inspectors and medical services concerning medical examinations, health records, supervision of hazardous jobs, sick visiting and convalescence, accident precautions, supervision of safety committees, systematic plant inspection, safety education, investigation of accident, maternity benefits and workmen's compensation.
9. to improve relations between management and workers which will ensure production efficiency, as well as amelioration in the working conditions and to help workers to adjust and adapt themselves to the working environments.
10. to encourage the formation of works and joint production committees, co-operative societies and safety first and welfare committees and to supervise their work.
12. to ensure provision of amenities, such as canteens, shelter for rest, crèches, adequate latrine facilities, drinking water, sickness and benevolent payments, granting of loans and legal advice to the workers.
13. to help the factory management in regulating the grant of leave with wages and explain to the workers the provisions relating to leave with wages and other privileges and to guide the workers in the matter of submission of application for grant of leave for regulating authorized absence.
14. to secure welfare provisions such as housing facilities, food stuffs, social and recreational facilities, sanitation, advice on individual personnel problems and education of children.
15. to advise the factory management on questions relating to training of new starters, apprentices, workers, on transfer and promotion, instructors and supervisors, supervision and control of notice boards and information bulletins to further education of workers and to encourage their attendance at technical institutes.
16. to suggest measures which will serve to raise the standard of living of workers and in general promote their well-being.
17. to study absenteeism and labour turnover and the measures to be adopted for their prevention.

It should be noted that Factories Act has not been defined the complete duties of a personnel manager in as much as all the administrative functions have not been incorporated in the statutory provisions.

Problems of a Personnel Manager :

A Personnel Manager has many problem to confront from the management as well as the employees. Rule 6 of the Welfare Officer's (Recruitment and Conditions of Service) Rules stipulates that a welfare officer shall be given appropriate status corresponding to the status of other executive heads of the factory. But in

many concerns this is not strictly adhered to. There are factories where the welfare officer is a name sake, glorified clerk, given the title without responsibilities or status to circumvent law.

The personnel manager should have access to all parts of the concern departments and employees should be allowed to interview him when he is on his daily rounds or in the personnel office with prior permission of head of the departments. Department heads very often consider him as an intruder, treading on their rights and privileges. This can, in most cases, be avoided if the functions and responsibilities of the personnel manager are made known to the heads of departments and supervisory staff even before he is introduced to them.

A personnel manager is often criticized by the workers that he is a tool in the hands of the management. On the other hand, there are employers who still doubt the place for a personnel manager in industry, their main objection being that the worker's loyalty will be divided and that the personnel managers themselves will be responsible for creating trouble in the labour ranks as well as supervisory cadre.

Personnel managers are very often victims of the personal likes and dislikes of local managers. This happens particularly in the case of personnel managers at terminals, where they are theoretically an extension of the staff and industrial relations department attached to the head office, but for all practical purposes are under the terminal managers. They are often obliged to swallow silently many an unpalatable dose coming from the management, without consideration of the onerous and difficult jobs they are handling.

Career Planning :

Career planning means helping the employees to plan their career in terms of their capacities with regard to the organisational needs. It includes establishing an organisational system of career movement and growth opportunities from the point of entry of an individual in employment to the point of his retirement. It is a kind of management's planning exercise to design the entire career of young employees in higher skilled, supervisory, and planned deployment of these talents. It is also referred to as a process of synthesising and harmonising the needs of the organisation with the innate aspiration of the employees, so that while the later realise self-fulfilment, the organisational effectiveness is improved. Generally, a career can be defined as a sequence of separate but related work activities that provide continuity, order and meaning to a person's life. It is not only a series of work-related experiences, but also a series of properly sequenced role experiences, leading to an increasing level of responsibility, status, power, and rewards. The following are the advantages of career planning:

1. It increases the utilisation of managerial reserves within the organisation.
2. It ensures satisfactory performance of employees by meeting their needs and aspirations for growth.
3. It reduces the employee turnover for lack of promotional avenues.
4. It improves and maintains motivation and morale of employees

Career planning has its own limitations. Small organisations cannot have career planning. Its other shortcomings are difficulties in identifying suitable persons for career planning and lack of suitable organisational climate. Despite its limitations, it serves as an integral part of the manpower planning and corporate planning and in the process contributes towards individual development and organisational development, and effective achievement of corporate goals.

Promotions :

Promotion is a term which covers a change and calls for greater responsibilities, and usually involves higher pay and better terms and conditions of service and, therefore, a higher status or rank.

According to Scott and Clothier: "A promotion is the transfer of an employee to a job which pays more money or one that carries some preferred status."

A promotion may be defined as an upward advancement of an employee in an organisation to another job, which commands better pay/wages, better status/prestige, and higher opportunities/challenges, responsibility, and authority, better working environment, hours of work and facilities, and a higher rank.

Promotion is a bit different from upgrading, which is concerned with minor promotions, promotions within grade or horizontal promotions.

Purpose of Promotions :

A promotion is a vertical move in rank and responsibility. Involved in a promotion may be some measure of skill; and responsibilities., it may be from a machinist B grade to a machinist A grade, or it may involve an entirely different type of work, for example, a clerk to the post of a section in-charge. Promotions are usually given:

- i. To put the worker in a position where he will be of greater value to the company and where he may derive increased personal satisfaction and income from his work.
- ii. To recognise an individual's performance and reward him for his work so that he may have an incentive to forge ahead.
- iii. To increase an employee's organisational effectiveness
- iv. To build up morale, loyalty, and a sense of belonging on the part of the employees when it is brought home to that they would be promoted if they deserve it.
- v. To promote job satisfaction among employees and give them an opportunity for unbroken continuous service.
- vi. To attract suitable and competent workers for the organisation
- vii. To create among employees a feeling of contentment with their present conditions and encourage them to succeed in the company.

