



॥ सरस्वती नः सुभगा मयस्कल् ॥

Uttar Pradesh Rajarshi Tandon
Open University

M.COM-305

Human Resource Management

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परिमापक

परिमापक

अनुवाद की स्थिति में

मूल लेखक	अनुवाद
मूल सम्पादक	भाषा सम्पादक
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प्रूफ रीडर

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BLOCK INTRODUCTION

This book comprises of four units. The first unit introduces the human resource management and its meaning, its evolution etc. This unit also provides differences between HRM & personnel management. The second unit explain the concept of human resource development and its evolution in India. It also discusses the different of roles of a HR manager. The third unit deals with strategic human resource management. This unit explains the meaning of strategy and strategy management. It ends by explain implementation & evaluation of strategy. The fourth unit describes the international HRM. It provides information related to various theories and principles related to international human resource management. This unit also throws light on impact of work culture on the employees in the international environment.

UNIT 1

HUMAN RESOURCE MANAGEMENT

Objectives:

After studying this lesson, you will be able to:

- explain the meaning, nature & scope of human resource management.
- identify the differences between human resource management & personnel management
- describe the various functions and objectives of HRM;
- understand the evolution of HRM and its environment.

Structure:

- 1.1 Introduction
- 1.2 Meaning, Nature, Scope & importance of HRM
- 1.3 Distinction between human resource management & personnel management
- 1.4 HRM Objectives
- 1.5 HRM Functions
- 1.6 Evolution of HRM
- 1.7 Summary
- 1.8 Self Assessment Exercise
- 1.9 Further Readings

1.1 INTRODUCTION

Now days, effective management of human resources has become a very challenging job due to a rapid change in technological, socio-economic and politico-legal environment and increasing globalization of business and industry. We cannot ignore the fact that human element is at the centre stage in all economic activities. No organization can think of viability of operations and effectiveness without the efficient utilization of human resources. This requires the present-day managers to be concerned with efficient performance of human resource management functions.

The Human Resource Management considers each employee as a 'human resource' with distinct needs and wants which he/she likes to be

fulfilled by his/her performance within the organization. The management must, therefore, provide healthy and safe working environment for the human resource so that they can satisfy their needs and aspirations by achieving organisation's goals.

With the rise of modern factory system, Personnel Management emerged mainly to keep records of attendance and productivity of workers and for administration of wage plans for the workers. Latter, Personnel Management grew to cover 'welfare of labour' and in some matters 'industrial relations' too. Later, Personnel Management emerged as a staff function to provide help to line departments in the matter of recruiting, training and welfare of employees. But since the beginning of the 1980s, the nature and scope of Personnel Management went under a sea change and gave rise to new term known as 'Human Resource Management' (HRM). This transformation took place due to rapid changes in technological advancements, declining importance of trade unions and growing popularity of service sector and information technology.

Human resource management is a basic responsibility of management since managing means 'getting results through and with people'. Every manager is required to perform certain personnel functions. In most of the big organizations, a separate department is created to help and advise the line managers at various levels for the discharge of their personnel responsibilities. Generally, the human resource is assigned the operative functions like employment, training, development, appraisal and maintenance of personnel etc, and top management formulates personnel policies and programs etc.

1.2 MEANING, NATURE, SCOPE AND IMPORTANCE OF HRM

MEANING OF HRM :

HRM is an elastic term. There is no universal agreement on the meaning of HRM. In fact there are varying and contradictory models. For examples, some say that HRM covers a fourfold typology: employee influence, human resource flow, reward systems and word systems. Some identify four rather different areas: acquisition, maintenance, motivation and development of HR; still other talk about a five step HRM cycle: selection, performance, appraisal, rewards and development.

HRM stands for Human Resource Management. Here the three words human, resource and management throws light on the basic meaning of HRM. 'Human' indicates labour, worker, employee or personnel. 'Management' (in HRM) defines the planning and management of employees in an organization. 'Resource' explains that personnel are 'valued assets' and they are as a source of competitive advantage for any organization.

Human resources are also identified by other terms like 'personnel', 'human assets' and 'human capital'. Human assets are in intangible form as they exist within human resource. Human capital consists of intellectual capital, social capital and emotional capital.

According to French Wendell,

“Human Resource Management is the recruitment selection, development, utilization of an accommodation to human resource by organisations.”

The human resource of an organisation consists of all employees, regardless of their status and role, who are engaged in any of the organisations's activities. Management of human resource is concerned with procurement, development and utilisation and maintenance of resource for the accomplishment of organisational objectives.

According to Gary Dessler,

“Human Resource Management is the process of acquiring, training, appraising and compensating employees, and attending to their labour relations, health, safety and fairness concerns”.

This definition of HRM is quite comprehensive. It not only talks about functions like acquisition, training, appraisal and compensation but also about human orientation by giving emphasis to human relations, health and safety of human resources.

According to the Invancevich and Glueck, *“HRM is concerned with the most effective use of people to achieve organizational and individual goals. It is the way of managing people at work, so that they give their best to the organization”.*

In short Human Resource Management (HRM) can be defined as the art of procuring, developing and maintaining competent workforce to achieve the goals of an organization in an effective and efficient manner.

NATURE OF HRM:

Human Resource Management is a process of bringing people and organization together so that the goals of each are met. It is concerned with human element with wide range of activities. It is the integral part of the management and involved in developing and motivating the employees as its continuous process. The various features of HRM which explains its nature are as follows:

- It is pervasive in nature as it is present in all organisations.
- Its focus is on results rather than on rules.
- It tries to help employees develop their potential full.
- It is all about people at work, both as individuals and groups.
- It encourages employees to give their best to the organization.

- It tries to put right person on right job in order to produce good results.
- It helps an organization meet its goals in the future by providing for competent and well motivated employees.
- It tries to build and create cordial relation between people working at various levels in the organisations.
- It is a multidisciplinary activity, utilizing knowledge and inputs drawn from psychology, economics sociology etc.

SCOPE OF HRM:

In the early time of the century the focus was on efficiency and improved productivity of work. In the middle age the emphasis shifted towards employee's productivity. Recent decades have focused on increased concern for human safety, quality of working life, TQM and worker's participation in management . In this way, the scope of HRM is very wide. It can be discussed as follows:

1. **Personnel aspect:** This is concerned with manpower planning, recruitment, selection, training, development, transfer, promotion, remuneration, incentives, bonus and retrenchment etc.
2. **Welfare aspect:** it deals with working conditions and amenities such as canteen. chreches, restrooms, lunch rooms, housing facility, transport facility, medical assistance, education, safety measures and recreation facilities etc.
3. **Industrial relation aspect:** This covers union-management relations, collective bargaining, grievance and discrepancy procedures, disputes settlements etc.

ASTD Model:

The American Society for Training and Development (ASTD) integrates the nine areas or sub-systems of human resource management which reflects its scope. These areas include the following:

- i. Training and Development
- ii. Organisation Development
- iii. Organisation/ Job Design
- iv. Human Resource Planning
- v. Selection and Staffing
- vi. Personnel Research and Information System
- vii. Compensation/ Benefits
- viii. Employee Assistance

ix. Union/ Labour Relations

The above areas contribute to the human resource outputs: **Human Resource Management**
quality of work life, productivity and readiness for change.
The ASTD model is shown in the figure as follows:

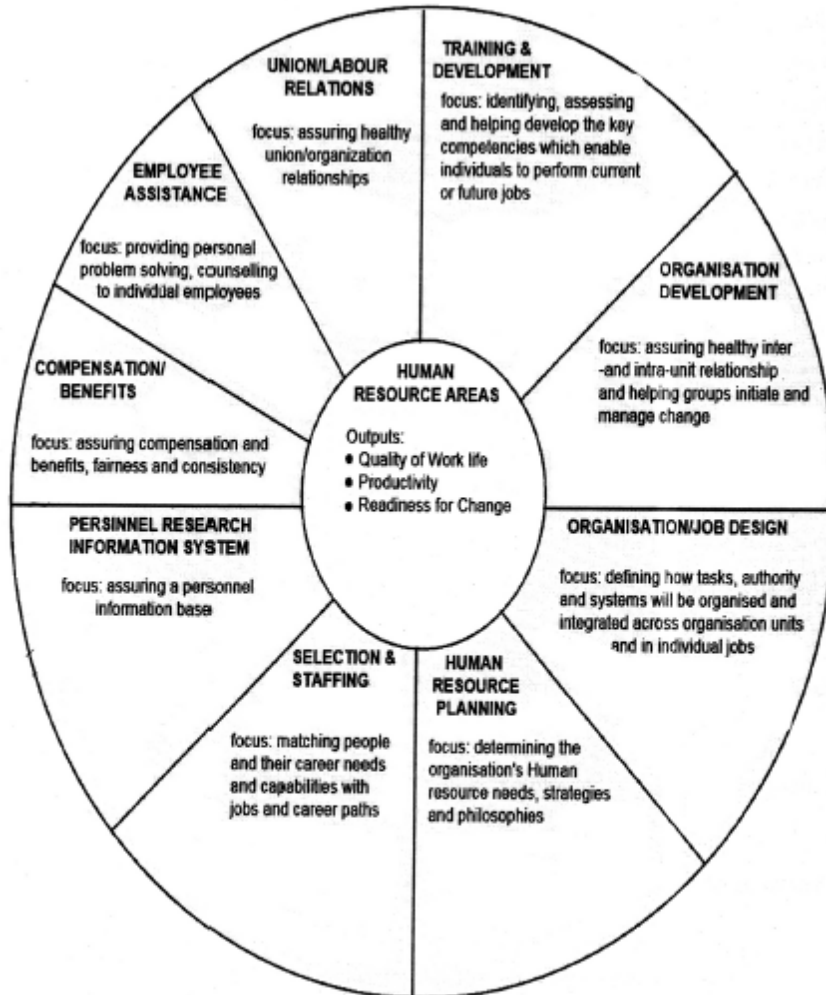


Fig.1.: ASTD Model

IMPORTANCE OF HUMAN RESOURCE MANAGEMENT:

Human resource are the most important productive assets of an organization. Capital and physical resources, by themselves, cannot improve efficiency or contribute to an increased rate of return of investment. It is through the combined and concentrated efforts of people that monetary or materials resources are harnessed to achieve organizational goals. But these efforts, attitudes and skills have to be sharpened from time to time to optimize the effectiveness of human resources and to enable them to meet greater challenges. This is where Human Resource Management plays a crucial role. Effective management

of human resources is essential not only for organization, but also for society and nation as discussed below:

Importance of the Organisation:

Human Resource Management is concerned with managing 'human aspect' of the organization in such a way that organizational objectives are achieved along with employee development and satisfaction. The importance and contribution of human resource management to the organizational objectives is as follows:

- i. Good human resource practice can help in attracting and retaining the best people in the organization.
- ii. Appropriate recruitment and selection activities identify the best people for available jobs.
- iii. Training develops individuals who need skills, knowledge and attitude different from those they currently possess.
- iv. Good human resource practice can motivate organizational members to do outstanding work.
- v. Effective personnel practice lead to healthy employer-employee relationship and industrial harmony in the organization.

Importance for the Society:

Sound human resource management has great importance for the society as given below:

- i. It provides sound personnel policies for socio-psychological satisfaction to people at work.
- ii. It maintains between the jobs available and the jobseekers in terms of numbers, qualifications, needs and aptitude.
- iii. It eliminates waste of human resources through conservation of physical and mental health of human resources.
- iv. It provides status to the employees in the society in the sense that they are contributing to the welfare of the society.

Importance for the Nation:

Efficient management of human resources can play a vital role in the growth, development, and self-sufficiency of a nation. Committed manpower is a necessary prerequisite for the effective and efficient exploitation and utilization of nation's physical, financial and natural resources. Countries differ in their social, economic and other development due to the capabilities, values and attitudes of their human resources. If the people are educated, skilled and efficient, the country will progress in the desire direction.

1.3 DIFFERENCE BETWEEN HUMAN RESOURCE MANAGEMENT AND PERSONNEL MANAGEMENT

Human Resource Management is the reincarnation of Personnel Management. This is why many people don't make any distinction between the two terms and use them interchangeably. They think that HRM is an old wine in a new bottle. But this is not true because HRM is based on human resource orientation which was missing in personnel management. Whereas personnel management is a routine administrative activity, HRM is integrated into the overall strategic management of the enterprise. Human Resource management treats labour as human capital rather than as a variable cost; it is proactive rather than reactive; it is based on commitment rather than compliance; and it follows systems approach rather than piecemeal approach. The major points of distinction between the two are discussed below:

1. Personnel Management treats people as a tool which is used as the benefit for the organization and replaced when worn-out, while HRM treats people as valuable assets that are used for the benefits of the organization, the people or employee themselves and the society.
2. Personnel Management is treated as routine activity to hire and train employees and maintain personnel records, while HRM is integrated into the overall strategic management of the business.
3. Personnel management concentrates on monitoring people and their work in terms of measurable output, while HRM focuses on nurturing human talent for the growth and prosperity of the organization.
4. In Personnel management, interest of the organization are uppermost, whereas in HRM, interest of the organization are as important as those of the employees.
5. Human Resource Management must remain at the centre of management itself, while personnel management is one of the functional areas of management HRM is the concern of all managers from top to bottom in an organization, while personnel management is mainly concern of the personnel manager.
6. HRM represents humanization of management, while personnel management is concerned with managing personnel. HRM concentrates more on motivation, morale and job satisfaction,

while personnel management is primarily concerned with selection, recruitment and compensation of personnel.

1.4 OBJECTIVES OF HRM

The basic objectives of the human resource management is to contribute to the realization of the organisational goals. However, the specific objectives of human resource management may be outlines as follows:

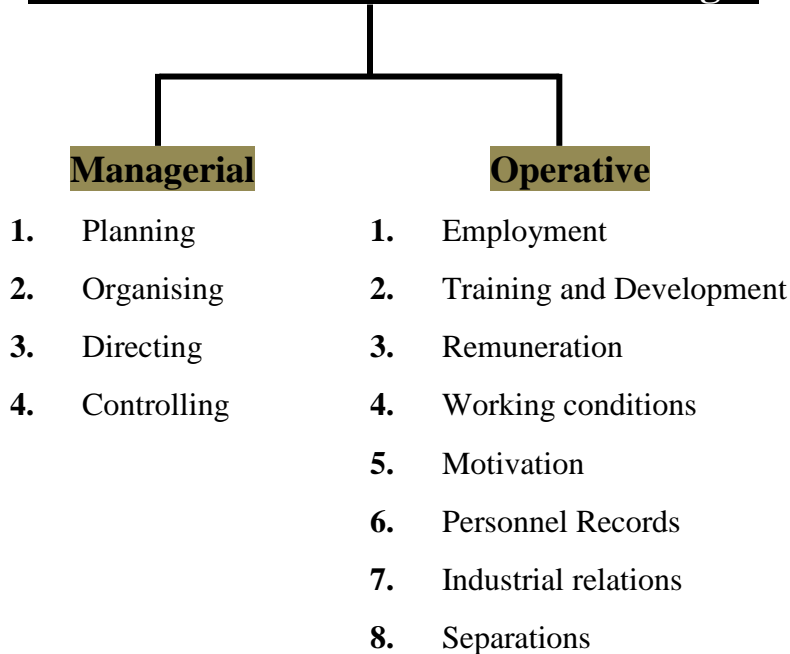
- To help the organization in achieving its goals.
- To ensure effective utilization of human resources.
- To ensure respect for all human beings working in any organization.
- To develop all the human resources so that they can achieve the given goals efficiently and effectively.
- To identify and satisfy the needs of the employees.
- To achieve and maintain high morale among employees.
- To provide the organization with well-trained and well-motivated employees.
- To ensure reconciliation of individual goals with those of the organization.
- To increase to the fullest the employee's job satisfaction and self actualization.
- To develop and maintain a quality of work life.
- To develop employees ethically and socially responsible towards the needs of society.
- To equip the employees with precision and clarity in the business transactions.
- To inculcate a sense of team spirit, group work and inter-department collaboration among the employees.
- To develop the overall personality of each employee in its multidimensional aspect.
- To enhance employee's capabilities to perform the present job at optimum level.

1.5 HRM FUNCTIONS

Human resource management is an important department of any organization. The in-charge of this department is known as HUMAN

Resource Manager or Personnel Manager. This department plays important role in efficient management of human resources. The human resource department provides assistance and services to all other departments on personnel matters. There are two categories of functions of which a human resource manager performs. These include: (i) managerial and (ii) operative.

Functions of Human Resource Manager



Human Resource Management

Functions of Human Resource Management

Fig.2.:Functions of Management

Managerial Functions:

The human resource manager is the part of the management of the enterprise. So he must perform the basic managerial functions of planning, organizing, directing and controlling in relation to his own department. These functions are briefly discussed below:

1. **Planning:** Planning function is related to determine the goals of organization and lay down policies and procedure to reach the goals. For a human resource manager, planning means the determination of personnel programs i.e. anticipating vacancies, job requirements and the sources of recruitment.
2. **Organising:** The organization structure basically includes the following :
 - Grouping of personnel activities into positions.
 - Assigning different functions to different people
 - Coordinating activities among different individuals.

- Delegating authority as per the task assigned to the individuals at different positions.
3. Directing: The directing function of human resource manager involves encouraging people to work willingly and effectively to the goals of the enterprise. In fact, direction function is meant to guide and to motivate the people to accomplish the personnel programs.
 4. Controlling: Controlling is concerned with the regulation of activities in accordance with the plans, which in turn have been formulated on the basis of objectives of the organization. It involves the observation, supervision and comparison of results with the set standards and correction of deviation that may occur. It helps the HR manager to evaluate the performance of the employees of the organization.