Promotions have a salutary effect on the satisfaction of the promoted person's needs for esteem, belonging and security. They also afford an opportunity for greater self-actualisation through more varied and challenging assignments.

Types of Promotions :

Promotion may be multiple chain promotions which provide for a systematic linking of each position to several others. Such promotions identify multi-promotional opportunities through clearly defined avenues of approach to and exit from each position in the organisation.

In a up or out promotion, a person must either earn a promotion or seek employment elsewhere.

Dry Promotions are those which are given in lieu of increases in compensation, i.e., when all compensation is adjusted upward to keep pace with the cost of living we have dry promotions.

Promotion becomes a delicate problem not in the matter of selection of the right incumbent for the right job, but it poses a constant challenge to executives at all levels and impels them to chalk out a well-thought-out programme by which the best and the most capable individuals may find an opportunity to go up to the top. The procedure for promotion, therefore, starts at the bottom from the shop floor and ends with the managing director of a company. All promotions should be on the trial basis (from 6 months to 1 year) for if the promoted person is not found capable of handling his job, he may be reverted to his former post and former pay scale.

Promotion Policy :

The usual policy is to take merit into consideration. Sometimes length of service, education, training courses completed, previous work history, etc. are factors which are given weight while deciding on a promotion. Although promotions are made on the basis of ability, hard work, co-operation, merit, honesty, many informal

influences are powerful determinants of a promotion policy.

Seniority versus Merit :

Seniority refers to length of service in the company or in its various plants, or in its departments, or in a particular position. Under straight plant-wise seniority in all jobs, promotions go to the oldest employees, provided that he is fit for the job. Occupational seniority may be within a department, within a division or in the entire plant.

There is a great controversy on the question of whether promotions should be given on the basis of seniority or ability. Trade unions are of the view the promotions should be given on the basis of seniority, while managements favours on the basis of merit and ability.

If promotion is given to a qualified man in recognition of his performance or with a view to creating an incentive for him, then it should be based on his ability. If, on the other hand, promotion is given to recognise and reward senior employees, then it should be on the basis of seniority. The most widely used basis for promotion combines both ability and seniority. The best policy would be to ensure that whenever there are two employees of equal seniority, ability or merit should be the deciding factor in a promotion. Where, however, there are two employees of almost equal competence, seniority should be decisive factor.

In India, in some companies, promotions are made on the basis of merit, potential and seniority. Internal promotions are also granted, from existing lower cadre on the basis of seniority and merit. In public sector organisations, elaborate rules exist for regulating the seniority of employees in different service cadres. In the private sector enterprises, the promotions are generally not based upon any clear-cut rule. Efficient is the main consideration, unless it is a family enterprise where relationship with the proprietors or patronage might play a part.

Demotion :

Demotion refers to the lowering down of the status, salary and responsibilities of an employee. It is used as a punitive measure when there are serious breaches of duty on the part of an employee when it is often a preliminary to a dismissal. When an employee is demoted, his pride suffers a more severe jolt than it does when he is superseded by his junior. Demotions serve a useful purpose in the sense that they keep the employees alert and alive to their responsibilities and duties. However, demotion have a serious impact on need fulfilment. Needs for esteem and belonging are frustrated, leading to a defensive behaviour on the part of the person demoted; there is complaining, emotional turmoil, inefficiency or resignation. Hence, demotions are made quite infrequently. Many managers prefer to discharge employees rather than face the problems arising from demotion.

Transfer :

A transfer is a horizontal or lateral movement of an employee from one job, section, department, shift, plant or position to another at the same or another place where his salary, status and responsibility are the same. It generally does not involve a promotion, demotion or a change in job status other than movement from one job or place to another.

Every organisation should have a just and impartial transfer policy which should be known to each employee. The responsibility for effecting transfers is usually entrusted to an executive with power to prescribe the conditions under which request for transfers are to be approved. In making transfers, the usual policy that is followed is to pay to the employee the actual cost of moving the household to the place of transfer.

Separations :

Separation means cessation of service with the organisation for one or other reason. The employee may be separated from the pay roll of a company as a result of: (1) Resignation; (2) Discharge and

dismissal; (3) Suspension and retrenchment; and (4) Lay-off.

Resignation :

Resignations may be put in voluntarily by the employees on grounds of health, physical disability, better opportunities elsewhere, or maladjustment with company policy and officers; or they may be compulsory when an employee is asked to put in his resignation if he wants to avoid termination of his services on the ground of gross negligence of duty on his part, or some serious charge against him.

Discharge :

A discharge involves permanent separation of an employee from the pay-roll for violation of company rules or for inadequate performance. A discharge becomes necessary (i) when the volume of business does not justify the continuing employment of the persons involved; (ii) when a person fail to work according to the requirements of the job either because of incapacity or because he has deliberately slowed down on work, or because there is no suitable place where he can be transferred. (iii) when an individual forfeits his right to a job because of his violation of a basic policy often involving the safety of others, the morale and discipline of a group.

Dismissal :

A dismissal is the termination of the services of an employee by way of punishment for some misconduct, or for unauthorised and prolonged absence from duty. Before his services are terminated, an employee is given an opportunity to explain his conduct and to show cause why he should not be dismissed. The general rule is that in this process, there should be no violation of what is known as the principle of natural justice, which ensures that punishment is not out of all proportion to the offence.

Suspension :

This is a serious punishment, and is generally awarded only after a proper enquiry has been conducted. For reasons of discipline, a workman may be suspended without prejudice during the course of an enquiry. During suspension, the employee receives a subsistence allowance.

Retrenchment :

It means a permanent termination of the services of an employee for economic reasons in a going concern. The Industrial Disputes Act, 1947, defines retrenchment as the "termination by the employer of the services of workmen for any reason." It should be noted that termination of services as a punishment given by way of disciplinary action, or retirement either voluntarily or on reaching the age of superannuating, or continued ill-health, or on the closure and winding up of a business, does not constitute retrenchment.

Lay-Off :

A lay-off refers to an indefinite separation of the employee from the pay-roll due to factors beyond the control of the employer; the employee is expected to be called back in the foreseeable future. It involves a temporary or permanent removal from the payroll of persons with surplus skills. The purpose of a lay-off is to reduce the financial burden on an organisation when human resources cannot be utilised profitably. A lay-off means the failure, refusal or inability of an employer to provide employment to a workman whose name is borne on the master roll of his establishment. It is resorted to as a result of some such bonafide reasons as factors which are beyond the control of the employers.

Wage and Salary Administration

The basic purpose of wage and salary administration is to establish and maintain an equitable wage and salary structure. Its secondary objective is the establishment and maintenance of an equitable labour-cost structure i.e., an optimal balancing of conflicting personnel interests so that the satisfaction of employees and employers is maximised and conflicts minimised. The wage and salary administration is concerned with the financial aspects of needs, motivation and rewards. The reward may be money or promotion, but more likely it will be some pay-off. For it has been rightly said that "people do what they do to satisfy some need. Before they do anything, they look for a reward or pay-off."

A sound wage and salary administration tries to achieve the following objectives:

For Employees :

- (i) Employees are paid according to requirements of their jobs, i.e., highly skilled jobs are paid more compensation than low skilled jobs. This eliminates inequalities.
- (ii) The chances of favouritism are greatly minimised.
- (iii) Job sequences and lines of promotion are established wherever they are applicable.
- (iv) Employee's morale and motivation are increased because a wage programme can be explained and is based upon facts.

To Employers :

- (i) They can systematically plan for and control their labour costs.
- (ii) In dealing with a trade union, they can explain the basis of their wage programme because it is based upon a systematic analysis of job and wage.
- (iii) A wage and salary administration reduces the likelihood of friction and grievances over wage inequalities.
- (iv) It attracts qualified employees by ensuring an adequate payment for all the jobs.

Compensation, Reward, Wage Levels and Wage Structures :

Compensation may be defined as money received in the performance of work, plus the many kind of benefits and services that organisations provide their employees. 'Money' is included under direct compensation (popularly known as wage, i.e., gross pay); while benefits come under indirect compensation, and may consist of life, accident, and health insurance, the employer's contribution to retirement, pay for vacation or illness, and employer's required payment for employee welfare as social security.

A 'wage' (or pay) is the remuneration paid, for the service of labour in production, periodically to an employee/worker. "Wages" usually refer to the hourly rate or daily rate paid to such groups as production and maintenance employees (blue-collar workers). On the other hand, 'Salary' normally refers to the weekly or monthly rates paid to clerical, administrative and professional employees (white-collar workers). The 'wage levels' represent the money an average worker makes in a geographical area or in his organisation. It is only an average; specific markets or firms and individual wages can vary widely from the average. The term 'wage structure' is used to describe wage/salary relationships within a particular grouping. The grouping can be according to occupation, or organisation, such as wage structure of craftsman (carpenters, mechanics, bricklayers, etc).

The wage structure or 'grade' is comprised of jobs of approximately equal difficulty or importance as determined by job evaluation. If the 'point' method of job evaluation is used, the 'pay-grade' consists of jobs within a range of points. If the 'factor comparison' plan is used, the grade consists of a range of evaluated wage rates (or points, if the wage rates are converted to points). If the 'ranking' plan is used, the grade consists of a specific number of ranks. If 'classification' system is used, the jobs are already categorised into 'class' or 'grades'.

Wage Determination Process :

The steps involved in determining wage rates are:

1. Performing job analysis
2. Wage Surveys
3. Analysis of relevant organisational problems forming wage structure
4. Framing rules of wage administration
5. Explaining these to employees
6. Assigning grades and price to each job, and
7. Paying the guaranteed wage.

Factors Influencing Wage and Salary Structure and Administration :

The wage policies of different organisations vary somewhat. Marginal units pay the minimum necessary to attract the required number and kind of labour. Often, these units pay only the minimum wage rates required by labour legislation, and recruit marginal labour. At the other extreme, some units pay well above the going rates in the labour market. They do so to attract and retain the highest calibre of the labour market. Some managers believe in the economy of higher wages. They feel that, by paying high wages, they would attract better workers who will produce more than the average worker in the industry. This higher production per employee means greater output per man hour. Hence, labour costs may turn out to be lower than those existing in firms using marginal labour. Some units pay high wages because of a combination of favourable product market demand, higher ability to pay and the bargaining power of a trade union. But a large number of them seek to be competitive in their wage programme, i.e., they aim at paying somewhere near the going rate in the labour market for the various classes of labour they employ. Other factors, such as changes in the cost of living, the supply and demand of labour, and the ability to pay are accorded a secondary importance.