Operating Functions:

The operative functions are those tasks or duties which are specifically entrusted to the human resource department. Such functions are discussed as follows:

1. Recruitment & Selection: This function is related to the employment of the people necessary to achieve the objective of the organization. The number of persons is determined first and then as per the requirement quality people are placed through recruitment and selection. This function provides right type of person in right quantity to the organization.
2. Training & Development: After selection of people, they are trained as per the standards and specification of their job so that they can perform their duties skillfully. For this purpose, the human resource department device on-the-job and off-the-job methods for training purposes.
3. Compensation: This function is related with determination of adequate and equitable remuneration of the employees in the organization for their contribution to the organization goals. On the basis of performance appraisal and job evaluation, the remuneration can be fixed both in terms of monetary or non monetary rewards.
4. Human Welfare: Human resource department is not concerned with recruitment and training of the personnel but it also takes care of their working conditions and welfare programs. Working conditions certainly influence the motivation and morale of employees. This includes measures taken for health, safety and comfort of the workforce.
5. Personnel Records : The human resource department maintains the records of the employees working in the organization. It keeps full records of their training, achievements, rewards, transfers,

promotions, etc. It also maintains records related to their personal behaviour like absenteeism, involvement in strikes and labour turnover.

6. Industrial Relations: Now-a-days, the responsibility of maintain the good industrial relations is mainly the duty of human resource department. The human resource manager can help in collective bargaining, joint consultation and settlement of disputes, if the need arises. He also ensures the peace in the organization as he is associated with various committees on discipline, labour welfare, safety and grievances etc.
7. Separation: As the first function of human resource manager is recruitment the last function is separation. The human resource manager has to ensure the retirement benefits to the retiring personnel in time.

Human Resource Management

In brief, the human resource management performs the following functions:

- Manpower planning.
- Recruitment, selection and placement of personnel.
- Training and development of employees.
- Performance appraisal of employees.
- Transfer and promotion of employees from one job to another for corrective measures.
- Safety and welfare of employees.
- Developing specific management policy for organizational and industrial relationship.
- Collective bargaining and negotiation.
- Grievance handling.
- Staffing the organization.
- Supporting employees for their self development at all three levels.
- Potential appraisal.
- Feedback counseling.
- Job analysis and role analysis for job enrichment.
- Job rotation.
- Strategic human resource management.
- Motivation of employees.
- Reviewing wages and salary.

- Maintain relationship between top management and trade unions.
- Separation and ensuring retirement benefits of the employees.

The evolution of HRM passes through the industrial revolution era, trade unionism era, scientific management era, Human relations movement era, Behavioural science era, Personnel Specialists welfare era.

The Industrial Revolution Era: Industrial revolution during the later part of the 18th century and earlier part of the 19th century had a vital influence on the development of industry and commerce. Industrial revolution was the result of invention of many English scientist. The important changes brought about by the industrial revolution are as follows:

- 1) Development of engineering;
- 2) Revolution in iron-making;
- 3) Use of power driven machines;
- 4) Rise of chemical industry;
- 5) Development of coal mining.

The changes which necessitated the emergence of personal management included large scale production and size of factory system: employment of large number of workers in factories: introduction of division of labour: growth of a new class of technical and professional employees: migration of labour from rural areas to urban area: rise of materialism: monotony and boredom in jobs, etc.

Trade Union Era: With the rise of factory system, the workers faced several problems in the factories. They got lower wages and worked under poor working conditions of work. So they organized themselves into trade to secure better wages and better condition of work. The basic philosophy underlying trade unionism was that through strength and collective support, the employers could be forced to listen to the workers and redress their grievances. The weapons used included strikes, slowdowns, walkouts, picketing, boycotts and sabotage. Sometimes, even physical force was used. Trade unionism influenced personnel management in such fields of activity as adoption of employee grievance handling systems, acceptance of arbitration as a means of resolving conflicts about rights and disciplinary practices, expansion of employee benefit programs, liberalization of holiday and vacation time, clear definition of job duties, job rights through seniority and installation of rational wage structure. Because of influence of trade unions, personnel departments were setup around 1910 to take after functions like recruitment, training, payment of wages, record-keeping, welfare, etc.

Human Relations Movement Era: Using the techniques developed by the psychologists, George Elton Mayo (a psychologist) and Fritz J. Dickson of Western Electric company conducted some experiments

(known as Hawthorne Experiments) in the field of industrial psychology between 1927 to 1932. Mayo and his associates followed up their experiments and investigated the myriad of informal groupings, informal relationships, social cliques, patterns of communication and patterns of informal relationships. As a result, during the 1930s a trend began which can be phrased as 'being nice to people'. This trend was eventually termed as '**the human relations movement**'. The human relations movement was mainly concerned with the informal and spontaneous behaviour of work groups and the sentiments, interactions and attitudes of employees. This scientific management movement was mainly concerned with the organisation as a techno-economic system while the human relations movement viewed the organization as a social system.

Human Resource Management

Behavioural Sciences Era: The behavioural sciences are essentially the social and biological sciences pertaining to the study of human behaviour. The term was coined around 1949 and grew out of a meeting of scientists who were considering whether a sufficient body of facts exists to justify developing an empirically tenable general theory of behaviour (Miller 1955). Recent contributions have come from industrial psychology, social psychology, sociology etc.

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

During the period 1950-1980, the scope of personnel management expanded considerably throughout the world. Several new techniques and styles of managing the human resources were developed as a result of the researches and experiments in the field. The task of the personnel manager which was confined mainly to the recruitment of workers extended to development, compensation, appraisal, and maintenance of personnel.

Personnel management was no longer restricted only to the wage earners in the factories. It became equally important in offices, sales organizations, hospitals, non-profit institutions, government departments and armed services.

From Personnel Management to Human Resource Management: There has been a transformation in the practices concerned with management of people at work. The people are now called '**human resources**' and are treated as valuable assets of the organization. Efforts are made to integrate employees with the organizations so that organization goals and employees' aspirations could be achieved simultaneously. Focus has been shifted towards management practices like two-way communication, management by objectives, employee-centred

leadership, quality circles, etc. these developments paved the way of transformation of Personnel management into **Human Resource Management**.

With the beginning of 1970s, the need of development of human resources was widely recognized by the industrial organizations. This gave rise to a new human resources was widely recognized by the industrial organizations. This gave rise to a new orientation or philosophy known as Human Resources Development (HRD).

1.7 SUMMARY

We can not ignore the fact that human element is at the centre stage in all economic activities. No organization can think of viability of operations and effectiveness without the efficient utilization of human resources. Human resource management is a basic responsibility of management since managing means 'getting results through and with people'. Every manager is required to perform certain personnel functions. Human Resources are also identified by other terms like 'personnel', 'human assets' and 'human capital'. Human assets are in intangible form as they exist within human resource. Human capital consists of intellectual capital, social capital and emotional capital. Human Resource Management is the process of acquiring, training appraising and compensating employees, and attending to their labour relations, health and safety and fairness concerns.

Personnel Management is treated as routine activity to hire and train employees and maintain personnel records, while HRM is integrated into the overall strategic management of the business. Personnel management concentrates on monitoring people and their work in terms of 21 measurable output, while HRM focuses on nurturing human talent for the growth and prosperity of the organization. The human resource department provides assistance and services to all other department on Personnel matters.

There are two categories of functions of which a human resource manager performs. These include: (i) managerial and (ii) operative. In brief, the human resource management performs the various functions like manpower planning, recruitment, selection and placement of personnel, training and development of employees, performance appraisal of employees, transfer and promotion of employees from one job to another for corrective measures, safety and welfare of employees etc.

1.8 SELF ASSESSMENT EXERCISE

1. Define HRM.
2. Explain the objectives and functions of human resource management.

3. Define personnel management and differentiate it from resource management.
4. Discuss the evolution of HRM.
5. Explain the importance of human resources in an industrial enterprise.
6. Explain the nature and scope of HRM in modern times.

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UNIT 2

HUMAN RESOURCE DEVELOPMENT

Objectives :

After studying this lesson, you will be able to:

explain the meaning and nature of human resource development; identify the differences between human resource development & personnel functions; understand the evolution of HRD in India; describe the various roles of HR managers.

Structure :

- 2.1 Introduction
- 2.2 Meaning, Nature and Objectives of HRD
- 2.3 Distinction between human resource development & personnel functions
- 2.4 Evolution of HRD in India
- 2.5 Role of HR Managers
- 2.6 Summary
- 2.7 Self Assessment Exercise
- 2.8 Further Readings

2.1 INTRODUCTION

Human resource is the most important active factor of production and refers to the knowledge, skill, creative ability, talents, values and beliefs of workforce. These resources play an important role in deciding the efficiency and effectiveness of an organization. Their development would lead to the development of the organization. Human Resource Development's main concern is the development of skill and abilities and competencies of people. The concept of HRD is of recent origin and is still in the developing stage.

In the fast moving business world of today, organisations are facing challenges of cut throat Competition, fast and changing technology, emerging startups and changing socio-demographic environment. International organizations and multinational companies are also entering in domestic markets due to policy of globalization. Thus the role of managers has become more diverse than their previous friends. Radical changes are taking place because of economic pressure and demand for enhancing efficiency and productivity. To keep pace with such

environment, organisations must develop its people and allow them to grow. HRD must therefore be viewed as total system integrating with other system of the organization. The employees capabilities need to be sharpen and this is possible through HRD.

2.2 MEANING, NATURE AND OBJECTIVES OF HUMAN RESOURCE DEVELOPMENT

MEANING OF HRD:

In the organizational context, Human Resource Development is a continuous process to ensure the development of employee competencies, dynamism, motivation and effectiveness in a systematic and planned way. HRD is a process which is concerned with a series of learning activities that are designed to produce behavioural changes in the human resources in such a way that they acquire desired level of competence for present and future roles. In other words, we can say that HRD brings about an all round development of the people of the organization so that they can contribute their best to their organization, society and the nation in best efficient and effective manner.

According to T.V. Rao, “HRD is a continuous planned process by which employees are helped to:

- (a) acquire or sharpen capabilities required to perform various functions associated with their present or expected future roles;
- (b) develop their general capabilities as individuals and discover and exploit their own inner potentials for their own and organizational purposes; and
- (c) develop an organizational culture in which superior-subordinate relationships, team work and collaboration among sub-units are strong and contribute to the professional well-being, motivation of employees.”

According to Ishwar Dayal, HRD involves:

- (a) ways to better adjust the individual to his job and the environment,
- (b) the greatest involvement of an employee in various aspects of his work; and
- (c) the greatest concern for enhancing the capabilities of the individual.

Other scholars viewed human resources as “the total knowledge, skills, creative abilities, talents and aptitudes of an organisation’s workforce as well as the values, attitudes and beliefs of the individuals involved”. This explains that Human Resource Development (HRD) may be defined as development of people by providing the right environment where each individual may grow to his full capacity, potentiality and efficiency by capturing all opportunities.

HRD is the heart of the larger body known as Human Resource System. It is concerned with providing learning experience for the organizational members to develop their competencies. HRD is the only a sub-system of the organization which is integrated with all other sub-systems like finance, production and marketing etc.

NATURE OF HRD:

The concept of HRD is comparatively of modern times and is now used at both macro and micro level. At the micro or organizational level, HRD enforces improvements in the quality of managers and workers so that the organizational goals can be achieved while at macro level, HRD is described as the core of all developments efforts so that the quality of life of people of the nation can be improved. The nature of the HRD can be discussed as below:

1. **System Perspective:** HRD is viewed as a system consisting of several interdependent and interrelated sub-systems. These include performance appraisal, potential appraisal, role analysis, training, job enrichment, communication etc. In designing a human resource development system, enough attention should be paid to building linkages between the various sub-systems.
2. **Behavioural Science Knowledge:** Human Resource Development makes use of principles and concepts of behavioural sciences for the development of people. It uses knowledge drawn from psychology, sociology and anthropology for planning and implementing various programmes for the development of individuals. Groups and the organization.
3. **Continuous Process:** As a dynamic and pro-active process HRD believes in and emphasizes the need for 'continuous development' of personnel to face the innumerable challenges in the functioning of an organization. However, HRD mechanisms, processes, policies etc, differ from organization to organization to suit the need of the situation.
4. **Quality of life:** In general, HRD has its relevance to the 'quality of human life improvement'. At the organization level, it is concerned with improving the quality of work life so as to achieve greater satisfaction of employees and higher level of productivity.

Micro and Macro Perspectives:

The concept of HRD is comparatively of recent origin and is now used at both macro and micro levels. AT the macro level, HRD is described as core of all development efforts in the sense of improvement of quality of life of people of a nation. At the micro or organization level, HRD connotes improvement in the quality of managers and workers so as to achieve greater quality and higher levels of productivity.

Mechanisms or Instruments of HRD

There are a number of mechanisms of HRD that can be used in an organization to bring out the best of the human resources. The most commonly used mechanisms in modern organisations are as follows:

- i. Performance appraisal;
- ii. Potential appraisal;
- iii. Role analysis;
- iv. Job rotation;
- v. Counselling;
- vi. Job enrichment;
- vii. Training and development;
- viii. Career Planning.

Objectives of HRD:

Human Resource Development is a multipurpose process. It has the following objectives:

- i. Provide an opportunity and comprehensive framework for the development of human resources in the organization for full expression of their talents and potentials.
- ii. Develop the constructive mind and overall personality of each employee.
- iii. Develop each individual's capabilities to perform the present job and to handle future likely roles.
- iv. Develop and maintain high motivation level of each employee.
- v. Strengthen superior-subordinate relationship.
- vi. Develop a sense of team spirit, team work and inter team collaboration.
- vii. Improve the organisational health, culture and climate.
- viii. General systematic information about human resources.

The realisation of the above goals will ultimately contribute to organizational effectiveness reflected through better quality, higher productivity, cost reduction, higher profits and better public image.

2.3 DISTINCTION BETWEEN HUMAN RESOURCE DEVELOPMENT AND PERSONNEL FUNCTIONS

Personnel function is the role of personnel manager and its an traditional approach of an organization but HRD has emerged as a pervasive role of an organization. Personnel management which is also known as human resource management is treated as routine activity to hire

and train employees and maintain personnel records while human resource development is a continuous process to ensure the development of employee competencies, dynamism, motivation and effectiveness in a systematic and planned way. Personnel management of HRM is defined as the planning, organizing, directing and controlling of procurement, development, utilization, compensation and maintenance of human resources. HRD is the development of human resources in the organization. It is concerned with improvement of the abilities, skills of existing human resources and helps them to acquire new knowledge needed to attain organizational goals and individual aspirations. The differences between HRD and Personnel Functions can be discussed as follows:

HRD VS PERSONNEL FUNCTIONS:

1. Traditional approach views personnel function as an independent function while systems approach views it as a sub-system of a large system i.e. organization. It means that the design of HRD cannot be considered in isolation; it must take into account its linkages with all other parts of the organization.
2. Traditional approach considers personnel function as mainly a service function but HRD is regarded as a proactive function. The function of HRD is not merely to cope with the needs of the organization but to anticipate them in advance.
3. The traditional personnel function is supposed to be the exclusive responsibility of the personnel department while HRD is the function of all managers in the organization. HRD aims at developing the capabilities of all line managers to carry out various personnel functions themselves.
4. Traditional personnel function takes a very narrow view of its scope and aims are developing and administering people only, while HRD takes a much wider view of its scope and aims at developing the total organization.
5. Traditional personnel function considers salary and other monetary benefits as important motivators but HRD considers non-monetary incentives as important motivators such as informal organization, autonomous work groups, job enrichment, job challenge, and creativity.
6. Under personnel management the stress is on enhancing efficiency while under HRD, the stress is on building up of culture based on mutual trust and understanding cooperation, harmony, open-mindedness, clearly defined goals.
7. Personnel management function is considered as the job of personnel department but HRD is considered as all pervasive function.

2.4 EVOLUTION OF HRD IN INDIA

The growth of human resources management (HRM) and human resources development (HRD) has been evolutionary. However, the foundations of modern concepts of human resource management and human resources development date back to the era of industrial revolution when large scale production was taken up as a result of the invention of steam engine and several machines and problem was faced by the factory owners in dealing with their workers.

Industrial Revolution: Industrial revolution during the later part of the 18th century and earlier part of the 19th century had a vital influence on the development of industry and commerce. Industrial revolution was the result of invention of many English scientist. The important changes brought about by the industrial revolution are as follows:

- 1) Development of engineering;
- 2) Revolution in iron-making;
- 3) Use of power driven machines;
- 4) Rise of chemical industry;
- 5) Development of coal mining;

The changes which necessitated the emergence of personal management included the following:

- 1) Large scale production and size of factory system:
- 2) Employment of large number of workers in factories:
- 3) Introduction of division of labour:
- 4) Growth of a new class of technical and professional employees:
- 5) Migration of labour from rural areas to urban areas:
- 6) Rise of materialism:
- 7) Monotony and boredom in jobs, etc.

Growth of Trade Unionism With the rise of factory system, the workers faced several problems in the factories. They got lower wages and worked under poor working conditions of work. So they organized themselves into trade to secure better wages and better conditions of work. The basic philosophy underlying trade unionism was that through strength and collective support, the employers could be forced to listen to the workers and redress their grievances. The weapons used included strikes, slowdowns, walkouts, picketing, boycotts and sabotage. Sometimes, even physical force was used. Trade unionism influenced personnel management in such fields of activity as adoption of employee grievance handling systems, acceptance of arbitration as a means of resolving conflicts about rights and disciplinary practices, expansion of employee

benefit programs, liberalization of holiday and vacation time, clear definition of job duties, job rights through seniority and installation of rational wage structure. **Human Resource Development**

Because of influence of trade unions, several employers in the U.S.A. appointed Welfare Secretaries and also launched schemes for worker's participation. They adopted paternalistic attitude towards the workers and invested on welfare activities for the betterment of workers. In several companies, personnel departments were setup around 1910 to look after functions like recruitment, training, payment of wages, record-keeping, welfare, etc. Later such practices were followed in other countries also.

Industrial Psychology: The development of industrial psychology owes a great deal to Hugo Munsterberg. His book, *Psychology and Industrial Efficiency*, was published in 1913. He is regarded as the father of Industrial Psychology. His contributions to industrial management were particularly notable in respect of his analysis of jobs in terms of their mental and emotional requirements and in terms of the development of testing devices. Advances were made in **selection, placement, testing, training and research practices.** Industrial psychology introduced "matching of employees to jobs, for different jobs requiring different skills and abilities". It emphasized the use of psychology in the field of personnel testing, interviewing, attitude measurement, learning, monotony study, safety, job analysis and human engineering.

A number of psychologists such as Poffenberger, Burt, Hepner and Munsterberg made significant contributions to the field of industrial psychology. Munsterberg had great interest in seeking out ways in which psychology could be applied to the problem of industry. He introduced job analysis in term of mental and emotional requirements to the job. Personnel Management grew rapidly in the U.S.A. during the 1920's. A number of companies added personnel departments for the first time, personnel consulting firms began to appear, many colleges and universities began to offer training in this area and personnel research studies were initiated in a variety of setting. The work done at Carnegie Institute of Technology dealing with manpower utilization in the sales management field is particularly noteworthy. The major areas of specialization of the personnel managers during this period were selection, training, methods improvement and employee welfare.

Human Relations Movement : Using the techniques developed by the psychologists, George Elton Mayo (a psychologist) and Fritz J. Dickson of Western Electric company conducted some experiments (Known as Hawthorne Experiments) in the field of industrial psychology between 1927 and 1932. Mayo and his associates followed up their experiments and investigated the myriad of informal groupings, informal relationship, social cliques, patterns of communication and patterns of informal relationship. As a result, during the 1930s a trend began which can be

phrased as 'being nice to people'. This trend was eventually termed as '**the human relations movement**'.

Elton Mayo and his associates drew the following conclusions from the Hawthorne experiments:

- 1) The amount of work to be done by the worker is not determined by his physical capacity but by the social norms.
- 2) Non-economic rewards and sanctions play a significant role in influencing the behavior of the workers.
- 3) Generally, workers do not act or react as individuals, but as members of the group.
- 4) Informal leaders play an important part in setting and enforcing the group norms.

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

During the period 1950-1980, the scope of personnel management expanded considerably throughout the world. Several new techniques and styles of managing the human resources were developed as a result of the researches and experiments in the field. The task of the personnel manager which was confined mainly to the recruitment of workers extended to development, compensation, appraisal, and maintenance of personnel.

Personnel management was no longer restricted only to the wage earners in the factories. It became equally important in offices, sales organizations, hospital, non-profit institutions, government departments and armed services.

From Personnel Management to Human Resource Management: There has been a transformation in the practices concerned with management of people at work. The people are now called '**human resources**' and are treated as valuable assets of the organization. Efforts are made to integrate employees with the organizations so that organizational goals and employees, aspirations could be achieved simultaneously. Focus has been shifted towards management practices like two-way communication, management by objectives, employee-centred leadership, quality circles, etc. these developments paved the way of transformation of Personnel management into **Human resources Management**.

The terms 'Personnel Management' and 'Human Resources Management' (HRM) are used interchangeably in practices. However, the following points must be carefully noted:

- 1) Human resource management is primarily a philosophy, an attitude, an approach, a policy and a practice, while personnel management is a functional area of management.
- 2) HRM represents the humanisation of management, while personnel management is concerned with managing personnel for greater productivity.
- 3) HRM is the concern of all managers from top to bottom in a organization, while personnel management is mainly the concern of the personnel manager.
- 4) HRM concentrates more on motivation, morale-boosting and job satisfaction, while personnel management is primarily concerned with selection, recruitment and administration of personnel.
- 5) HRM intervention is more concerned with working with people, team building and team-work, while personnel managements is interested in the orderly way of administration.

With the beginning of 1970s, the need of development of human resources was widely recognized by the industrial organizations. This gave rise to a new human resources was widely recognized by the industrial organizations. This gave rise to a new orientation or philosophy known as Human Resources Development (HRD).

EMERGENCE OF HRD:

Over the last one century, the following approaches towards human resources have been observed:

- 1) Commodity approach
- 2) Machine approach
- 3) Paternalistic approach
- 4) Social system or humanistic approach
- 5) Human Resources approach
- 6) HRD approach

Commodity Approach

The commodity approach considers as a '*commodity*' or simply a '*factor of production*' that is why, it also called the '**factor of production**' approach. It describes the attitude of traditional management towards personnel or people at work, which assumes that the labour must be classified with capital and utilized to the fullest. Employees are thought to be hired and fired at will, considering only the immediate requirement of the company. Instead of treating them as human beings

with their needs and aspirations, the workers are treated as a mere factor of production as under scientific management.

Machine Approach

Under mechanistic approach, the personnel are thought to be and treated as machines. It is assumed that if machines can be made more productive by extreme specialization, so can the be people. Jobs can be created requiring such little ability that persons performing them can be interchanged readily. The classical management theory intended to maximize efficiency of human factor, and money was thought to be the prime motivator. It followed '*carrot and stick*' approach to human motivation. If people work efficiently, they would get the stick, kicked out of the firm. The managars following the traditional approach are strictly autocratic leaders. This causes frustration and alienation among the workforce leading to low level of commitment towards the organization.

Paternalistic Approach

Under this approach, management assumes a fatherly and protective towards employees. It consists of buying employees loyalty and gratitude by providing them housing, recreation, medical benefits, and other welfare services. The paternalistic approach gained importance during the 1920s when personnel management became known as a glamorous area of management especially in the United States. The change over from commodity approach to paternalism took place because of the efforts of social workers and enlightened businessmen. The growth of labour unions during and after the First World War also made several businessmen to assume a fatherly, benevolent and protective attitude towards workers. As a result, certain personnel programmes were development which emphasized such activities as consumer stores, housing for workers, recreational facilities and so on. The purpose of this approach was to buy employee's gratitude and loyalty.

Though the paternalistic approach was an improved version of the mechanical approach it created almost similar problems that were created by the mechanical approach.

Social System or Humanistic Approach

Paternalism died during the Great Depression of the 1930s as the management did not have resources to invest in the welfare services for the workers. Because of the work of psychologistis like Mayo, Argyris, McGregor and Leavitt and sociologists like Blake, Selznick, Dubin, Katz and Khan, the social system approach gained currency. The organizations were viewed as social systems composed of numerous interacting parts. The social system approach recognizes a worker as a human being and also a significant part of the organization. It emphasizes that investment in labour can often prove to be as beneficial as investment in machinery. If labour is treated properly, most of their problems would be solved automatically. This approach, therefore, recognizes that treatment of

labour should not be of fatherly type but rather one of mutual co-operation in the solution of common problems of the organization.

Human Resource Development

The proponents of humanistic approach felt that workers have psychological needs also in addition to psychological needs. Thus, non-economic incentives could also be used to motivate the workers along with the economic incentives. The human relations advised the management to work for better human relations in the organization. They considered '**human relations**' as the key to higher productivity, higher morale and satisfaction of the workers. However, this view may not always hold good in practices. The satisfied workers need not necessarily be the productive workers.

Human Resource Approach

It was during the 1950s that several behavioural scientists started analyzing the behavior of human beings at the work-place. This gave birth to the human resources concepts which considers **workers as human resources who are living entities with distinct needs, aspirations and personality**. Because of the efforts of behavioural scientists, motivation, leadership, group dynamics, organizational climate, organizational conflict, etc. became popular concepts. Employees began to be considered as valuable assets of the organizations. Efforts were made to integrate employees with the organization so that organizational goals and employees' aspirations could be achieved simultaneously. Focus was shifted towards management practices like two-way communication, management by objectives, workers' participation in management, employee-centred leadership, quality circles, etc.

The popularity of human resource approach lead to the transformation of traditional Personnel Management into Human Resources Management (HRM). The basic foundations of the HRM philosophy are as follows:

- 1) Human resources are the most important of all resources used in industry. Efficient use of capital and technology is possible only with help of competent and motivated human resource.
- 2) Each human being has distinct needs, perception, attitude and values. Individual differences need to be taken care of while dealing with people.
- 3) Human resources should be treated with respect and dignity.
- 4) Human resources have the intrinsic and urge to develop.

HRD Philosophy

There has been an increasing realization that the organisation's success is development on the synergy created by its human resources. Organisational growth can only be ensured through appropriate collaboration and amalgamation of various personnel around organizational goals/tasks. It is, therefore, essential to create an

appropriate work culture and ethos which would provide the impetus for achievement. This is one of the major tasks of management of any organization. This concern has given rise to the philosophy of Human Resources Development.

Human Resources Development (HRD) is said to be core of a larger system known as Human Resources System, wherein HRD is mainly concerned with providing learning experiences for the people associated with an organization through behavioural processes. Such learning experiences are provide with the main objectives of developing human resources for their advantages and harnessing their physical, mental and intellectual endowments and abilities for the growth of the organization. In a broader sense, the term 'HRD' means *those learning experiences which are designed to develop competencies and bring about behavioural/change among the human resources.*

HRD in Indian Industry

In Indian, a professional outlook to HRD began only in 1970s, even though the HRD processes might have existed to some extent in Indian earlier also. **LARSEN & TOUBRO** was the first company to design and implement an integrated HRD system. Later on, this professional outlook to HRD spread to other organization. The first workshop on HRD was held in 1979. The Xavier Labour Relations Institute (XLRI) was the first academic institution to set up a full fledged center for HRD. A National HRD Network was been established in 1985. Looking at the pay offs from HRD system, several leading companies have gone ahead in creating separate HRD departments to improve employer-employees relations. Some of these organizations are as follows:

Private Sector Companies:

- Larsen & Toubro * Asian Paints
- Ashok Leyland * Crompton Greaves
- Voltas

Public Sector Companies:

- Bharat Heavy Electricals
- Indian Oil Corporation
- Steel Authority of India
- State Bank of India

At the macro level also, increasing emphasis is being placed on the development of human resources. A separate Ministry of HRD has been created in the central government. Attempts are being made to develop appropriate linkages between educations, public health, adult literacy and other social programs so as to ensure the overall development of people in the country. Scientific and technological advances are making it all the

more important to develop human resources, Physical and natural resources are wasteful if competent human resources are not available.

2.5 ROLE OF HR MANAGERS

In most of the big organisations, human resource department is set up under the leadership of human resource manager or personnel manager who is the expert in managing human resources. The human resource manager performs managerial as well as operative functions. Since he is a manager, he performs the basic functions of management like planning, organizing, directing and controlling to manage his department. He has to perform some operative functions too like recruitment, selection, placement, training and appraisal etc. He has to play multiple roles in the effective management of human resources and achieving good human relations in the organization.

Ideally, the human resource manager should concentrate on dealing with the human problems. Just as finance manager assesses costs, marketing manager emphasizes on customers, human resource manager is people-centred. Some of the important roles of a human resource manager in an organization are discussed below:

1. Policy Formulation:

Policy formulation is the one of the important tasks of the human resource manager. He has to plan to overcome the recurring problems and anticipated problems in the area of human resource management. The HR manager helps the top management in the formulation of policy on wages and salary administration, transfer, promotion, appraisal and welfare activities etc.

2. Advisory Role:

The Advisory role of the human resource manager is of crucial importance. Line managers are generally confronted with a variety of problems in their day to day operations. These problems may include grievance over distribution of overtime work, annual increase in pay, transfer, promotion, disciplinary action and so on. In all such matters human resource manager can offer useful advice because he is familiar with the human resource policies and practices, labour agreements and labour laws etc.

3. Linking Pin Role:

The human resource manager attempts to achieve and maintain good industrial relations in the organization. He is responsible for setting up of various committees on discipline, labour welfare and safety, grievance etc. He gives authentic information to the trade union leaders regarding the personnel policies and programmes of the organization. He helps in redressing the grievances among the labour. He also conveys the views of the trade unions to the top management. Thus, he acts as a *linking pin* between the management and the workers.

4. Mediator Role:

The human resource manager often acts as mediator in the event of conflict between employees, or groups of employees, superior and subordinates, and even between management and employees. Thus, he attempts to maintain industrial peace and harmony in the organization.

5. Leadership Role:

The human resource manager provides leadership and guidance to the employees and their groups. He ensures effective communication in the organization and influence the employees for extending their cooperation in the attaining the organizational objective.

6. Welfare Officer Role:

The HR manager acts as a welfare officer in the organization. As welfare officer, he is concerned with the provision of canteen, crèches, transport, hospital and other welfare services for the benefits of workers and their family members.

CHANGING ROLE OF HR MANAGER:

As discussed above the HR manager plays a variety of roles depending upon the need of the organization. Some of the other evolving roles of HR managers are given below:

1. Change Facilitator or Agent:

The human resource manager can serve as a change agent to initiate and improvements in human resource practices. He can also help in introducing and implementing major institutional changes in the organization. He analyse the needs and changing environment of the organization and design suitable human resource strategies to introduce change in the organization smoothly.

2. Act as Counsellor:

HR managers also play the role of counsellors. As a counsellor, The HR manager Discusses the various problems of the employees relating to work, career, health, family, superiors, peers etc. and suggests them the ways and means to minimize and to overcome these problems.

3. Involvement in Strategy Formulation and Implementation:

The most striking change in the role of HR manager is his growing involvement in developing and implementing the company's strategy. Strategy is the company's plan to balance between its internal strengths and weaknesses with the external opportunities and the threats in order to achieve a competitive advantage over other companies. The effective implementation of strategies depends on building committed team and thus HR manager comes in central role to participate in formulation and implementation of strategic plans.

4. Miscellaneous Roles:

Because of changing economic, politico-legal and socio-cultural environment, the HR managers are also actively involved in the following matters:

Human Resource Development

- a) Downsizing and voluntary retirement scheme (VRS)
- b) Management of workforce diversity
- c) Employee's empowerment

COMPETENCIES OF HR MANAGER

Human resources managers in modern organisations have to play multiple roles while managing human resources. For instance, human resource manager in a company has to act as decision-maker, organizer, leader, counsellor, change facilitator etc. For the effective performance of such roles he requires a number of competencies. We can define *competencies as demonstrable characteristics of a manager that enable his successful performance*. Job related competencies are observable and measurable of a manager. In other words, competencies denote the attributes and behaviour expected of a manager to do his job effectively. In practice, the term 'competency' is used synonymously with the knowledge, skills, abilities and attributes of a manager required to do his job perfectly.

Henri Fayol put the qualities required by managers into the following categories:

- i. **Physical:** health, vigour, address;
- ii. **Mental:** ability to understand and learn; judgment, mental vigour and adaptability;
- iii. **Moral:** energy, firmness, willingness to accept responsibility, initiative, loyalty, tact and dignity;
- iv. **Educational:** general acquaintance with matters not belonging exclusively to the function performed;
- v. **Technical:** peculiar to the function; and
- vi. **Experience:** arising from the work.

The human resource manager should possess all the qualities required of a manager for his effective functioning.

Pat Mc Lagan has suggested nine roles that are played by HR practitioners which are given below:

- i. To bring the issues and trends concerning an organization's external and internal people to the attention of strategic decision makers and to recommend long term strategies to support organizational excellence and endurance.

- ii. To design and prepare HR systems and actions for implementation so that they can produce maximum impact on organizational performance and development.
- iii. To facilitate the development and implementation of strategies for transforming one's own organization by pursuing values and visions.
- iv. To create a positive relationship with the customer's by providing them with the best services; to utilize the resources to the maximum and to create commitment among the people who help the organization to meet the customer's needs whether directly connected or indirectly connected to the organization.
- v. To identify the learning needs hence to design and develop structured learning programmes and materials to help accelerate learning for individuals and groups.
- vi. To enable the individuals and groups to work in new situations and to expand and change their views so that people in power move from authoritarian to participative models of leadership.
- vii. To help employees to assess their competencies, values and goals so that they can identify, plan and implement development plans.
- viii. He also assists the individual employee to add values in the workplace and to focus on the interventions and interpersonal skills for helping people change and sustain change.
- ix. He assesses the HRD practices and programmes and their impact to communicate results so that the organization and its people accelerate their change and development.

Arthur Young and Dave Ulrich have classified HR competencies into four categories in their HUMAN RESOURCE COMPETENCY MODEL as follows:

- i. **Business Mastery:** HR managers and professionals need to know the business of their organization thoroughly. This requires an understanding of its economic and financial capabilities so that they can join the team of top corporate managers in order to develop the strategic direction and formulate HR strategies to be aligned with the corporate strategies.
- ii. **HR Mastery:** HR managers and professional are expected to be experienced and experts in behavioural science. In areas such as

staffing, training, appraisal, rewards, team building and **Human Resource Development** communication.



Fig.1. Human Resource Competency Model

Source: Arthur Young Wayne Brockbank and Dave Ulrich, "Lower Cost, Higher Value: Human Resource Functions in Transformation." Human Resource Planning, Vol. 17, No.3 (1994), New York.

- iii. **Change Mastery:** HR managers have to be able to manage change processes so that HR activities are effectively integrated with the business needs of the enterprise. This involves interpersonal and problem-solving skills, as well as innovativeness and creativity.
- iv. **Personal Credibility:** HR managers must establish personal credibility in the eyes of their internal and external clients or customers. Credibility and trusts are earned by developing personal relationships with them, by demonstrating the values of the firm, by standing up for one's own beliefs, and by being fair in dealing with others.

2.6 SUMMARY

Human Resource Development is a continuous process to ensure the development of employee competencies, dynamism, motivation and effectiveness in a systematic and planned way. HRD is a process which is concerned with a series of learning activities that are designed to produce behavioural changes in the human resources in such a way that they acquire desired level of competence for present and future roles. The nature of the HRD can be discussed as system perspective, behavioural

science knowledge, continuous process, quality of life. HRD works at macro as well as micro level both.

Personnel management or HRM is defined as the planning, organizing directing and controlling of procurement, development, utilization, compensation and maintenance of human resources. HRD is the development of human resources in the organization. It is concerned with improvement of the abilities, skills of existing human resources and helps them to acquire new knowledge needed to attain organizational goals and individual aspirations. Over the last one century, the following approaches towards human resource have emerged:

- 1) Commodity approach
- 2) Machine approach
- 3) Paternalistic approach
- 4) Social system or humanistic approach
- 5) Human Resources approach
- 6) HRD approach

The human resource manager performs managerial as well as operative functions. Since he is a manager, he performs the basic functions of management like planning organizing, directing and controlling to manage his department. He has to perform some operative functions too like recruitment, selection, placement, training and appraisal etc. He has to play multiple roles in the effective management of human resources and achieving good human relations in the organization.

2.7 SELF ASSESSMENT EXERCISE

1. Define HRD
2. Explain the nature and scope of human resource development.
3. Discuss the need of HRD.
4. Discuss the aims and objectives of HRD.
5. Distinguish between personnel management and HRD.
6. Discuss the evolution of HRD.
7. What role has the HR manager to play in modern industry to achieve organizational goals efficiently and effectively?