A sound wage policy is to adopt a job evaluation programme in order to establish fair differentials in wages based upon differences in job contents. Besides the basic factors provided by a job description and job evaluation, those that are usually taken into consideration for wage and salary administration are:

- i. Organisation's ability to pay;
- ii. Supply and demand of labour;
- iii. The prevailing market rate;
- iv. The cost of living;
- v. Living wages;
- vi. Productivity;
- vii. Trade Union's bargaining power;
- viii. Job requirements;
- ix. Managerial attitudes;
- x. Psychological and Sociological factors;
- xi. Levels of skills available in the labour market.

Administration of Wages and Salaries :

Wage and salary administration should be controlled by some proper agency. This responsibility may be entrusted to the personnel department or to some job executive. Since the problem of wages and salary is very delicate and complicated, it is usually entrusted to a Committee composed of high-ranking executives representing major line organisations. The major functions of such Committee are:

- a. Approval and/or recommendation to management on job evaluation methods and findings;
- b. Review and recommendation of basic wage and salary structure;
- c. Help in the formulation of wage policies from time to time;
- d. Review of budget estimates for wage and salary adjustments and increases.

This committee should be supported by the advice of the technical staff. Such staff committees may be for job evaluation, job description, merit rating, wage and salary survey in an industry, and for a review of present wage rates, procedure and policies.

Alternatively, the over-all plan is first prepared by the Personnel Manager in consultation and discussions with senior members of other departments. It is then submitted for final approval of top executive. Once he has given the approval, for the wage and salary structure and the rules for administration, its implementation becomes a joint effort of all heads of the departments. The actual appraisal of the performance of subordinates is carried out by the various managers, who in turn submit their recommendations to higher authority and the latter, in turn, to the personnel department. The personnel department ordinarily reviews recommendations to ensure compliance with established rules of administration. In unusual cases of serious disagreement, the president makes the final decision.

Wages :

Wages in the widest sense mean any economic compensation paid by the employer under some contract to his workers for the services rendered by them. Wages, therefore, include family allowance, relief pay, financial support and other benefits. But, in the narrower sense wages are the price paid for the services of labour in the process of production and include only the performance wages or wages proper. They are composed of two parts – the basic wage and other allowances. The basic wage is the remuneration, by way of basic salary and allowances, which is paid or payable to an employee in terms of his contract of employment for the work done by him. Allowances, on the other hand, are paid in addition to the basic wage to maintain the value of basic wages over a period of time. Such allowances include holiday pay, overtime pay, bonus and social security benefits. These are usually not included in the definition of wages.

However, in India, different Acts include different items under wages, though all the Acts include basic wage and dearness allowance under the term wages. For example, under the Workmen's Compensation Act, 1923, Section 2(m), "wages for leave period, holiday pay, overtime pay, bonus, and good conduct bonus" form part of wages"

Under the Payment of Wages Act, 1936, Section 2(vi), "any award of settlement and production bonus, if paid, constitute wages."

But under the Payment of Wages Act, 1948, "retrenchment compensation, payment in lieu of notice and gratuity payable on discharge constitute wages"

The following type of remuneration, if paid, do not amount to wages under any of the Acts:

- (i) Bonus or other payments under a profit-sharing scheme which do not form a part of the contract of employment.
- (ii) Value of any house accommodation, supply of light, water, medical attendance, travelling allowance,

- or payment in lieu thereof or any other concession.
- (iii) Any sum paid to defray special expenses entailed by the nature of the employment of a workman.
 - (iv) Any contribution to pension, provident fund, or a scheme of social security and social insurance benefits.
 - (v) Any other amenity or service excluded from the computation of wages by a general or special order of an appropriate government authority.

Minimum, Fair and Living Wage :

Statutory Minimum Wage:

It is the wage determined according to the procedure prescribed by the relevant provisions of the Minimum Wages Act, 1948. Once the rates of such wages are fixed, it is the obligation of the employer to pay them, regardless of his ability to pay. Such wages are required to be fixed in certain employments where "sweated" labour is prevalent, or where there is a great chance of exploitation of labour.

A Minimum Wage :

It has been defined by the Committee as "the wage which must provide not only for the bare sustenance of life, but for the preservation of the efficiency of the workers. For this purpose, the minimum wage must provide for some measure of education, medical requirements and amenities." In other words, a minimum wage should provide for the sustenance of the worker's family, for his/her efficiency, for the education of his family, for their medical care and for some amenities.

Living Wage :

This wage was recommended by the Committee as a fair wage and as ultimate goal in a wage policy. It defined a Living Wage as "one which should enable the earner to provide for himself and his family not only the bare essentials of food, clothing and shelter but a measure of frugal comfort, including education for his children, protection against ill-health, requirements of essential social needs and a measure of insurance against the more important misfortunes, including old age." In other words, a living wage was to provide for a standard of living that would ensure good health for the worker, and his family as well as a measure of decency, comfort, education for his children, and protection against misfortunes. This obviously implied a high level of living

Fair Wage :

According to the Committee on Fair Wage, "it is the wage which is above the minimum wage but below the living wage." The lower limit of the fair wage is obviously the minimum wage; the upper limit is set by the 'capacity of the industry to pay'. Between these two limits, the actual wages should depend on considerations of such factors as: the productivity of labour; the prevailing rates of wages in the same or neighbouring localities; the level of national income and its distribution; and, the place of industry in the economy of the country.