2.8 FURTHER READINGS

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UNIT 3

STRATEGIC HUMAN RESOURCE MANAGEMENT

Objectives :

After studying this lesson, you will be able to:

- Explain the meaning, nature and levels of strategy;
- Explain the meaning and nature of strategic human resource management;
- Describe the various steps of SHRM process;
- Understand the relationship between the strategy and the strategic HRM;
- Describe the various strategic models of HRM.

Structure:

- 3.1 Introduction
- 3.2 Concept and Nature of Strategy
- 3.3 Meaning and Nature of Strategic Management
- 3.4 Strategic Management Process
- 3.5 Corporate Strategy and HRM
- 3.6 Strategic Human Resource Models
- 3.7 Summary
- 3.8 Self Assessment Exercise
- 3.9 Further Readings

3.1 INTRODUCTION

The human resources of an organization can provide it with a competitive edge over its competitors in the fast changing environment and can ensure its stability and growth in the long-run. This demands human resource management to act tactically so that the strategies can be implemented in effective manner to achieve the goals of the organization by the people. The strategy of human resource of a business organization should reflect and support its corporate strategy which is designed after anticipating the opportunities and support its corporate strategy which is designed after anticipating the opportunities and threats in the external

environment and taking appropriate decisions in view of the internal strengths and weakness.

According to David, Strategic management is drafting, implementing and evaluating cross functional decisions that will enable an organization to achieve its long objectives. It is the process of specifying the organisation's mission, vision, and objectives and developing policies and plan, often in terms of projects and programs.

It is an ongoing process that evaluates and controls the business and its industries with which the company is involved, assesses its competitors and sets goals and strategies to meet all existing and potential competitors and then reassesses each strategy annually or quarterly to determine how it has been implemented and whether it has succeeded or needs replacement by a new strategy to meet changed circumstances, new technology, new competitors or a new social and economic and political environment.

3.2 CONCEPT AND NATURE OF STRATEGY

CONCEPT OF STRATEGY:

The term strategy has been adapted from war terminology and is used in business to reflect the broad overall objectives and policies of an enterprise. It refers to a firm's overall plan for dealing with and existing in its environment.

According to Glueck and Jauch, "*A strategy is a unified, comprehensive and integrated plan designed to ensure that the basic objectives of the enterprise are achieved.*"

A strategy is not just a plan. It is a plan that is unified; it ties all the parts of the enterprise together. A strategy is integrated in the sense that all parts of the plan are compatible with each other and fit and together well.

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

Mainstream View: It describes strategy as a plan.

1. Strategies are plans made by top managers and their corporate strategy advisors.
2. Strategy is a matter of policy and it precedes action.
3. Strategy and implementation are separate.

Processual View: It describes strategy as a pattern.

1. Strategies are more usefully seen as the outcome of both planned and unplanned activities.
2. Policies often emerge out of actions that have already been taken.

3. Strategy and implementation tend to happen simultaneously.

NATURE OF STRATEGY:

1. Strategy usually relates to several areas of operations of the business. So the strategic decisions are taken by top management.
2. Strategy has significant impact on the firm's future growth and prosperity. This is because there is usually a long-term commitment to a particular strategic option with a certain product-market configuration.
3. Strategies are based on expected behaviour of forces in the external environment. These forces include suppliers, customers. Competitors, creditors, government and other groups.
4. Strategies are futuristic in approach. They are mostly based on future scenario and future forecast.
5. Strategy invariably requires commitment of the firm to activities over an extended period which implies deployment of substantial resources.
6. Strategies are different in their scope as they are different as corporate strategy, business strategy and functional strategy.

3.3 STRATEGIC MANAGEMENT

What is Strategic Management?

Strategic management involves those decisions and actions resulting in formulation and implementation of strategies designed to achieve the objectives of an organization. It is a stream of decision and actions which leads to the development of an effective strategy or strategies to help achieve corporate objectives.

According to A. Sharplin, "*Strategic management is the formulation and implementation of plans and carrying out of activities relating to the matters which are of vital, pervasive, or continuing importance to the total organization*".

"Strategic management is a systematic approach to a major and increasingly important responsibility of general management to position and relate the firm to its environment in a way which will assure its continued success and make it secure from surprise." This definition given by Ansoff emphasizes the impact of environment on the business. Strategic management must relate the enterprise to its environment for survival and growth.

The basic characteristics of strategic management are as follows:

- i) It emphasizes the basic mission and goals of the organization. The nature of business and the nature of customers or clients are clearly stated.

- ii) It determines the basic policies and programs of the organization. It provides a framework for operational planning and day-to-day decision making.
- iii) It provides for coherence in organisation's policies, decision and activities over a long period of time.
- iv) It deals with uncertain environment by forecasting opportunities and threats in the environment. It is intended to improve the organisation's interaction with its environment.
- v) It designs the corporate strategy and oversees its implementation.

SIGNIFICANCE OF STRATEGIC MANAGEMENT

Strategy formulation has become an important function of modern organizations because of the following reasons :

- 1) Every business should have a strategy or an overall plan of action to meet the challenges of environment in future. An effective strategy would enhance the likelihood of business survival and enable to meet aspirations of individuals for opportunities in the company.
- 2) Strategic management clarifies the objectives of the organization towards which its resources will be directed. All decisions and activities are guided by organizational objectives.
- 3) Strategic management facilitates the implementations of long-range plans for achieving organizational goals, It is also important in defining the kind of business in which the organization engages and its reliance on ethical business practices.
- 4) The companies that do strategic planning are able to predict the outcome of planning better than other companies.
- 5) Strategic management is of utmost importance is very useful to fight competition in the market and increase the market share.
- 6) Strategic planning facilitates environmental scanning. It helps in reducing environmental uncertainty by identifying key factors for the success of the business. Strategic planning is the only way to anticipate future problems and opportunities and to responds to changing environment.

3.4 STRATEGIC MANAGEMENT PROCESS

Formulation of a strategy involves not only the statement of organizational goals, but also specifying the ways of accomplishing them. The broad steps in strategic management are describe below and shown in figure :

- 1) **Determination of Mission or Purpose** : The strategic management process begins with spelling out business mission or

tentative purpose that might be pursued in future. An organisation's mission is its raison d'être or reason for its existence. It represents a long term vision of what the organization seeks to do and the reasons why it exists. It serves as a source of inspiration from which flows the life of organization. A clear statement of organization's mission would help to identify the functions it performs for the society and also its basic character and philosophy.

Mission is often state in abstract terms such as: "Our business is services"; "To provide dependable, standard drugs to the public at low prices"; "To serve the nation through research and development and effective utilization of human, physical and technological resources" and so on. To achieve the mission of the organization, the top management determines the major objectives and goals for whose service the organizational resources will be utilized. The terms objectives and goals have been often used interchangeably in the management literature.

However, Russel Ackoff has made a distinction between the two terms as follows : Objectives are desired states or outcomes. Goals are objectives that are scheduled for attainment during the plan period.' Thus, objectives are open –ended and have no time frame. For example, the survival objective of a firm is never completely attained since failure is always a future possibility. Objectives are stated in broad and general terms whereas goals are much more specific and stated in terms of result to be attained. For instance, the goal of a firm may be expressed as 100 per cent growth in net sales in the next three years.

- 2) **Environmental Scanning** : Environmental analysis is the diagnostic phase of strategic planning. External environment of a firm consist of economic, social, technological, market and other forces which affect its functioning. The firm's external environment is dynamic and uncertain. The Management must systematically monitor it to determine treats and opportunities for the firm in future. For example, emergence of strong competition in the market may pose a threat and development of new technology may help to reduce cost and improve product quality. Though environmental analysis, the management can develop an Environmental Threat and Opportunity Profile (ETOP) which will assess the impact of various environmental forces on the firm. The external environment provides the setting for the functioning of the individual organization. It is imperative for the management to gain a good understanding of the present conditions and likely future trends of those aspects which are relevant for the organization. The management should try to find answers to the questions :

- a) What are the economic, social and political trends to be considered? Monetary policy, social changes, anti-pollution or energy conservation laws.
- b) What are the trends in the market for company's products and services? For instance, demand is likely to remain static, decrease or increase.
- c) What technological changes are anticipated? New product with additional uses may become popular.
- d) What competition will be faced? The competitors should be identified and their strengths and weaknesses analysed.

An appraisal of external environmental will enable a business identify present and future opportunities, threats, constraints and crises which it can exploit or many have to tackle, as the case may be. The forecasts made of the relevant aspects of the external environmental will provide the background for internal forecasting of sales and profit trends.

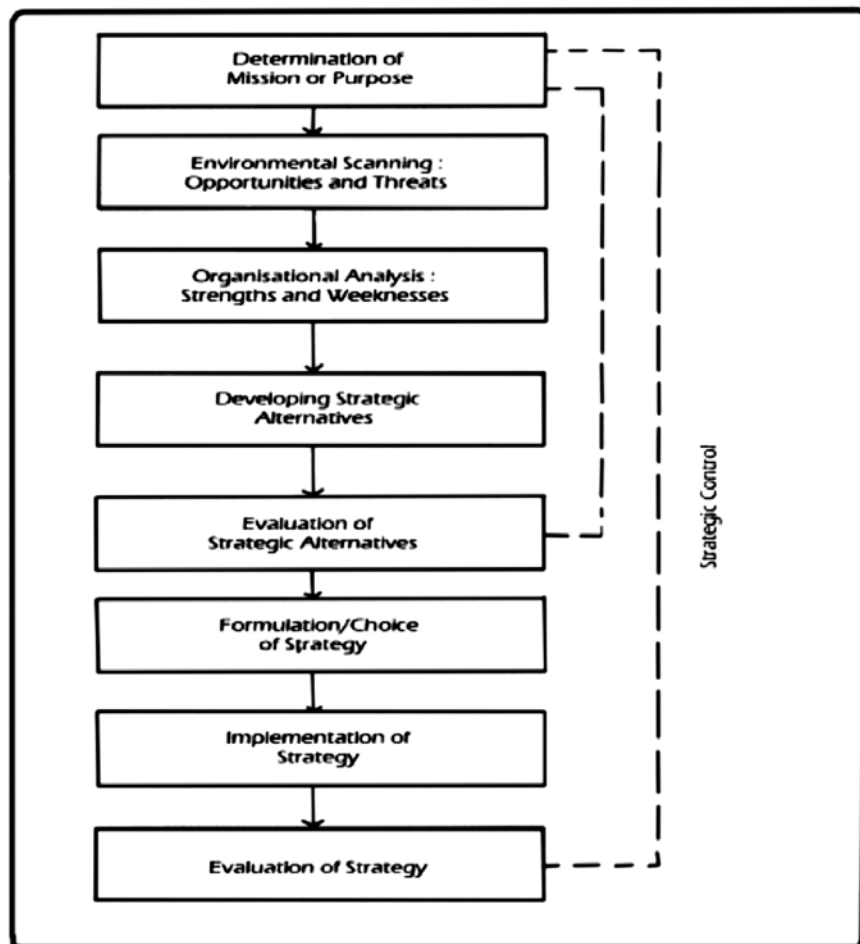


Fig.1: Steps in Strategy Management Process

3) Organisational Analysis : In order to analyse organizational strengths and weaknesses, it is essential to know the current domain of the firm. It includes :

- i) The range of products or services provided by the firm.
- ii) Geographic coverage of the firm- local national or international.
- iii) Firm's differential advantage i.e. the special competitive strength the firm stresses such as fuel efficiency of its car over the cars of competitors.

Organisational analysis involves a review of financial position, productive capacity, marketing effectiveness, the extent of research and development, the human resources skills and so on. The strategic planner should analysis the organisation's operational, financial and managerial strengths. Operationally, does the firm have any competitive edge over rival firms? Financially, does the firm have adequate funds to finance the strategic plans? Managerially, does the firm has managerial talents to carry out the strategic plans?

4) Developing Strategic Alternatives : Strategic alternatives may be developed and analysed in the light of organisation's strengths and weaknesses and the opportunities and threats it faces. This involves SWOT (Strengths, Weaknesses, Opportunities and Threats) analysis, After the identification of the environmental opportunities and threats and the organizational strengths and weakness and the reformulating of the objectives, if need be the next tasks in the strategic planning process are the consideration of the strategic alternatives and the choice of the most appropriate strategy/ strategies. A company may be confronted with several alternative such as :

- i) Should the company continue in the same business or get out of it fully or partially?
- ii) If it should continue in the same business, should it grow by expanding the existing units or by establishing new units or by acquiring other units in the industry?
- iii) If it should diversify, should it diversify into related areas or unrelated areas? If a TV manufacturing company takes up the production of VCRs washing machines, refrigerators, vaccum cleaners, etc. It is a case of diversification into related areas. If the same company diversifies into areas like, textiles, cement, sugar, etc. It is a case of growth in unrelated areas.
- iv) Should it grow by vertical integration takeover of a raw material supplier by the leather goods manufacturer.

- v) Should it go in for combination with its competitors merger of two or more companies engaged in the production and distribution of soft drinks.
- 5) **Evaluation of Strategic Alternatives :** Each strategic alternatives has its own merits and demerits which need to be analysed carefully. The management should examine various alternatives in the light of forecasted opportunities and constraints and also the strengths and weaknesses of the company. For the choice of best alternative, the management can also use quantitative tools of analysis such as PERT, CPM, ratio analysis, linear programming etc. in evaluating alternatives, it is also important to focus on a particular product or service and on those competitors who are direct rivals in offering it. A strategy that does not exploit a particular advantages of the organization over its rivals should be rejected.
- 6) **Choice of Strategic Alternative or Formulation of Strategy :** The last stage in strategic planning is the choice of an appropriate strategy for the attainment of specified objectives. The management should select that Strategy for the attainment of specified objectives. The management should select that strategic alternative which is best suited to the organisation's capabilities can also be acquired. But a strategic plan fully relying on the resources or skills yet to be acquired may fail in actual degree of risk acceptable to the management timing of the decision. Expectations of owners of business and attitude of top managers.
- 7) **Implementation of Strategy :** After the strategy has been finalized, it must be incorporated into the operations of the organization. It must be translated into appropriate operational and tactical plans, programs, budgets, etc. so that it could be implemented. After the strategy has been put into practice, its effectiveness should be reviewed to know if it has been able to achieve the intended results.
- 8) **Evaluation of Strategy :** This is the last phase of strategic management which is concerned with the appraisal of the implementation of strategic and measurement of actual organizational performances. The actual performance is evaluated in the light of the mission and objectives of the organization. This helps in exercising strategic control taking strategic actions whenever the actual performance is considerably lower than the expected performance. Even strategies may be reformulated, if necessary.

3.5 CORPORATE STRATEGY AND HUMAN RESOURCES MANAGEMENT

Strategic Role of Human Resources :

Strategically a dynamic manager seeks to balance two sets of forces the firm's external opportunities and threats on the one hand and its internal strengths and weaknesses on the other. In essence, he tries to achieve a competitive advantage for his organization. The competitive advantage may be in the form of low cost leadership in the industry or being unique in the industry along dimensions that are widely valued by the customers in particular and the society at large. And obtaining a competitive edge by becoming a low cost leader or a differentiator puts a heavy premium on having a highly competent and committed team of human resources are now viewed as a source of competitive advantage. There is greater recognition that distinctive competencies are obtained through highly developed employee skills, distinctive organizational cultures, Management processes and systems. This is in contrast to the traditional emphasis on transferable resources such as latest machinery and equipments. Increasingly, it is being recognized that competitive advantages can be obtained with a high quality workforce that enables organisations to compete on the basis of market responsiveness, product and services quality, differentiated products, and technological innovation.

Because of the critical role of human resources in enabling the organization to effectively deal with the external environmental challenges, the human resources management function has been accepted as a strategic partner in the formulation of organization strategic and in the implementation of such strategic through human resources planning, employment, training, appraisal and rewarding of personnel.

Strategic management of human resources facilitates creation of competitive advantage for the organization over its rivals by building unique human resource based competence. An organisation's recruitment, selection, training, performance appraisal, and compensation practices can have a strong influence on employee's competence as illustrated below:

- 1) **Recruitment and Selection** : The workforce will be more competent if a firm can successfully identify, attract, and select the most competent applications.
- 2) **Training** : The workforce will be more competent if employee are well trained to perform their jobs properly.
- 3) **Performance Appraisal** : One use of performance appraisal is to identify any performance deficiencies experienced by employee due to a lack of competence. Such deficiencies once identified, can often be remedied through counseling, coaching or training.
- 4) **Compensation** : A firm can usually increase the competency of its workforce by offering pay and benefit packages that are more attractive than those of their competitors, this practices enable firms to attract and retain the most capable people.

Strategic Human Resources Management

As discussed above, human resources of an organization can provide it with a competitive edge over its competitors in the fast changing environment. This obviously calls for the strategic management of human resources for the accomplishment of corporate objectives. The human resource strategy includes the way in which the organization plans to develop its employees and provide them with suitable opportunities and better working condition so that their optional contribution is ensured. This implies selecting the best available personnel, ensuring a 'fit' between the employee and the job and retaining motivating and empowering employees to perform well in the direction of corporate objectives. The success of an organization depends on its human resources. This means how they are acquired, developed, motivated and retained in the organization play an important role in the organisational success. This presupposes an integrated approach towards human resources functions and overall business functions of an organization. Thus strategic HRM means strategic look at human resources functions in line with business functions of an organization.

According to Catherine and Lynda,

Strategic human resource management may be defined as the linking of human resource management with the strategic goals and objectives of the business in order to improve business performance and develop organizational culture that fosters innovation and flexibility.

There is no denying the fact that human resources are at the core of achieving competitive advantages by a firm. This has led to strategic management of human resources in dynamic organization.

The SHRM practices of an organization can be an important source of competitive advantages. For this strategic focus should be given on the following :

- 1) SHRM per-selection practices including human resources planning and job analysis.
- 2) SHRM selection practices meant to staff various positions in the organization. Both recruitment and selection policies and procedures should be designed keeping in view the mission and purpose of the organization.
- 3) SHRM post-selection practices to maintain and improve the workers job performance levels. HR decision related to training and development, performance appraisal, compensation and motivation should be based on corporate strategic of the organization.

Strategic Role of Human Resources Manager

What are the Emerging Challenges of HRM? The world order is changing dramatically and is in the process of complete transformation. The impossible thing of yesterdays have become possible today and the impossible things of today will become possible tomorrow. That is why it

is said that change is the only permanent aspect of nature. The concept of self sufficient nations is losing importance and the concept of Global Village is emerging. Management of organization is bound to cope up with the radical transformation by developing new techniques and practices in the global perspective after carefully analyzing the real challenges being faced by the professional managers.

Modern organization are faced with the following environmental challenges :

- a) Changing technology leading to obsolescence of present skills and techniques :
- b) Changing needs and expectations of customers rendering the existing processes and products obsolete;
- c) Changing profile of workers increased educational level rising share of women in the workforce, increase emphasis on fulfillment of psychological needs;
- d) Economic and industrial policy changes leading to tough competition from multinational corporations.
- e) Changing political environment and government policies as regards working conditions, social security and welfare of employees ;
- f) Changing labour laws for safeguarding the interest of employees.
- g) Changing international environmental insisting on free flow of goods and services throughout the world.

The above trends will have a tremendous impact on the tasks of future HR professionals who will have to act as *change agents or change facilitators*. They will have to make judicious used of HRD mechanisms such as performance appraisal, training etc. to effectively meet the challenges of environment. They will have to build up learning organisations having the capacity and capability to learn from experimentation, past experiences and the experiences of others and transfer the learning to all human resources for greater organizational effectiveness. The introduction of Kaizen , **Total Quality Management (TQM) Empowerment, Quality Circles, Quality of Work Life (QWL), Flexible Work Schedule**, etc. in the organization is one such experience which can bring far reaching improvements in the organization and contribute to development of human resources on a continuous basis.

3.6 STRATEGIC HRM MODELS

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

1. Life Cycle Model

2. Competitive Advantage Model
3. Developing Human Resource based Competitive Advantage Model

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

- **Introductory Stage** : At this startup phase of the business, there is an emphasis on 'flexibility' in HR to enable the growth of the business.
- **Growth Stage**: At this stage, when the business grows beyond a certain size, emphasis moves to the development of formal HR policies and procedure.
- **Maturity Stage**: At this stage, as the market matures, margins decrease the performance of certain products or the organization plateaus, then focus of HR strategy is on cost control.
- **Decline Stage**: At this stage, the emphasis shifts to rationalization, downsizing and redundancy implication for the HR functions.

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

Two kinds of mature organisations manage to survive industry development :

- i. The firm that succeeds in dominating the direction of industry change.
- ii. The firm that manages to adopt the direction of change.

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

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

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

- i. Cost leadership
- ii. Differentiation
- iii. Focus

According to this model, the business performance will improve when HR practice mutually reinforce the organization's choice of competitive strategy. Michael E. Porter has identified three types of business unit strategies that help a firm to cope with competitive forces and outperform other firms in the industry. These include (1) Cost leadership strategy (2) differentiation strategy and (3) focus strategy. For each of these strategies a certain set of HR strategies would fit best.

- (1) **Cost Leadership Strategy:** This strategy is aimed at gaining a competitive advantage through lower costs. So long as the selling price of the product is closed to industry level, the firm can make huge amount of profit in the short run. In case, the prices are considerably low as compared to the competitors, it is natural that some will be out of business and as a result, the firm has a chance of increasing its profit and market share in the long-run. Once this happens, the firm can increase the present prices so as to earn higher profit. Low cost firms tend to emphasize structured tasks and responsibilities, products designed for easy manufacture on a mass scale. The HR policies that fit a low-cost orientation emphasize efficient low-cost production; reinforce adherence to rational, highly structured procedures to minimize uncertainty; and discourage creativity and innovation. Thus effective HR strategies include carefully spelling out the work that each employee needs to do, job specific training, hiring workers with the required qualifications and skills paying employees on the basis of job held, and relying on performance appraisals as a control tool to weed out low performance.
- (2) **Differentiation Strategy :** This strategy believes in differentiate the products and services in term of physical or psychological characteristics. In order to achieves a competitive advantage the product must have unique features which are not unique one easily copiable by competitors. This leads to market leadership and the firm is going to earn pretty high profit per unit in the long-run. Differentiation provides a competitive advantage to the firm because of the brand loyalty it fosters. Consumers who are brand loyal are less sensitive to changes in price. This enables the firm to enjoy higher profit margins. Which in turn allow it m to invest in activities that enhance the perceived superiority of its product or services. These activities include extensive research, innovating new ideas and product design and supporting creative initiatives by managers and employees. HR policies that fit a differentiation strategy emphasize innovation, flexibility, renewal of the workforce by attracting new talent from other firms, opportunities for movericks, and reinforcement of creative flair. The specific HR strategies include the use of broad job classes, loose work planning, external recruitment at all levels, team based learning, emphasis on what the individual can do as a basis for pay, and reliance on performance appraisal as a developmental device.

- (3) **Focus Strategy:** This strategy relies on both a low cost position and differentiation with the objective of serving a narrow target market better than other firms. The firm seeks to achieve differentiation either from better meeting the needs of the particular target, or from lowering costs in serving this target, or both, Focus strategy helps the firm to earn higher profit even when it has high cost position in case of niche market provided the product differentiation is unique and sustainable.

The HR policies likely to fit the focus strategy best would be somewhere in the middle of those described for low-cost producer and differentiators. For example, a firm may ask its employees to work hand –in –hand with customers to find out their needs and expectations and to learn how the firm can lower the customer’s operating costs. HR strategy may reflect this focus by boosting efficiency to hold down the costs.

Developing Human Resource Based Competitive Advantage Model:

Building human resource based competitive advantage is a challenging task in any organization operating in an external environment characterized by cut-throat competition, fast pace of technological changes, unstable government policies, turbulence in international conditions etc. human resource based competitive advantage may be defined broadly as *the utilisation of employees capabilities to create value for customers in a way that rival firms cannot*. This perspective has emerged from resources based theories in organizational economics where profit and competition focus on internal characteristics of firms rather than external forces in the industry environment. Barney made the case that a firm’s resources lead to sustained competitive advantages when they are:

- i) Valuable
- ii) Rare
- iii) Inimitable, and
- iv) Non-substitutable

These dimensions are examined below

- 1) **Valuable Human Resources.** Human Resources can add value by either improving efficiency or enhancing a firm’s ability to satisfy customer needs. The program designed to create a highly skilled workforce can result in higher productivity and these improvements provide value to firms over and above the costs incurred. For instance, employee empowerment programs tend to make performance more sensitive to variations in human skills, knowledge and attitudes and to ensure that mental effort rather than physical effort is instrumental for creating value and success.

- 2) **Rareness of Human Resources.** Human resources based competitive advantage is based on the assumption that human resources are heterogeneous across firms. If a firm can attract and retain the best and the brightest employees, and establish programs that maximize their value-added contribution, it would be able to build a competitive advantages through people.
- 3) **Inimitability of Human Resources.** Human capital can be either acquired from the open market or developed internally. If employee capabilities can be duplicated or imitated by another firm, they cannot be a source of sustainable competitive advantages. Resources are difficult to imitate under two conditions; (a) when the link between a firm's resources and its competitive advantages is causally ambiguous, and (b) when internal and external relationship are multifaceted and socially complex. These two conditions imply that while individual skills and capabilities can be important sources of competitive advantage, it may be the complementarily among them that is most distinctive and sustainable.
- 4) **Substitutability of Human Resources.** In the context of human resource-based competitive advantage, if a competitor can substitute another resource (e.g. technology) and achieve the same benefit via-a-vis customers, then human resources would not provide a sustainable source of competitive advantage. The key issue here is *functional equivalence (i.e. alternative resources that serve the same function are substitutes)*. In the past, organisations have substituted capital for labour where possible and replaced decision making with rules and procedures. Thus, human resources have been readily substituted in traditional organisations, particularly in the context of routine aspects of physical work. However, as employees make the shift from routine labour to knowledge work, their value hinges more on cognitive processes such as problem diagnosis, trouble shooting, and decision-making.

These aspects of human capital are not easily substitutable. To sum up, human resource-based competitive advantage refers to leveraging employee skills to outperform rival firms. Particularly in knowledge based, industries competitive advantage increasingly resides in the people-embodied know how and human resources rather than physical or financial resources.

Another approach is the 'best practice approach for managing people and organisations are required to identify and adopt these best practices. Advocating the 'best practice' approaches to SHRM, Arthur (1992), Pfeffer (1995), Huselid (1995), Mc Duffie (1995), Pfeffer & Veiga (1999) have given a universalistic approaches to the HR practices which is summarized in the table given below:

Table 1 : Best Practice Approaches to SHRM

Arthur (1992)	Broadly define jobs, employee participations, Formal Dispute Resolution, Information sharing, Highly skilled workers, Self Managed Teams, Extensive Skills Training, High wages, Salaried Worker, Stock ownership.
Pfeffer (1995)	Employment security, Selectivity in recruiting High wages, Incentive pay, Employee ownership, information sharing, Participation & Empowerment, Self Managed Teams, Training and Skill development, Cross-Utilisation and Cross-Training, Symbolic Egalitarianism, Wage Compression, Promotion from within.
Huselid (1995)	Personnel Selection, Performance Appraisal, Incentive Procedures, Information Sharing, Attitude Assessment, Labour/ Management Participation, Recruiting Intensity, Training hours, Promotion Criteria.
Mac Duffie (1995)	Work leaves, problem solving groups, Employee suggestions, Job orientation, Decentralization, Recruitment and Hiring, Contingent Compensation, Status Differentiation, Training of New employees, training of experienced employees.
Pfeffer & Veiga (1999)	Employee security, Selective Hiring, Self Managed Teams and decentralization, Comparatively High Compensation, Contingent on Organisational Performance, Extensive Training, Reduction of Status Differences, Sharing Information.

3.7 SUMMARY

A strategy is a unified, comprehensive and integrated plan designed to ensure that the basic objectives of the enterprise are achieved. A strategy is not just a plan. It is a plan that is unified; it ties all the parts of the enterprise together. A strategy is integrated in the sense that all parts of the plan are compatible with each other and fit together well. Strategic management is a systematic approach to a major and increasingly important responsibility of general management to position and relate the firm to its environment in a way which will assure its continued success and make it secure from surprises. Formulation of a strategy involves defining mission and objectives, environmental scanning, organizational

analysis, developing alternatives , evaluation strategic alternatives and formulation of strategy, implementation of strategy, and evaluation of strategy. Strategic models attempt to explore the link between business strategy and HR policies and practices. They are Life Cycle Model, Competitive Advantage Model, Developing Human Resource based Competitive Advantage Model.

The future HR professionals will have to act as change agents or change facilitators. They will have to make judicious use of HRD mechanisms such as performance appraisal, training etc. To effectively meet the challenges of environment. The introduction of Kaizen, Total Quality Management (TQM) Empowerment, Quality Circles, Quality of work Life (QWL), Flexible Work Schedule, etc. In the organization is one such experience which can bring far reaching improvements in the organization and contribute to the development of human resources on a continuous basis.

3.8 SELF ASSESSMENT EXERCISE

1. Define strategy.
2. Explain the meaning and nature of strategic human resource management.
3. Discuss the need of strategic human resource management.
4. Discuss the process of SHRM.
5. Describe the various models of SHRM.

3.9 FURTHER READINGS

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UNIT 4

INTERNATIONAL HUMAN RESOURCE MANAGEMENT

Objectives

After studying this lesson, you will be able to:

- explain the meaning of international HRM;
- identify the international human resource approaches;
- describe the various policies of IHRM;
- understand the impact of work culture on employees in an international scenario.

Structure:

- 4.1 Introduction
- 4.2 International Human Resource Management
- 4.3 IHRM and organizational Structure
- 4.4 IHRM Approaches
- 4.5 Centralization or Decentralization of IHRM
- 4.6 IHRM Policies and Practices
- 4.7 Impact of work culture on employees
- 4.8 Summary
- 4.9 Self Assessment Exercise
- 4.10 Further Readings

4.1 INTRODUCTION

Globalisation creates a need for internationally engaged firms to operate more effectively to gain competitive advantages and important contributor in optimising organisational effective operations is the human resource management (HRM)-function (Schuler, Dowling et al. 1993, Guest, Michie et al. 2000a , Guest, Michie el al. 2000b) . The HRM-function develops and motivates employees to create skills, knowledge and innovation needed for the firm to compete with foreign companies (Singh 2003). For this reason, the HRM field has been the subject of many studies and concurrently with the increasingly globalised business environment, an amplified focus on the field of international human

resource management (IHRM) has been witnessed (Dowling, Schuler 1990, Brewster 1991). Globalisation has created the challenge of applying management approaches from company headquarters and at the same time adjusting them locally in subsidiaries.

It is a truism to point out that the world is becoming more international. This applies to our technology, our travel, our economies and our communications- if not always obviously to our understanding. The growth of global enterprises leads to increased permeability in the traditional business boundaries, which in turn leads to high rates of economic change, a growing number and diversity of participants, rising complexity and uncertainty.

Traditionally, much of our understanding about IHRM has been based on the study of multinational corporations (MNCs). A multinational corporation is defined as an enterprise that operates in several countries but is managed from one home country. In practice, once an enterprise derives more than one quarter of its revenue from outside its home country, it is considered an MNC.

MNCs may take any of four forms; a decentralised corporation that has a strong home-country presence; a global and centralised corporation that can acquire a cost advantage through centralized production; an international company that builds on the parent company's technology or research and development; or a transnational enterprise that combines all three of these approaches. In general, an MNC may not have co-ordinated product offerings in each country, because it is more focused on adapting its products and service to each individual local market. Some people prefer to use the term 'multinational enterprise' (MNE) because the word 'corporation' implies business organisations, whereas many other forms of organisation – such as non-governmental bodies or charities – might be deemed to have multinational characteristics. The term 'transnational corporation' (TNC) is typically used to describe much more complex organisations that have invested in foreign operations, have a central corporate facility, but give decision-making R&D and marketing powers to each individual foreign market.

The United Nations Conference on Trade and Development (UNCTAD) was originally set up as an intergovernmental forum for North-South dialogue and negotiations on issues of interest to developing countries, including debates on the 'New International Economic Order'. Its World Investment Report focuses on trends in foreign direct investment (FDI) worldwide and at the regional and country levels.

4.2 INTERNATIONAL HUMAN RESOURCE MANAGEMENT

From the mid-1980s to the turn the 1990s the field of IHRM was considered to be in its 'infancy' (Laurent, 1986). Since its early beginnings, there has both an evolution of territory covered by the IHRM

field as well as more critical discussion of whether this evolution has been towards an expanded field, or represents a process of fragmentation. Generally, the subject matter of IHRM is covered under three headings:

- cross-cultural management
- comparative HRM
- IHRM

In broad terms, authors in the cross-cultural tradition argue that every nation has its own unique sets of deep-lying values and beliefs, and that these are reflected in the ways that societies operate, and in the ways that the economy operates and people work and are managed at work. The comparative HRM tradition focuses more specifically on the way that people work and explores the differences between nations in the way that they manage this process. In general, the comparative tradition makes more of the institutional differences than the cultural differences. International HRM (and its more recent 'strategic' derivative, SIHRM) examines the way organisations manage their human resources across these different national contexts. The IHRM can be defined as follows:

IHRM defines:

- 'The worldwide management of people in the multinational enterprise' (Poole, 1990; p1)
- 'Human resource management in an international environment problems created in an MNC performing business in more than one country, rather than those posed by working for a foreign firm at home or by employing foreign employees in the local firm' (Briscoe and Schuler, 2004; p1)
- 'How MNC manage their geographically dispersed workforce in order to leverage their HR resources for both local and global competitive advantage' (Scullion, 2005; p5)
- 'a branch of management studies that investigates the design of and effects of organisational human resource practices in cross cultural contexts' (Peltonen, 2006; p523)
- 'all issues related to the management of people in an international context [including] human resource issues facing MNCs in different parts of their organisations [and] comparative analyses of HRM in different countries' (Stahl and Bjorkman, 2006;p1)
- '... complex relationship between globalisation, national systems and companies [which provides us with] three distinct "levels of analysis" for interpreting and understanding HRM strategies and practices [the globalization effect, the regional and national effect, and the organisation effect]' (Edwards and Rees, 2008; p22)
- International human resource management is concerned with the human resource issues in cross national boundaries or beyond the

domestic nation. According to Boxell P. (1992), International Human Resource Management may be defined as concerned with human resource problems of multinational firms in foreign subsidiaries or more broadly with the unfolding HRM issues that are associated with the various stages of the internationalization process. In this definition Boxall tried to explain the concern of international human resource management but Mark Mendenhall (2000) is more précised in his approach of defining IHRM. He outlines some of the criteria which are relevant to a definition of IHRM.

According to Mark Mendenhall, IHRM is concerned with HRM issues that cross national boundaries or are conducted in locations other than the home country headquarters. IHRM is related with the relationship between the human resource management activities of business organisations and the international environments in which those organisations operate . For example, IHRM includes comparative HRM studies viz, differences between different countries about plan for upgrading of employee skills and so on. But, here it should be made clear that what is not IHRM , International Human Resource Management does not include studies that are focused on issues outside the traditional activities inherent in the HRM function viz. leadership style is not IHRM ,unless specifically linked to an HRM function; developing a selection programme to measure and select global leaders would arguably lie within the domain of organisational behaviour. It means IHRM is concerned with the comparative studies of foreign environment. IHRM does not include studies of HRM activities in single countries viz. a study of personnel selection practices in India. Wheather undertaken by an English, German or Canadian researcher, is still a about domestic HRM in India. Though such studies may have interest to those who work in international HRM issues,they are essentially examples of domestic HRM research.

4.3 HRM AND ORGANISATIONAL STRUCTURE

There are five types of organisational structures adopted by the different MNC (Multinational Company) depending upon their life time existence and nature of business and complexity of environment in which these MNC operate. The five types' of organisatonal structure include:

1. **International division structure:** This type of structure is often used in early stage of international within an 'international division' merely added to the existing divisional sturctures.
2. **International geographic/regional structure:** This type of structure involves separating out the different geographical/ regional areas in which the MNC operates. Each geographic area may be given its own division which its own functional departments. MNC which have wide variety of products in their

product portfolio sold across many geographic areas often adopts this organizational structure.