Executive Compensation :

For the higher management, salaries are influenced by the size of a company, performance of the company, by the specific industry, and in part by the contribution of the incumbent to the process of decision-making. The more profitable the organisation the better is the compensation paid to the executives. The industry that are highly constrained by governmental regulation (banks, life insurance, railroads, public utilities etc) pay relatively less than those that are more free to carry on their business (private firms).

Executive remuneration has certain unique features, such as:

1. It can not be compared to the wage and salary schemes meant for other employees in organisations.

2. Executives are denied the privilege of having unionised strength.
3. Secrecy is maintained in respect of executive remuneration.
4. Executive pay is not supposed to be based on individual performance measures but rather on unit of organisational performance.
5. Executive remuneration is subject to statutory ceiling in some respect.

Executive remuneration generally comprises four elements: (i) salary and allowance, (ii) bonus (iii) incentives (iv) perquisites. Salary is the first component of executive remuneration. Salary is supposed to be determined through evaluation and serves as the basis of other type of benefits. Bonus plays an important role in today's competitive executive payment programmes. There are almost as many bonus system as there are companies using this form of executive remuneration. If bonus constitute short-term benefit, stock options are long-term benefits offered to executives. Stock options are attractive to shareholders too. Perquisites contribute a major source of income for executives.

Rewards and Incentives

An 'incentive' or 'reward' can be anything that attracts a employee's attention and stimulates him to work. An incentive scheme is a plan or programme to motivate individual or group performance. An incentive programme is most frequently built on monetary rewards(incentive pay or monetary bonus), but may also include a variety of non-monetary rewards or prizes.

The use of incentives assumes that people's actions are related to their skills and ability to achieve important longer-run goals. Even though many organisations, by choice, or tradition or contract, allocate rewards on non-performance criteria, rewards should be regarded as a "pay off" for performance. An incentive plan has the following important features:

- i. An incentive plan may consist of both 'monetary' and 'non-monetary' elements. Mixed elements can provide the diversity needed to match the needs of individual employees.
- ii. The timing, accuracy and frequency of incentives are the very basis of a successful incentive plan.
- iii. The plan requires that it should be properly communicated to the employees to encourage individual performance, provide feedback and encourage redirection.

Determinants of Incentives :

These feature are contingencies, which affect the suitability and design of incentives to varying degrees. The effective use of incentives depends on three variables – the individual, work situation, and incentive plan.

The individual and the incentives :

Different people value things differently. Enlightened managers realise that all people do not attach the same value to monetary incentives, bonuses, prizes or trips. Employees view these things differently because of age, marital status, economic need and future objectives. However, even though employee reaction to incentives vary greatly, incentives must have some redeeming merits. For example, there might be a number of monetary and non-monetary incentive programmes to motivate employees.

The Work situation :

This is made up of four important elements: (a) Technology, machine or work system, if speed of equipment operation can be varied, it can establish range of incentives. (b) Satisfying job assignments, a worker's job may incorporate a number of activities that he finds satisfying. Incentive may take the form of earned time-off, greater flexibility in hours worked, extended vacation time and other privileges that an individual

values. (c) Feedback, a worker needs to be able to see the connection between his work and rewards. These responses provide important reinforcement. (d) Equity, worker considers fairness or reasonableness as part of the exchange for his work.

Rewards or incentives can be classified into : (i) direct compensation, and (ii) indirect compensation.

Direct compensation include the basic salary or wage that the individual is entitled to for his job, overtime-work and holiday premium, bonuses based on performance, profit sharing and opportunities to purchase stock options, etc.

Indirect compensation include protection programmes (insurance plans, pensions), pay for time not worked, services and perquisites. But these are maintenance factors rather than reward components. Since they are made available to all employees, irrespective of performance, they will tend to retain people in the organisation but not stimulate them to greater effort and higher performance.

Incentive Payments :

Incentive are monetary benefits paid to workmen in recognition of their outstanding performance. The International Labour Organisation (ILO) refers to incentives as "payment by results." But it is appropriate to call them "incentive systems of payments" emphasising the point of motivation, that is, the imparting of incentives to workers for higher production and productivity.

The primary advantage of incentives is the inducement and motivation for higher efficiency and greater output. But with fixed remuneration, it is difficult to motivate employees. Increased earning would enable the employees to improve their standard of living and help the organisation to improve their production capacity. They also help in reduced supervision, better utilisation of equipment, reduce scrap, reduce lost time, reduce absenteeism and turnover and increased output.

ILO classifies incentive schemes into four categories: (1) schemes in which earnings vary in proportion to output. (2) schemes where earning vary proportionately less than output, (3) schemes where earning vary proportionately more than output, and (4) schemes where earning differ at different levels of output.

Wage Incentives :

The term wage incentives has been used both in the restricted sense of participation and in the widest sense of financial motivation. It has been defined differently by different authors. According to the National Commission of Labour, "wage incentives are extra financial motivation. They are designed to stimulate human effort by rewarding the person, over and above the time rated remuneration, for improvements in the present or targeted results."

We may define a wage incentives as a system of payment under which the amount payable to a person is linked with his output. Such a payment may also be called payment by results. The term incentive has gradually acquired a wide connotation and include all the possible factors, besides economic gains, which can possibly motivate human beings towards better and greater performance.

Management of Grievances :

There is hardly a company or an industrial concern which functions absolutely smoothly at all times. In some, the employees have complaints against their employers, while in others it is the employers who have a grievance against their employees. These grievances may be real or imaginary, valid or invalid, genuine or false. Broadly speaking, a complaint affecting one or more workers constitute a grievance. The complaints may relate to quantum of wages, the mode of payment, payment for overtime work, leave, interpretation of service agreements, working conditions, promotions seniority, transfer, work assignments, dismissal or discharge, or a complaint against a foreman, against the quality of plant or the part used in it, machinery, or the food being served in the canteen.

What is a Grievance?

Generally speaking, dissatisfaction is any state or feeling of dissatisfaction which is orally made known by one employee to another is known as a complaint. A complaint becomes a grievance when this dissatisfaction, which is mostly related to work, is brought to the notice of the management.

Sometimes this definition is modified to include the fact that a complaint should be in writing and not expressed verbally. Some organisations understand the word grievance in a broader sense; they insist that a complaint should be processed through normal grievance procedure channels. The word grievance has, therefore, been variously defined by different authorities.

Causes or Sources of Grievances :

An employee is dissatisfied and harbours a grievance when he feels that there has been an infringement of his rights, that his interests have been jeopardised. This sense of grievance generally arises out of misinterpretation or misapplication of company policies and practices. Typical examples of workers' grievances may arise in: (i) concerning wages, (ii) concerning supervision, (iii) concerning individual advancement, (iv) general working conditions, (v) collective bargaining, etc. It should be noted that there is no single factor which causes a grievance, many factors combine to generate a grievance; and both employer and employees have grievances – the one against the other.

Need for a Grievance Procedure :

The grievance procedure is a problem-solving, dispute-settling machinery which has been set up following an agreement to that effect or an employee makes and processes his claim that there has been a violation of the labour agreement by the company. The grievance redressal procedure is a device by which grievances are settled, generally to the satisfaction of the trade union or employees and the management. This procedure is an important part of labour relations. It is essential, whether a plant is an organised one or not. The grievance machinery enables a management to detect any defects or flaws in the working conditions or in labour relations, and undertake suitable corrective measures. If good morale and a code of discipline are to be maintained, it is essential that the grievance procedure does work honestly and without prejudice, failing which there is likely to be an explosion, and production schedules would be shattered and the morale of the employees would be irretrievably impaired.

A grievance procedure is a formal process which is preliminary to an arbitration, which enables the parties involved to attempt their differences in a peaceful, orderly and expeditious manner. It enables the company and the trade union to investigate and discuss the problem at issue without in any way interrupting the peaceful and orderly conduct of business. When the grievance redressal machinery works effectively, it satisfactorily resolves most of the disputes between labour and management. The details of the grievance procedure vary from industry to industry and from trade union because of the variations in the size of organisations, in trade union strength, in the management philosophy, in the company traditions, in industrial practices and in the cost factor.

Basic Elements of a Grievance Procedure :

The basic elements of a grievance redressal procedure are:

- (i) The existence of a sound channel through which a grievance may pass for redressal if the previous stage or channel has been found to be inadequate, unsatisfactory or unacceptable. This stage may comprise three, four or five sub stages.
- (ii) The procedure should be simple, definite and prompt, because any complexity or vagueness or delay may lead to an aggravation of the dissatisfaction of the aggrieved employee.
- (iii) The steps in handling a grievance should be clearly defined. These should comprise:

- a. Receiving and defining the nature of the grievance;
 - b. Getting at the relevant facts, about the grievance;
 - c. Analysing the facts, after taking into consideration the economic, social, psychological and legal issues involved in them;
 - d. Taking an appropriate decision after a careful consideration of all the facts, and
 - e. Communicating the decision to the aggrieved employee.
- (iv) Whatever the decision, it should be followed up in order that the reaction to the decision may be known and in order to determine whether the issue has been closed or not.

It is relevant to note here that the management is often guilty of errors in its handling of the grievance redressal procedure. These errors are:

- (i) Stopping too soon the search for facts;
- (ii) Expressing the opinion of the management before all the pertinent facts have been uncovered and evaluated;
- (iii) Failing to maintain proper records;
- (iv) Resorting to an executive fiat instead of dispassionately discussing the facts of the grievance of the employee;
- (v) Communicating the decision to the grievant in an improper way; and
- (vi) Taking a wrong or hasty decision, which the facts or the circumstances of the case do not justify.

Discipline and Disciplinary Action

The promotion and maintenance of employee discipline is essential if organised group action is to be effective or productive – whether the group is a club, a society, a union, a company, a business, an industrial concern or a nation. The word discipline connotes that the members of a group should reasonably conform to the rules and regulations i.e. the code of conduct which have been framed for it or by it so that everyone may benefit by them. Employee morale and industrial peace are definitely linked with a proper maintenance of discipline. Co-ordination and control are facilitated; and these assist in the attainment of organisational goals. If the member of a group do not abide by the rule, the organisation itself may collapse. Chaos, confusion, disobedience, disloyalty and anti-social and anti-organisation activities develop to the detriment of everyone.

Meaning and Features of Discipline :

“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 restrains 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.” – Dr. Spriegel.