3. **International product structure:** This types of structure is adopted by a multinational organisation where its divisions are established on the basis of related product lines rather than geographical area. Each product division is responsible for all functions relating to those items in that particular product portfolio. This structure is often adopted by those MNC with a variety of unrelated product lines (e.g. conglomerate MNC).
4. **International functional structure:** This structure is adopted by those MNC in which each functional department has its own importance and each functional department of the MNC is responsible for the international operations of that function.
5. **Matrix or mixed structures:** This structure is the combination of all above structures as it brings together the functional, geographical and products structures and combines them in an attempt to meet the needs of a specific activity or project. Once the activity or project is completed, the ‘team’ is often disbanded and return to their original position within divisional or other structures of the MNCs.

4.4 IHRM APPROACHES

There are mainly four IHRM approaches. These approaches explain how any organisation takes decisions related to human resource, their recruitment & selection, training and development and other related issues. These include ethnocentric approach, polycentric, approach, geocentric approach, and regiocentric approach (Wall et al, 2010). This suitability of the type of staffing policy adopted by MNCs depends on the strategy used by company.

Focus on Multicultural Differences

High	Polycentric Strategy	Geocentric Strategy
Low	Ethnocentric Strategy	Regiocentric Strategy
	Low	High

Focus on Multicultural Commonalties

Source : Nitsche (2003, p.44)

1. **Ethnocentric Approach:**

In the ethnocentric approach, all key positions in the host country subsidiary are filled by nationals of the parent company. The policy makes most sense for firms pursuing an international strategy.

An ethnocentric staffing policy is attractive when

- the firm believes there is a lack of qualified individuals in the host country to fill senior management positions.
- The firm sees an ethnocentric staffing policy as the best way to maintain a unified corporate culture.
- The firm wants to transfer knowledge of core competencies to the foreign operation.

The ethnocentric approach to staffing is falling out of favor because

- it limits the advancement of host country nationals. This can lead to resentment, lower productivity and increased turnover.
- it can lead to cultural myopia (the firm's failure to understand host-country cultural differences that require different approaches to marketing and management)

2. Polycentric Approach:

Polycentric approaches to staffing policy emphasis on recruiting host country nationals to manage the subsidiaries in their own country. This means that host country nationals are recruited to manage subsidiaries in their own country, while parent country nationals occupy the key positions at corporate headquarters. This allows the MNC to take lower profile in sensitive economic and political situations and helps to avoid intercultural management problems. This approach minimizes the dangers of cultural myopia, but it also help create a gap between home and host country operations. The polycentric policy is best suited to firms pursuing a localization strategy.

The advantages of the polycentric approach are that

- the firm is less likely to suffer from cultural myopia
- it may be less expensive to implement

The disadvantages of the polycentric approach are that

- Host country nationals have few opportunities to gain foreign experience and so cannot progress beyond senior positions in their own subsidiaries.
- A gap can form between host country managers and parent country managers.

3. Geocentric Approach :

This approach utilizes the best people for all key jobs throughout the organization, whatever their nationality or whatever the geographical location of the post to be filled. In this way an international executive team can be developed. This approach is consistent with building a strong unifying culture and informal management network. It makes sense for firms pursuing either a global or transnational strategy to adopt geocentric staffing policies. However immigration policies of national governments may limit the ability of a firm to pursue geocentric staffing policy.

The advantages of a geocentric approach to staffing are that

- it enables the firm to make the best use of its human resources
- it builds a cadre of international executives who feel at home working in a number of different cultures.

The disadvantages of geocentric approach include

- difficulties with immigration laws
- costs associated with implementing the strategy

4. Regeocentric Approach :

Here the MNC divides its operations into geographic regions and moves staff within a particular region. Example include Europe, America, Asia rather than between regions.

A comparison between different IHRM Approaches

Staffing Approach	Strategic Appropriateness	Advantages	Disadvantages
Ethnocentric	International	Overcomes lack of qualified managers in host nation Unified culture Helps transfer core competencies	Produces resentment in host country Can lead to cultural myopia
Polycentric	Localization	Alleviates cultural myopia Inexpensive to implement	Limits career mobility Isolates headquarters from foreign subsidiaries

Geocentric	Global standardization and transnational	Uses human resources efficiently	National immigration
		Helps build strong culture and informal management networks	policies may limit implementation
			Expensive

4.5 CENTRALIZATION OR DECENTRALIZATION OF IHRM

Staffing approach in international human resource management may be centralized or decentralized. A multinational company may adopt any of these two approaches but which of the approach is more suitable and important depends upon different factors. These factors include :

i. Degree and type of internationalization:

There is a range of options for international firms as to how they may expand, from exporting through to using wholly owned subsidiaries. In general an integrated and more ethnocentric approach to IHRM is often adopted for the wholly-owned subsidiary with the MNC retaining centralized control over the way in which its employees are managed.

ii. Types of industry and market served:

Porter (1986) suggests that strategies for the global industry are more likely to involve the firms in integrating its activities worldwide especially where strong brand images are involved. For the global industry, IHRM is more likely to be ethnocentric while for the multi-domestic industry IHRM is more likely to be polycentric and to resemble that typically used in the particular country in which the subsidiary operates.

iii. Characteristics of Staff :

The types of employees may well influence the degree to which the IHRM function is decentralized. For example if the employees of the subsidiary consist of highly skilled, experienced and fully committed staff, the IHRM function may be decentralized. However, where the employees mainly consist of unskilled and temporary staff, then headquarters will usually wish to exercise a greater degree of control over the corporate foreign subsidiary.

iv. Cultural preferences:

The degree or integration of decentralization will also depend on the cultural preferences towards either of these approaches to management

in both the organisation and in the country in which the subsidiary operates. The latter reflects Hofstede's idea of national culture.

4.6 IHRM POLICIES AND PRACTICES

The key decisions related to international human resource management policies and practices include those decisions which affect organizations' effectiveness and efficiency. These policy decisions are taken very cautiously when an organization wants to start its operations beyond the domestic boundaries. These policy and practices decisions include:

- a) Recruitment and Selection
- b) Training and Development
- c) Pay and international employee relations
- d) Performance appraisal

Recruitment and Selection

Recruitment refers to the process of identifying and attracting qualified people to apply for vacant position in an organization. The recruitment stage usually begins with a company's assessment of its needs in terms of human resources. The company then decides how it will make potential applicants aware of the job vacancies.

According to Cullen and Parboteeah, 2010, Recruitment methods include among others, applications and advertisements placed in newspaper or on the Internet Internal job posting where companies post a list of vacancies on their websites or internally, use of private or public agencies and use of recommendations from current employees. Research shows that US managers see newspaper advertising as one of the most effective recruitment channels, while university recruitment was judged among the most effective only for professional channels, while university recruitment was judged among the most effective only for professional and technical jobs. In contrast, other forms such as employee referral and use of personal contacts for recruitment purposes are not seen as very effective.

However, many of the collectivist societies such as Japan, South Korea and Taiwan, referrals from friends or family tend to be much more important. In South Korea, many blue-collar jobs are filled through referrals from friends and family. Such practices are not surprising as collectivist societies place emphasis on harmony and loyalty. By only recruiting from friends and family or other important social groups (e.g high schools, universities, clubs), an MNC can maximize the chances of finding someone who can fit the organization's culture.

After recruitment, multinational enterprises must carry out their selection process. Selection refers to the process by which a company

chooses people to fill a vacant position. Similar to recruitment, selection is also affected by cultural practices, which is one of the most critical differences pertains to more collectivist countries.

In selecting employees, collectivist cultured norms value trustworthiness, reliability and loyalty over performance-related background characteristics. Personal traits such as loyalty to the company, loyalty to the boss, and trustworthiness are the traits that family members can provide. As such, in smaller companies, preference is given to family members.

Training and development in an international context

Training and development refer to the efforts of the MNC to provide education and other programs to better equip its employees to do their job. Such training at work may involve formal training, informal training, learning embedded in the workplace and other forms of learning.

Training and development increases in complexity as multinational enterprise moves abroad. The type of training that takes place would usually depend on a number of factors,

- The degree to which management is centralized
- The types of workers employed in subsidiaries or joint venture
- The importance of branding and the extent to which employees are expected to reflect the brand
- The cultural expectations of training

In a global company, the training will be centralized so that suppliers, employees and distributors are aware of the brand image that needs to be communicated. For example Ford set up centralized training programs and then translated and delivered to all main suppliers, subsidiaries and distributors. However, if more polycentric approach is taken, then the training may well be far more local, and more in line with the local culture.

Cross cultural training is also vital in order to prevent problems that arise with team-working. In a cross-cultural context, it is not only the personality types that have to be taken into account, but also the very real cultural differences and approaches between team members. Therefore attempts at cross-cultural team training are becoming increasingly prominent in MNEs. Many multinational enterprises run extensive training programmes for employees going overseas, designed to provide individuals with information and experience related to local customs, cultures and work habits so that they can interact and work more effectively with local colleagues. Also such programs may run for spouses and children to ensure that employees send abroad are fully immersed in the foreign culture.

Some of the training programs involve –

- Environmental briefing regarding geography, climate, housing and schools
- Cultural orientation designed to familiarize the individual with cultural institutions and value systems of the host country
- Cultural assimilations to provide participants with inter-cultural encounters
- Language training
- Sensitivity training designed to help develop attitudinal flexibility
- Field experience which sends the participants to the country of assignment to get them used to the emotional stress of living and working with people of different culture.

**Strategic Human
Resource
Management**

Compensations and International Employee Relations

The success of an organization depends on how an organization seeks to reward its employees, Due to the global competition, organizations are demanding and encouraging its staff to engage in high performance work practices or go beyond the minimum expectations. Compensation includes the efforts of the multinational to distribute wages and salaries, incentives such as bonuses, and benefits such as retirement contributions. Compensation is also a critical aspect of what human resource management policies companies use to motivate their employees.

According to Wall et al 2010, there are many factors that will be considered before drawing a compensation package for employees. The most commonly used method for designing a compensation package is 'Balance Sheet' approach.

Balance Sheet Approach is a system designed to equalize the purchasing power of employees at comparable position levels living overseas and in the home country, and to provide incentives to offset qualitative differences between assignment locations. In order to achieve such 'balance' the organization must take into account a number of factors when sending employees to a different country.

1. Income taxes incurred in both home and host country
2. Housing allowances (which might range from financial assistance to employees to providing company housing)
3. Cost of living allowances (to make up any differences in prices between home and foreign country)
4. Contribution to savings, pension schemes etc, while abroad)
5. Relocation allowances (including moving, shipping and storage of personal and household items and temporary living expenses)

6. Education allowances for expatriate's (e.g. language tuition and enrolment fees in the host country or boarding school fees in the home country)
7. Medical, emergency and security cover There are wide variations both among countries and among organizations within countries concerning how to compensate workers. Some differences stem from whether compensation should be based on achievement or performance. Other important differences include whether everyone in a team should be paid the same or whether compensation should be made based on individual performance.

According to Cullen and Parboteeah, 2010, Cultural dimension that impacts compensation is the individualism-collectivism cultural dimension. In individualistic societies like the U.S. individuals are only loosely connected to each other. In contrast, in highly collectivistic societies, people tend to be more tightly connected to each other and there is focus on harmony. Given the above, it is advisable for multinationals to apply equity principles (compensate according to performance) in more individualistic societies. In contrast, equality or parity principles (compensate everyone equally) seem to be more sensible for collectivistic countries. In such countries there is more emphasis on harmony and cohesion and compensating all employees equally minimizes the risk of conflict.

Employee/labour Relations

Labor relations provide an indication of the relationship between companies and their employees and the degree to which employees influence the company's operations. There are wide variations in the patterns of labor relations in different nations. These differences in patterns stem from cultural factors as well as historical factors. Historical factors, such as the state of technological development during early unionization and the time when governments recognized the legality of unions, influence current union structure and activities. Management of labour relations also differ from country to country.

In the US, most unions remain at the regional level. Most local unions associate with same craft, industry or mixed national union. As trade globalizes, local unions are slowly losing their power on workers, In Germany, labor unions are more powerful and have an important influence in what companies do. At the company level, industrial democracy in Germany gives many workers equal representation on the board of directors with those elected by the shareholders.

Performance Appraisal

The process by which companies appraise their employees is known as performance appraisal. All companies must assess their employees performance to identify people to reward, promote, demote, develop and improve, retain, or fire. According to Wall et al (2010, p.332-333) the benefit of a comprehensive appraisal system includes the following:

1. It can identify an individual's strengths and weakness, and show how these can be overcome
2. It can reveal organization obstacles blocking progress
3. It can provide useful feedback to help improvement human resource planning
4. It can improve communication by giving staff a chance to talk about expectations

According to James (1998), performance has its roots in three key principles. People learn work/ achieve more when they are given: 1. Adequate feedback as to how they are performing, 2. Clear and attainable goals, 3. Involvement in the setting of task and goals. 3. Not everyone can move up the ladder of the organizational pyramid and the performance appraisal function serves as an important assessment tool, Similarly performance appraisal techniques used in different countries differ due to cultural or political factors. One of the dimensions that seem to impact performance appraisal is the collectivist cultural dimension. Recall that in collectivist societies, the group takes precedence over individuals and harmonious relationships are emphasized. As such, in more collectivistic cultures, both employer and employee accept as correct and fair that human resource decisions should take into account personal background characteristics more than achievement. In such cases, the usefulness of a US-style performance appraisal system is less clear because who you are and how old you are may count more than how perform (Cullen and Parboteeah, 2010) In other collectivist societies such as South Korea, there is preference for seniority-based promotions, rather than appraisal-based promotion. This follows from the Confucian tradition that strives to preserve harmony (since it is unseemly for younger employees to supervise older ones). While job performance is important and most companies do have appraisal systems, seniority is most important for advancement. Because of the long-term orientation of Korean culture, Korean performance appraisal systems focus on sincerity, loyalty, and attitude on an equal footing with job performance (Cullen and Parboteeah, 2010) In international performance appraisals can be very complex. Consider also that while the major objective of performance appraisal it to provide feedback, some societies may not engage in such practices. In many Asian countries, such as China and Japan, feedback is generally not given to save face. Furthermore, to preserve harmony, appraisals may be done through group meetings rather than the more typical individual appraisals in individualistic societies (Cullen and Parboteeah, 2010)

4.7 IMPACT OF WORK CULTURE ON EMPLOYEES

Work culture plays an important role in increasing effectiveness and efficiency of employees. In international human resource management Flexible working is increasingly sought after approach within many

countries. The strategic IHRM director may have to evaluate the impacts of adopting flexible working on the organization, especially in times of global recessions. Clearly HR thinking and practice needs to evolve in responses to these challenges of flexibility and environmental uncertainty, specifically in the areas of :

- Planning horizons
- Staff appraisal where there may be no formal supervisor/subordinate reporting relations
- Remuneration strategies where outputs are not easily attributable to individuals alone
- The structure of the workforce and the use of consultants and contractors
- Development, promotion and succession planning

The main organizational disadvantages of employment Flexibility

- Potentially reduced commitment and / or quality
- Potential loss of stability
- Problems with continuity and team working
- Training expenditure : Flexibility implies a necessity to significantly increase expenditure on training and yet temporary working implies minimal training commitment.
- Conflict with the workforce and trade union opposition
- Resistance, especially from crafts people who are unlikely to willingly give up time-honoured job definition.
- A redefinition of the role and focus of managers

Charles Handy's (1999) concept of the shamrock organization depicts an organisation with 'core' and 'periphery' workers as well as a contractual fringe.

- Core employees possess key scarce and scarce skills and enjoy relatively high status positions with good prospects of security and promotion.
- Periphery workers on temporary or part-time contracts act as a buffer against changes in demand.

These concepts provide a background against which consideration can be given to the different forms of flexibility, namely task, numerical and financial (Atkinson, 1984).

1. **Task or Functional flexibility.** There is evidence that traditional demarcations between jobs are being eroded and employees are being required to undertake a wider range of tasks.

2. **Numerical flexibility.** Temporary, part-time short-term contract working and sub-contracting have been in the ascendant in recent years and have been adopted by organization as a means of responding to demand fluctuations. Numerical flexibility can be achieved by using both contractors and agency staff.
3. **Financial flexibility.** The growth of individualised and variable systems of reward has been noticeable and performance related pay schemes are now widely in use. Fees for service payments are used for increasing numbers of self-employed sub-contractors.

4.8 SUMMARY

It is a truism to point out that the world is becoming more international. This applies to our technology, our travel, our economies and our communications –if not always obviously to our understanding. The growth of global enterprises leads to increased permeability in the traditional business boundaries, which in turn leads to high rates of economic change, a growing number and diversity of participants, rising complexity and uncertainty. IHRM is concerned with HRM issues that cross national boundaries or are conducted in locations other than the home country headquarters. IHRM is related with the relationships between the human resource management activities of business organisations and the international environments in which those organizations operate. There are five types of organizational structures adopted by the different MNC (Multinational company) depending upon their life time existence and nature of business and complexity of environment in which these MNC operate.

There are mainly four IHRM approaches. These approaches explain how any organization takes decisions related to human resource, their recruitment & selection, training and development and other related issues. These include ethnocentric approach, polycentric approach, geocentric approach, and regiocentric approach. Work culture plays an important role in increasing effectiveness and efficiency of employees. In international human resource management Flexible working is increasingly sought after approach within many countries.

4.9 SELF ASSESSMENT EXERCISE

1. Define IHRM
2. Explain the different approaches of IHRM
3. Discuss the different organisational structures adopted in IHRM
4. Discuss the policies and programs related to various issues of human resource in context with international human resource management

5. Describe the impact of work culture on employees in international environment.

4.10 FURTHER READINGS

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Human Resource Management

Block

2

Human Resource Procurement

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परिमापक

परिमापक

अनुवाद की स्थिति में

मूल लेखक	अनुवाद
मूल सम्पादक	भाषा सम्पादक
मूल परिमापक	परिमापक

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प्रूफ रीडर

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BLOCK INTRODUCTION

This block comprises of four units. The first unit introduces the human resource planning its meaning, process and limiting factors. This unit also explains the concept of job analysis, job description and job specification . The second unit explains the concept of human resource information system and Human resource accounting and auditing. The third unit deals with recruitment and selection. This unit focuses on methods and process and various policies related to recruitment and selection of employees in any organization. The fourth unit describes the concepts of placement and induction. It provides information related to transfer and its reasons, promotion and its purpose. This unit also throws light on separation.