The simple definition of discipline may be that it is a process of training a worker so that he can develop self-control and can become more effective in his work. It is an attitude of mind, a product of culture and a particular environment which impels an individual to willingly cooperate in the observance of the rules of the organisation to which he belongs. This conformity and willingness to work for the objectives of his organisation have to come from within, though at times they may have to be imposed by an external agency. The purpose of this imposed disciplinary process is the development and furtherance of the type of performance from the individual worker that will be conducive to the achievement of organisational goals.

The main characteristics of discipline may be as follows:

- a. It is determinative and positive willingness which prompts individuals and groups to carry out the instructions that have been issued, and abide by the rules of conduct and the standard of work which have been established to ensure the successful attainment of organisational goals.
- b. It is a negative approach which encourages individuals to undertake some activities and which restrains them from undertaking others.
- c. It is a punitive or a big stick approach which imposes a penalty or punishment if the rules and regulations, which have been laid down by an organisation, are ignored or disobeyed.

Aims and Objectives of Discipline :

The aims and objectives of discipline are:

- (i) To obtain a willing acceptance of the rules, regulations and procedures of an organisation so that organisational goals may be attained;
- (ii) To impart an element of certainty despite several differences in informal behaviour patterns and other related changes in an organisation;
- (iii) To develop among the employees a spirit of tolerance and a desire to make adjustments;
- (iv) To give and seek direction and responsibility;
- (v) To create an atmosphere of respect for the human personality and human relations; and
- (vi) To increase the working efficiency and morale of the employees so that their productivity is stepped up, the cost of production brought down and the quality of production improved.

Discipline is essential for the smooth running of an organisation and for the maintenance of industrial peace which is the very foundation of industrial democracy. Without discipline, no enterprise would prosper.

Forms and Types of Discipline :

The disciplinary action may be self-imposed or positive; or it may be enforced or negative.

Positive or self-imposed discipline refers to reward, appreciation, constructive support, reinforcement of approved personnel actions and behaviour, incentive payment, and promotions to motivate employees to extend their co-operation to the management and work willingly, effectively and competently. It involves the creation of an attitude of mind and on organisational climate in which employees willingly conform to rules and regulations. This discipline is achieved when the management applies the principles of positive motivation; when leadership is efficiently managed. Positive discipline emphasises the concept of self-discipline and self-control, and is also known as co-operative discipline or determinative discipline. Self-discipline, when developed from within, leads to team spirit, mutual respect for established rules, regulations and procedures, respect for supervisors, appreciation of the company goals and policies, high employee morale, greater freedom for development and for self-expression and willingness to co-operate and co-ordinate.

Enforced or negative discipline, on the other hand, refers to the people who are forced or constrained to obey orders, and to perform their tasks in accordance with the rules and regulations that have been laid down, failing which they would have to suffer penalties.

The purpose of negative discipline is to scare others, to keep others in line, and to ensure they do not indulge in undesirable behaviour. This negative discipline is also known as punitive, corrective or autocratic discipline, and is imposed upon persons who fail to observe the rules and regulations of the organisation to which they belong; who fail to carry out the orders of their bosses; who indulge in anti-organisational or anti-social activities; or who is negligent or do not respond to positive motivational techniques. It involves the use of such techniques as reprimands, fines, lay-offs, demotion or transfers. However, this kind of discipline ensures only the minimum standards of performance on the part of the employees, so that they may avoid penalties.

Act of Indiscipline or Misconduct :

A misconduct is a transgression of some established and definite rule which does not leave any discretion of action of the employees. It is an act or a conduct which is prejudicial to the interests of the employer, or which is likely to impair the reputation of the employer, or create unrest among other employees; it is an act of misconduct even when such activities are performed outside the organisation, or before or after the employee's duty hours. In other words, it is for the management to determine what constitute misconduct.

Disciplinary problems may be classified on the basis of the severity of the consequences which flow from them. They are generally divided into three categories:

- (i) **Minor infractions**, which do little or no harm, or which when viewed in isolation, result in very few serious consequences, but which may become serious if they accumulate. Some of the examples of these minor infractions are: negligence, horse-play, minor violations of rules, wage garnishment, failure to be present when needed, and carelessness.
- (ii) **Major infractions**, these are acts which substantially interfere with the orderly operations of an organisation, which damage morale, or which are so serious that they are apparent to any responsible person, or acts which are in accumulation of minor offences. Most of these major violations centre around refusal to carry out orders, lying, cheating, stealing or violation of safety rules.
- (iii) **Intolerable offences**, are offences of such illegal and drastic nature that they severely strain or endanger employment relationship and are full of threat and menace to most people. These offences arise out of the possession of, and the threat to use, weapons; the use of hard drugs on the job; theft or fighting which results in serious harm to others; and smoking in a place where inflammables and combustibles are kept or stored.

In other words, the offences against discipline relate to attendance, punctuality, regularity, insubordination, loafing, fighting, drunkenness, stealing, breaking or defacing property, smoking, gross negligence of duty, possession and use of hard drugs and narcotics.

Cause of Indiscipline and Misconduct :

In order to understand the causes of indiscipline and consequent friction in an organisation or factory, the whole problem needs to be analysed not only in terms of specific individuals or groups, but also in terms of the actual situation and the underlying motives behind an act of indiscipline.

Discipline is the result of a training body and mind by which a person subjects himself to someone's authority for his own development and advantage. The rules of discipline, which a person is called upon to accept, must not, however, violate the rights of the individual. These rights are;

1. The right of every man to be treated as an individual and respected as a person;
2. The right of every man to have a voice in his own affairs, which includes his right to contribute, to the best of his ability, to the solution of common problems;
3. The right of every individual to have a recognition of his contribution to the common good;
4. The right of every person to develop his highest abilities and to make use of them;
5. The right of every man to justice and fair play;
6. The right to get fair wages for the work he has done; and
7. The right to security of service.

These rights place certain implied obligations on the employers. They should:

1. Provide measures which would ensure conditions of safety for the employees as well as good and healthy working conditions for him;
2. Provide the worker with work, raw materials, tools and equipment, and give him effective means for

- the realisation of his goals and aspirations;
3. Pay a reasonable wage to the employee for the work he has done, which should be in terms of his contract of service;
 4. Ensure that their business is conducted strictly in accordance with the laws of the country; and
 5. Indemnify the employee for all the liabilities or losses or expenses he has incurred in consequence of his obedience of his employer's orders or in the effective performance of his duties.

If the employees enjoy certain rights, they have also some obligations to their employers:

1. They should be physically and mentally fit so that they may do their assigned jobs properly and efficiently;
2. They should give satisfaction to their employers by being regularly present at work and on being on time for it;
3. They should comply with all the reasonable orders of the managements, and observe all the rules and regulations;
4. They should be faithful and loyal in the discharge of their assigned duties; and
5. They should be diligent and accountable to their employers for the equipments and money entrusted to them.

Basic Ingredients or Guidelines of a Disciplinary Action

The principal ingredients of a sound disciplinary system are:

- Location of Responsibility
- Proper Formulation and Communication of Rules
- Rules and Regulations should be Reasonable
- Equal Treatment
- Disciplinary Action should be taken in private
- Promptness in taking Disciplinary Action
- Innocence is presumed
- Get the facts
- Action should be taken in cool atmosphere
- Natural Justice
- After Disciplinary action has been taken the Supervisor should treat his Subordinate in a normal manner
- Don't backdown when you are right
- Negative Motivation should be handled in a positive manner

Procedure for Disciplinary Action :

Although there is no specific procedure to be followed, the following steps should be taken into consideration:

- An accurate statement of the disciplinary problem
- Collection of data or facts bearing on the case
- Selection of tentative penalties to be imposed
- Choice of the penalty
- Application of the penalty; and
- Follow-up on the disciplinary action

Penalties and Punishment :

As a result of custom and well-established practices, industrial penalties have become fairly standardised. They vary from mild to harsh – from oral reprimand, written reprimand, loss of privileges and fines to temporary suspension, demotion or discharge.

Ordinarily, are different penalties for the same offence when it is committed once, or the second time, or the third time. Minor offences generally call for the application of a progressive penalty system. For an average person, an oral reprimand is enough to prevent repetition of the same offence. A written reprimand is administered when an offence is committed the second time, or when it is of a somewhat serious nature. The penalty of the loss of privileges withholding of increment, restriction on free movement in the place of work, withholding of the right to choose a machine or equipment with which, or on which, he would prefer to work, posting on an uncongenial job – may be imposed for such offences as tardiness, disobedience of the order of the supervisor or of safety rules, or being unnecessarily noisy while at work. For more serious offences – for example, gross negligence of duty, repeated misbehaviour, or infliction of any injury on another employee, or fraud, the penalty may be temporary lay-off from one to seven days without pay.

Demotion as a penalty is rarely used. But whenever this penalty is imposed, it is usually by top line executives. Discharge is, of course, the severest penalty that can be imposed upon an employee, and is awarded for such serious offences as fraud of a serious nature, sabotage, or working against the interests of the company. Even so, this weapon is used only as a last resort.

Due Process :

One of the main criteria to be borne in mind while administering a disciplinary action is the concept of due process or just cause. In determining whether an employee is being disciplined for a just cause, the management has to consider three main factors.

Did the employee, in fact, commit an act of indiscipline? If the management can prove this, the second consideration is: Should the employee be punished? In this connection it should be noted that an employee should not be punished simply because he has been guilty of an infringement of a rule or a procedure. It may be that such an infringement has been made possible by custom, tradition or past practice. However, even if it is decided that the employee's action warrants punishment, the third consideration is that the penalty to be imposed should be commensurate with the nature and gravity or otherwise of an offence.

In this context, reference may be made to Article 311 of the Indian Constitution, which says that "no person shall be dismissed or removed from service until he has been given a reasonable opportunity to show cause why the proposed action should not be taken against him." Due process to be followed is under:

1. Charge Sheet is framed and issued;
2. Receipt of Explanation;
3. Issue of notice of Enquiry
4. The holding of Enquiry;
5. The Findings;
6. Decision;and
7. Communication of the order.

Code of Discipline in Indian Industry :

This code was formulated after a great deal of discussion and on the recommendations of the Indian Labour Conference held in New Delhi in July 1957. The Conference discussed the question of discipline in Indian industries, and laid down certain principles governing it. These were:

- There should be no lock-out or strike without due notice;
- No unilateral action should be taken in connection with any industrial matter;
- There should be no recourse to go-slow tactics;
- No deliberate damage should be caused to plant or property;
- The existing machinery for the settlement of disputes should be utilised;
- Acts of violence, coercion, intimidation or incitement should not be indulged in;
- Awards and agreements should be speedily implemented; and
- Any agreement, which is likely to destroy cordial industrial relations, should be avoided.

Suggested Reading:

Personnel Management: Text and Cases by C.B.Mamoria and S.V.Gankar, Himalaya Publishing House