UNIT 5

HUMAN RESOURCE PLANNING

Objectives :

After studying this lesson, you will be able to :

- Explain the meaning and nature of human resource planning (HRP);
- Discuss the purpose and objectives of HRP;
- Identify the different steps in HRP process;
- Describe the job analysis and its applications;
- Understand the concept of job description and job specification.

Structure :

- 5.1 Introduction
- 5.2 Meaning and Nature of HRP
- 5.3 Purpose of HRP
- 5.4 Importance of HRP
- 5.5 Human Resource Planning Process
- 5.6 Objectives of HRP
- 5.7 Limitation/Barriers of Human Resource Planning
- 5.8 Job Analysis
- 5.9 Job Analysis Process
- 5.10 Methods of Job Analysis
- 5.11 Job Description
- 5.12 Job Specification
- 5.13 Uses of Job Analysis Information
- 5.14 Summary
- 5.15 Self Assessment Exercise
- 5.16 Further Readings

5.1 INTRODUCTION

Human Resource Procurement

Human Resource are the most important assets of any organization. The success of failure, growth and development of the organization depends on human resources. The organisation must therefore acquire knowledge, skillful, trained, talented and potential human resources to attain and accomplish the organizational objectives. A great care needs to be taken in their acquisition. The human resource planning provides necessary direction in this regard to the human resource management in the human resource management in the light of overall organizational objectives. The organizational objectives determine the required number of type and kind of human resources of human resource planning begins. The human resource planning bridges the gap between the organisational plans and human resource management. It is a conscious determination of direction and composition of human resources of organization. The human resource planning provides the necessary groundwork and set of stage ready for manpower procurement to fill up various positions in the organization. The human resource planning must be in tune with the human resource policy of the organization. Human resources are the most valuable intellectual assets. Hence their planning should be done carefully. Organisations used to neglect people as they cannot establish ownership over them like in case of other resources. Now it has been realized that neglecting human resources may cost heavily to the organization. Human resource planning helps in tracing a route, finding a way for acquiring human resource.

5.2 MEANING AND NATURE OF HUMAN RESOURCE PLANNING

MEANING AND DEFINITION OF HRP

Human resource planning determines the movement of the organization from the present human resource position of the anticipated one. It is a process which determines and assures the required number and kind of people at proper time and proper places to accomplish the organizational objectives. According to Dale. S. Beach, human resource planning is, “a process of determining and assuring that the organisation will have an adequate number of qualified persons, available at a proper times, performing jobs which meet the needs of the enterprise and individuals.”

The human resource planning should be in tune with the overall planning of the organization. A properly implemented human resource planning leads to improvement in productivity and helps in attaining enterprise goals. It also helps in minimizing labour turnover. Human resource planning enables management in placing right people in right positions and at right time. This is possible if the human resources department is well integrated into the organisation’s functioning and is given a free hand to play its role. The forecasting of human resources

Human Resource Planning

needs should be carefully done and acquire them in advance as far as possible. Effective planning ensures the organization with the right number and kind of people with proper skills and abilities at the most appropriate time. The human resource planning may concentrate only on recruitment and selection of personnel, while medium terms human resources apart from their acquisition. The long-term human resource planning has broader aim in sight hence concentrates on their acquisitions, training and development, health, welfare and safety, determining wages, salaries, bonuses and other fringe benefits, maintaining human resources information system, performance evaluation, career planning managing stress counselling etc. The human resource development requires long term planning. This will ensure organisation's development and growth.

Each organisation has to pass through various stages of growth. Human resource planning adopted by the organization differs according to the different stages. During infancy period of the organisation, the human resource planning should be in accordance to the needs of the organisation. During this stage government also provides various concessions such as taxes holiday, power at low rate etc. The aim is to let the enterprise grow. In the growing organisation human resource planning acquires a new dimension of anticipating for human resources and cares for their development. The fully grown and established organisation adopts long term human resource planning. The stock of current human resources and their potentialities is taken, performances are evaluated. The organization can develop and keep human resources information in a computer software and make it available to all line and human resource managers to make an 'at hand assessment' of human resource inventory which helps in planning for human resources. The human resource planning is taking stock of current human resources inventory and forecasting the need for future. The human resource information system can play a supportive role in decision making in this regard. This makes easier for the manager to make decisions regarding recruitment, promotion, transfer, training and wage fixing.

Human resource planning is the decision making process regarding procurement, development compensation, information, welfare, appraisal and safety of human resources. It is process of visualizing the organization plans and objective into a reality by providing quantitative and qualitative human resource requirement through their proper utilization. The formulation and choice of human resource planning depends upon the type and kind of organization. It may prefer short term or long term, flexible or rigid human resource planning. It mostly depends in turn upon the strategy adopted by the organization. Human resource are multifaceted resources. They not only differ in their abilities, skills, potentialities, capabilities, techniques but also possess more than one quality. Human resources planning take into account the stock of these typical skills inventory maintained by the human resource department while forecasting for the future need. The overall organizational plan is integrated with human resource plan. Human resource determines and sets the goals for performing human resource functions of acquisition, development,

compensation, promotion, transfer, retention, termination, retirement, welfare, safety to facilitate accomplishment of corporate objectives.

Human Resource Procurement

5.3 PURPOSE OF HUMAN RESOURCE PLANNING

The human resource planning in an organisation is essential for the following reasons:

1. Human resources with required skills, qualifications and capabilities are always in short supply despite growing unemployment, hence their planning is essential.
2. The fast changing technology and globalization has brought new challenges on trade and commerce, sales and marketing, production fronts. The corporations require new breed of manpower to meet the challenges.
3. There is a market rise in the human resource mobility which has increased the need for human resource planning.
4. To increase labour productivity human resource planning is required.
5. To increase smooth supply of workforce without interruption.
6. The structural adjustment in the body corporation changes the demands for human resources.
7. The government's policy regarding reservation in employment brings about changes in the demand for a supply of human resources, need proper human resource planning.

5.4 IMPORTANCE OF HUMAN RESOURCE PLANNING

The human resource planning is important to the organization in the following ways:

1. The effective human resource planning fulfills the corporate need for quality workforce.
2. A proper human resource planning reduces the labour cost substantially. It maintains a balance between demands for a supply of human resources. It works as a cost saving device.
3. Human resource planning facilitates increase in skills, abilities and potentials of the workforce through training and development.
4. Human resource planning provides multiple gains to the employees by way of promotions, increase in salary and other fringe benefits.

5. It facilitates comparison and evaluation of alternate human resource policies.
6. It provides for welfare, health and safety of the employees in the form of residential accommodation, schools, hospitals, stores, and recreation clubs thus increases the productivity.
7. It enables the assessment of human resource for future requirements.
8. Human resource planning clears the way for effective motivation of the employees of the organisation.

Human Resource Planning

Above all, with the increase in productivity increase in skill, knowledge, potentialities of human resources and employee satisfaction, the main beneficiary is the organisation which gains in terms of increase in profit, prosperity, growth and development and edge over rivals in business competition.

5.5 HUMAN RESOURCE PLANNING PROCESS

Acquisition and utilization of human resource is an important decision a manager has to make. The process of human resource planning helps in this regard and makes the task of a manager easy. The process of human resource planning involves the following steps:

Analysis of organisational plans and objectives



Analysis of human resource planning objectives



Forecasting for human resource requirement

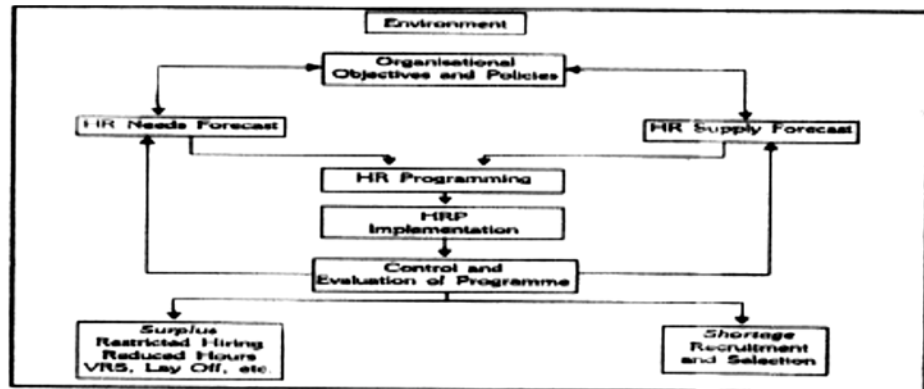


Assessment of supply of human resources



Match the demand and supply

Human Resource Procurement It can be shown as in figure:



Let's discuss each of these steps in details. :

- 1. Analysis of organisation plans and objectives :-** Human planning is a part of overall plan organisation. Human resource planning process begins with the analysis of overall plan of the organization into departmental, sectional and sub-sectional plans and functional plans like sales, marketing, technological plans. This break up of overall plan provides for assessing the human resource requirement for each department and activity. Besides analyzing the organizational plans, the objective of the organizational are also analyzed. If the objective of the organization is speedy growth and expansion, it requires more manpower in all functional activities and department to meet the challenges of increased market share, finances, size of assets, new markets, inventory and new products. The new growth strategy of the organization requires large number of skilled manpower. The human resource department needs to go for quick recruitment and training to meet the human resource requirement of the organization. In case the organization facing tough times of falling demand for its products has to curtail production thereby needs to reduce manpower. The human resource department has to take some harsh decisions to retrench the existing manpower. In modern corporate world mergers and acquisition pose fresh challenge to human resource department. The human resource department has to face tough time because of conflicting corporate culture and working environment of the two or more firms coming together in the event of merger or acquisition. Human resource department has to formulate plans for laying off or hiring and amalgamation of conflicting cultural working environment. Sometimes the decisions regarding wage cuts have to be taken. This will displease the employee paving the ways for labour unrests.
- 2. Analysis of human resource planning objectives:-** Human resource planning is a part of corporate plan. Its objectives are to be

fixed in the light of corporate objective. The emphasis is give on future requirements than the present one. The main purpose of human resource planning is to match the present and future manpower needs of the organization. The human resource department should specify the policy regarding acquisition of human resources. It may recruit them by the way of promotion; transfer i.e. from within the organization or from external source. It also has to clarify the selection criteria and he need for training and development. It has to decide on abolishing or continuing some old and routine jobs or replace them by meaningful new jobs to meet challenges thrown by the speedily changing business and industrial environment. These objectives should be integrated with the objectives of all the functional areas of the organization. The emphasis should also be given on to maximize the return on investment in human resource.

- 3. Forecasting for human resource requirement :-** The correct forecasting for required human resource for the organization becomes simple if design and structure of the jobs examined thoroughly keeping in view the skills, potentialities and knowledge required to perform them and make an estimate for the future requirements. It should not be taken for granted that the design and structure of the existing jobs are perfect and cannot be changed overtime. The recent development in technology and use of computers and robots in manufacturing has change the scenario. Now the computer aided designs (CAD) and computer aided manufacturing (CAM) has entered in ousting the traditionally used old methods. This has changed the design of jobs altogether. In modern times welding and other related jobs are done by robots. The point is the need of capabilities, skills, knowledge, potentialities in the employees present and future must be reviewed. It will change the human reosource planning. The improved techniques have not only upgraded the quality of the product but also have brought about restructuring of jobs design. The new jobs design requires more people with the knowledge of computer, engineering and other technology. There is, therefore, a growing, demand for engineers and technocrats with management background by the companies.

The other factors dominating the forecast for human resource are the following :

- (a) Expansion of the enterprise
- (b) Mergers and acquisitions,
- (c) Retirement, death, resignation and terminations,
- (d) Change in style of leadership
- (e) Improvement in productivity

Human Resource Procurement

The above factors dominate the quality and quantity of the human resources. The various skills required to perform the jobs will enable the forecasting of human resource requirement for the organization. Determining the skills needs and fulfilling them is vital aspect of human resource planning. The demand for human resources is forecasted by using some statistical and work study methods and managers opinions regarding the manpower requirements for their respective departments. This is how the forecasting of demand for quality and quantity of human resources for the whole organization is made.

- 4. Assessment of supply of human resources :-** To make assessment of supply of human resources for the organization it should begin with the current human resource inventory of the organization. It is also known as auditing of human resources under 4 taken by the departments of the organization where complete information regarding skills, abilities, qualifications, capacity for hard work is available and so also the quantity and quality of human resources manning various positions, the probable retirements. On the basis of this information they can determine the supply of manpower which is sufficient enough to meet the departmental need or in excess or in short supply. This can be quantitatively and qualitatively worked out. The sum total of supplies of all departments shall organisations supply of human resources. In this way the current or present human resource inventory is accounted for the supply of human resources may be less because of layoffs, dismissals, voluntary retirements, retirements, death etc. if the supply is less than the demand for or is inadequate to meet the requirement for human resources then it can be fulfilled through external sources. The graduates from educational institutions serve the purpose. Also the existing manpower be asked to work extra and overtime wages may be paid to them. This is purely ad hoc arrangement. After some time the organization has to hire the required number and kind of people to meet the need.
- 5. Matching demand and supply :-** It is one of the objectives of human resource planning to assess the demand for and supply of human resources and match both to know shortage and surpluses on both the side in kind and in number. This will enable the human resource department to know overstaffing or understaffing In case of shortages of human resources to meet certain jobs in the organization and are not available in the labour market then under such circumstances it is advisable to change the objectives of the organization. In case of shortages the human resource department should be in touch with all the known sources to meet the requirement. The human resource manager may recommend the retention plan for the employees such as higher pay, improvement in work life or to grant extension to those employees are on the verge of retirement. In case of surplus human resources in some department then the scheme for redeployment in other department

or other job may be recommended. If the surpluses could not be absorbed in any of the departments or jobs then in consultation with the employee's union retrenchment may be undertaken giving them full benefits under the law. A promise may be given to the retrenched employees for helps to get job elsewhere vacancies exist they will be preferred. Human resource planning must get a support from the organization with relevant personnel policy statement. The human resource plan becomes an action plan for the organization as regard manpower requirement. The organization must follow the human resource philosophy as a guiding principle. Career planning must be kept in view while planning for human resources. Any individual who joins the organization has a long way to go. During his long span, he aspires high level and should be rewarded monetarily. This is especially important for those who are professionals joining vocations. Thus an organization gets professionals or experts in particular field. It is because of this certain people are becoming professional. The career planning is a part of human resource development.

5.6 OBJECTIVES OF HUMAN RESOURCE PLANNING

- (1) It ensures optimum use of present stock of human resources.
- (2) It helps in fulfilling individual and organizational aspirations through collective effort of employees and organization.
- (3) It makes future skills assessment of the organization to meet overall objective.
- (4) It helps in meeting proper allocation of human resources.
- (5) Formulation of transfer and promotional policies of the organization effectively.
- (6) To cope with change in the organisational set up.
- (7) Control over cost of human resources.
- (8) To replace employees, who retire, die, and quit the organization. Hence continuity in workforce is maintained.
- (9) Designing training programs for various categories of employees.
- (10) Prescribes qualifications for different jobs in the organization.

5.7 LIMITATIONS/BARRIERS OF HUMAN RESOURCE PLANNING

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

Human Resource Procurement

- 1) HR practitioners are perceived as experts in handling personnel matters. but are not experts in managing business. The personnel plan conceived and formulated by the HR practitioners when enmeshed with organizational plan, might make the overall strategic plan of the organization ineffective.
- 2) HR information often is incompatible with other information used in strategy formulation. Strategic planning efforts have long been oriented towards financial forecasting, often to the exclusion of other types of information. Financial forecasting takes precedence over HRP.
- 3) Conflict may exist between short term and long term HR needs. For example, there can be a conflict between the pressure to get the work done on time and long term needs, such as preparing people for assuming greater responsibilities. Many managers are of the belief that HR needs can be met immediately because skills are available on the market as long as wages and salaries are competitive. Therefore, long times plans are not required, short planning are only needed.
- 4) There is conflict between quantitative and qualitative approaches to HRP. Some people view HRP as a number game designed to track the flow of people across the department. Others take a qualitative approach and focus on individual employee concerns such as promotion and career development. Best result can be achieved if there is a balance between the quantitative and qualitative approaches.
- 5) Non-involvement of operating managers renders HRP ineffective. HRP is not strictly an HR department function. Successful planning needs a co-ordinated effort on the part of operating managers and HR personnel.

5.8 JOB ANALYSIS

Job analysis is the procedure of exploring systematically the facts and functions within a job. It is one of the important functions of the human resource manager who through this process of job analysis knows the duties, responsibilities and accountabilities of a job and qualifications, skills, potentials and talents to perform it. The job analysis is done systematically because it is basically a technical procedure involving compilation of information relating to successful performance of job and determination of relationship with other jobs and evaluating and prescribing the required qualifications, skill and knowledge necessary for it. It is a useful tool for human resource planning, making recruitment and selection, providing for training and development performance appraisal career planning, fixing compensation. It helps in determining the standard of personnel in advance facilitating comparison of perspective candidates. Job analysis assists in deciding the minimum qualifications,

training and knowledge required to perform a job. The procedure for determining the necessities for performance of a job is job analysis.

The job analysis is defined by Edwin. B.Flippo as, “the process of studying and collecting information relating to the operations and responsibilities of a specific job.”

Human Resource Planning

Job analysis is a process of determining duties, responsibilities and defining accountabilities. It also involves in collecting and analyzing the relevant information relating to job, checking job information for accuracy, writing job description on the basis of information, determining skills, knowledge, abilities required for the job and updating information with changing times. Job analysis is the basis for the human resource management practices.

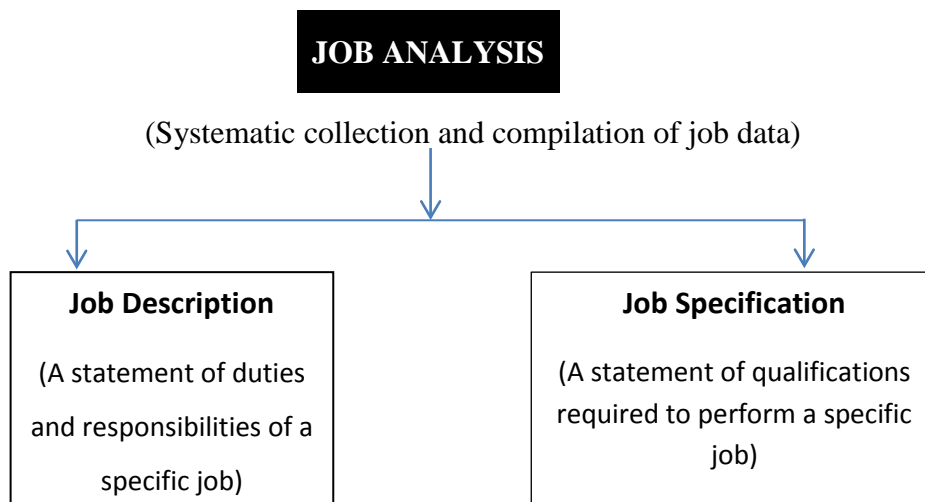


Fig.2. Job Analysis

5.9 JOB ANALYSIS PROCESS

It is a process of collecting information regarding some or all jobs in an enterprise. Under the job analysis process the data is collected in respect of job and not related to the personnel holding the job though he may be consulted for obtaining vital information about the job. It should be noted here that job analysis process is meant for analyzing the job not the person holding it. The following steps are followed for job analysis process.

1. **Time for conducting job analysis:** Human resource manager has to ask himself, “Is the time ripe for conducting job analysis.?” He has to decide on this vital issue. It is a matter of strategy. In modern times things are changing very fast. The new competitors are entering into the business. Under the changed circumstances, organisations have to restructure the organizational setup as a part of strategy to meet the challenges and this leads to job analysis. Some new jobs may be created, some old jobs may be eliminated and some may be combined with others. Additional jobs may be

created due to expansion, mergers and acquisitions requiring job analysis. Normally job analysis should be conducted after a regular interval of two, three or five years of any time if the need arises.

Human Resource Procurement

2. **Collection of information relating to job:** After deciding to conduct job analysis the first step is to collect all relevant information relating to various jobs in the organization. The following are the ways to collect information for the purpose of job analysis.
 - a. **Questionnaires:** It is a widely used method of data collection. It is less costly method of collecting information about the job from the employees. A detailed questionnaire is prepared so that vital information is not missed. The questionnaire used to be distributed to the employees from whom information in respect of jobs are to be gathered.
 - b. **Observation:** In this method the job performers are observed while they are working. Observation may be continuous or in samples. This method is not fool proof. It is useful for the jobs involving physical activities. It provides observe the general familiarity about the job.
 - c. **Interviews:** The experienced employees having complete knowledge about the jobs are interviewed and the relevant information about the job its and specific activities gathered. A structured interview is most useful to collect vital information regarding the job and its performance. An interview is time consuming. An interview may be biased. To avoid this more employees are to be interviewed.

The information collected through the above ways must include the information relating to physical environment while performing job such as, temperature, noise, dirt, likelihood of accident, comforts or discomforts; social environment prevalent while performing job; financial benefits draw such as pay scales and other incentives; the qualities, required in a person for performing the job such as skills, abilities, talent, knowledge, potential, intellect etc.

3. **Preparing job description forms:** The information collected in the above ways should now be used to prepare job description the various activities involved in the job. It describes how and when job is to be done and how jobholder will do it. The separate job description forms are prepared for different jobs stored for reference.
4. **Preparing job specifications:** The next step in the process of job analysis is to prepare job specification on the basis of collected information. The job specification is the statement declaring minimum acceptable qualifications required in a person to perform the job successfully.

5. **Preparing Report:** The job analysis are appointed by organization to do job analysis. The next step in the process of job analysis is to prepare the report on job analysis by the analyst and to submit the same to the human resource manager. The report contains the different activities of various jobs and the minimum educational qualifications, experience, training and skills required to perform them and the recommendations.

The report submitted by the analyst is then discussed at the top level management or human resource manager may have the authority to accept in total or make certain amendments in job description and job specification after taking into confidence the employees union and other fellow managers of various departments of the organization.

5.10 METHODS OF JOB ANALYSIS

The methods used for determining the knowledge, skill, abilities required for successful performance of the job under job analysis and the following:

1. **Observation method:** Under the method the job analyst observes the employees at work. This is the most reliable method of seeking first hand information relating to the job. The information obtained through direct observation may be verified and supplemented from the supervisor of the section. If the employees came to know that they are being observed then they may not be natural in their performance. So care must be taken in this regard otherwise the information will not be accurate and may lead to distortion in job analysis. The observation may be continuous or intermittent depending upon the analyst and the nature of the job. A video film can also be prepared for observation.
2. **Questionnaire method:** Under this method the structured questionnaire is prepared and is distributed among the employees by the job analyst. This is good and less expensive method to seek necessary information in respect of job but there is no way to take feedback.
3. **Interview method:** Under this method the workers working on the jobs and their supervisor individually are contacted and asked questions in respect of the jobs performed by them. Group interviews can also be conducted for extracting information from the employees. A care is to be taken in group interview as group dynamics may become a hurdle in effective exploration of information. This method is time consuming.
4. **Daily recording of activities method:** Under this method the employees are asked to record day-to-day activities in a diary. This serves as a good source of information but lot of time is required to maintain the correct information on the part of the employee. The precious time is wasted in maintaining the diaries.

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5. **Records maintained by the human resource department:** The records in respect of various jobs and their incumbents by the human resource department also become the source of information.

The above methods of collecting information for job analysis are not mutually exclusive and none is perfect. For obtaining factual information a combination of methods may be worked out. The immediate outcome of job analysis process is job description and job specification. The application of job analysis is shown in the following figure:

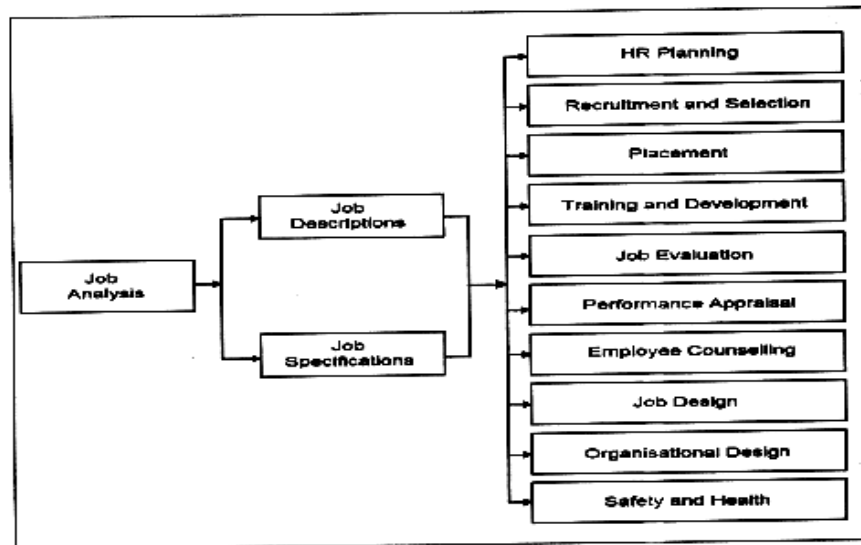


Fig.3. Application of Job Analysis

5.11 JOB DESCRIPTION

Job description is the first immediate by-product of job analysis process. It is recorded statement of facts about the activities of the jobholder, how and why it is performed. Job description statement is recorded on job description blank. Job description statement reveals what, how and why job is to be done. Pigors and Myres defined the job description as, “pertinent picture (in writing) of the organizational relationship, responsibilities and specific duties that constitute a given job or position. It defines a scope of responsibilities and continuing work assignment that are sufficiently different from those of other jobs to warrant a specific title.

The job description not only reveals what, how and why a job is to be done but also describe the job title, duties and responsibilities to be performed and authority assigned and the distinct features of the job. It describes every aspect of the job. A good job description possesses up-to-date information i.e. if amendment in duties and responsibilities are made then they should have been included, should indicate job title, extent of the job, limitation and functions should be described in simple and

understandable language, characteristics of the job, knowledge and skills to perform the job should be included in the statement.

Contents of the Job Description

Human Resource Planning

Job description document contains the following information:

- 1. Job title:** A suitable title to the job given that suggest the nature of job, required skills and other distinctive features of the job. For example account clerk, record keeper, lathe machine operator, computer programmer, system analyst etc.
- 2. Functions:** The functions of the jobs are clearly and precisely stated. For example account clerk's functions include maintaining account books, ledgers etc.
- 3. Duties and responsibilities:** The duties and responsibilities of the jobholder are classified into primary and secondary and the time taken for performance of the job should be mentioned.
- 4. Nature of supervision:** The degree of supervision needed should be prescribed. Reporting authority should be mentioned. Certain jobs require close supervision while the jobs at higher level require less supervision. Some managerial jobs require no supervision but others do require. It should be clearly mentioned.
- 5. Place of job:** Place means the place where job is to be performed by the jobholder i.e. the department, section, shop or office etc.
- 6. Tools, implements, machines:** The performance of certain jobs require tools and implements, some require machines e.g. lathe machine, computer etc. All these details are to be included in the job description. This will disclose the nature of the job and the complications involved in it which enable for planning training programme
- 7. Environment at workplace:** The environment at workplace, the related hazards, possibility of accidents are to be mentioned so that it will help in evaluating the job.
- 8. Future prospects:** Anyone who is working on any job wants to be promoted after some period of time. It is, therefore, pertinent for the job analyst to mention the relationship, vertical and horizontal both of the job. It will make the jobholder aware of his future growth by the way of promotion.

Job description is an important document which determines wages and salary and the future promotional avenues of the employees working in an organization, hence it should be flexible and described in such a

manner that is should over complete information in respect of the job in clear and understandable language.

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**EXHIBIT-1
Specimen of Job Description**

Job Title _____ Job Number/Code _____

Department _____ Division/Section _____

Report to _____ Wage Category _____

Summary of Job Duties

- Regular duties _____

- Occasional duties _____

Working Conditions

- Surrounding _____

- Work hazards _____

Relation to Other Jobs

-Promotion from _____

-Promotion to _____

Tools, Equipment, and Machines used _____

Materials used _____

Nature of Supervision Required _____

5.12 JOB SPECIFICATION

Another immediate outcome of job analysis is job specification. It is the statement in respect of minimum acceptable qualities required in the incumbent for successful performance of the job. It states that the jobholder should possess the required educational qualifications, training, experience, talent, potential and abilities etc. to perform the job successfully. It provides lot of help in recruitment and selection of proper person for the organization. Edwin B. Flippo has defined job description as, “a statement of minimum acceptable human qualities necessary to perform a job properly”.

Besides minimum acceptable educational qualifications a job specification should specify physical feature (weight, height, eyesight, physique, good health etc.) personal features (mental attitude, leadership, qualities, decision-making ability, behaviour etc.), psychological features (enthusiasm, soundness of mind, capacity to make analysis, sense of

responsibility, attention etc.), social features (interpersonal contact), wisdom (oral and written communication, planning numerical computation etc.), motivating qualities (work extracting ability, adaptability to change, pressure, displeasure, controlling etc.)

EXHIBIT-2

Specimen of Job Description

Human Resource Planning

Job Title _____ Job Number/Code _____
Department _____ Division/Section _____
Job Analyst _____ Age Limits _____
Report to _____ Wage Category _____
Educational Qualifications _____
Skills _____
Training _____
Previous Experience _____
Responsibility for Others
- For other's performance _____
- For other's safety _____
Health Condition _____
Any Other Requirement _____

5.13 USES OF JOB ANALYSIS INFORMATION

An effectively conducted job analysis helps in more than one way to formulate sound human resource policy and program. The information collected during job analysis process has following uses:

- 1. Human resource planning:** Job analysis is an analytical process from which we develop tangible results in the form of job description and job specification. These two outcomes i.e. job description and job specification determines the duties and responsibilities a particular job possess and the qualifications, skills, knowledge, potentials required to perform the job respectively. This in turn determines the demand for various jobs in the organization and the manpower required to hold them. Accordingly human resource manager has to plan for human job resources. This is how job analysis helps in human resource planning.
- 2. Job Evaluation:** Job evaluation is treated as the third tangible outcome of the conceptual job analysis. The information provided by the job analysis serves the purpose of job evaluation i.e. to

determine the relative work of job for fixing compensation. Here again the job description and job specification provides a base for determining worth of a job to the enterprise and determining salary and wages for the job or jobs.

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3. **Recruitment, selection and placement:** A comprehensive job analysis provides sufficient information in respect of jobs that will most likely to be filled up in future. Selection of a person for a job necessitates the deep and clear understanding of the kind of work to be performed and the qualifications, knowledge, talent and potentials require doing it. Job analysis ably provides all required information facilitating the recruitment, selection and placement smoothly in an organisation. Here also job specification and job description helps, immensely in matching the job requirements with the knowledge, qualities, potentials, talents, skills of the incumbent.
4. **Optimum use of human resource:** Every organization wants optimum use of its human resources to increase the productivity. Information from job analysis furnishes the facts regarding what employees have to do. If they lag behind in putting up the required efforts which is prescribed by job description then the managers take action for improvement so that they put up maximum required efforts to perform their jobs. The job analysis also helps the employees understanding their own duties and responsibilities towards jobs. This is how optimum use of human resource is being achieved with the help of job analysis.
5. **Training and development:** Training and development is yet another field where information from job analysis is used. From the requirement of the job the manager know the deficiencies in the jobholders. He then decides to provide training to the incumbents. Job descriptions and job specifications reveal what is needed from and in the incumbents to perform a particular job. They came to know what is being expected from them accordingly they prepare for carrier development.
6. **Labour Management relations:** The information gathered from job analysis are helpful in improving labour management relations by understanding what is being expected from the jobholders, by the employees. This can be achieved if employees are informed about the information from the job analysis.
7. **Job design:** The information generated from the job analysis are of immense help to the industrial engineers in designing the job through the study of job element. Job element is the minute unit into which work can be divided. Hence it helps in time and motion study, determining work specification, work measurement, providing for methods and improvement at workplace.
8. **Safety and welfare measures :** Job analysis process discloses the environment where job is to be performed. Hazardous and

unhealthy conditions, if any, prevailing at the workplace can be taken care of by providing adequate safety and welfare measures. Most of the accidents can be thus avoided.

9. **Compensation:** The information collected under job analysis can be used for determining wages and salaries of the incumbents. Salaries are to be fixed on the principle “equal pay for equal work”. It is also to be noted while fixing salaries that the jobs of comparable work receive same pay. All this is possible because of job analysis.
10. **Reduce frustration:** Job analysis provides factual information relating to job and thus reduces the frustration from the minds of those employees who have imagined high expectations about the job. They are saved from being dissatisfied or leaving job in the middle. Job analysis assures low turnover. It orients new recruits to their positions.
11. **Determines authority responsibility relationship:** Job helps in delegating authority thus determines lines of authority and responsibility. This also helps in designing organizational framework. It helps in determining the vertical and horizontal relationship in the organization.

Human Resource Planning

5.14 SUMMARY

Human resource planning is a process which determines and assures the required number and kind of people at proper time and at proper places to accomplish the organizational objective. Human resource planning is, “a process of determining and assuring that the organization will have an adequate number of qualified person, available at a proper time, performing jobs which meet the needs of the enterprise and individuals.” The process of human resource planning involves the various steps i.e. *Analysis of organizational plans and objectives, Analysis of human resource planning objectives, Forecasting for human resource requirement, Assessment of supply of human resources, Match the demand and supply.*

Job analysis is a process of collecting information regarding some or all jobs in an enterprise. Under the job analysis process the data is collected in respect of job and not related to the personnel holding the job though he may be consulted for obtaining vital information about the job. Job description is the first immediate by-product of job analysis process. It is recorded statement of facts about the activities of the jobholder, how and why it is performed. Job description statement is recorded on job description blank. Job description statement reveals what, how and why, job is to be done. Job specification is the statement in respect of minimum acceptable qualities required in the incumbent for successful performance of the job. It states that the jobholder should possess the required

educational qualifications, training, experience, talent, potentials and abilities etc. to perform the job successfully.

5.15 SELF ASSESSMENT EXERCISE

Human Resource Procurement

1. Define Human Resource Planning and outline the steps in HRP process.
2. Explain the concept of job analysis.
3. Differentiate between job description and job specification.
4. What are the uses of job analysis information?
5. Discuss the objectives and importance of human resource planning.

5.16 FURTHER READINGS

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UNIT 6

HUMAN RESOURCE INFORMATION SYSTEM (HRIS)

Objectives:

After studying this lesson, you will be able to:

- explain the meaning of human resource information system;
- examine the various methods of HR valuation;
- identify the advantages, functions and different levels of HRIS;
- describe the Human Resource Accounting; its needs, objectives and benefits;
- understand the purpose, process and importance of Human Resource Audit and Research

Structure:

- 6.1 Introduction
- 6.2 Human Resource Information System (HRIS)
- 6.3 Advantages of HRIS
- 6.4 Infrastructure requirements of HRIS
- 6.5 Functions of HRIS
- 6.6 Human Resource Information System at different levels
- 6.7 Human Resource Accounting
- 6.8 Need, objectives & Benefits of HRA
- 6.9 Methods of HR Valuation
- 6.10 Human Resource audit & research
- 6.11 HR Audit
- 6.12 Summary
- 6.13 Self Assessment Exercise
- 6.14 Further Readings

6.1 INTRODUCTION

Computers have become essential part of any organization these days. Computers have made possible scientific and industrial advances that could not be imagined many years ago. They are used everywhere in space, in military, in hospitals, in education and in all industrial applications. The beneficial aspects of computers include speed and accuracy which are important for solving complex problems in the modern world. Computers are playing an important role in shaping the future of mankind.

The use of computers in industry has increased tremendously. They are used for all industrial functions from purchasing and inventory control to preparation of accounts and for all managerial functions- planning, organising, staffing, direction and control. Computers are capable of solving complex business problems very quickly. They facilitate the installation of effective Human Resource Information System (HRIS) in modern organizations.

6.2 HUMAN RESOURCE INFORMATION SYSTEM (HRIS)

Human resource information system has become a part of all large organizations. It is a computerized system that aids in the processing of information relating to human resource management. It is a device, design to fulfill the manpower information needs of the organization. The organization has to incur a meager amount to install this system. Human resource information system facilitates the organization to store information relating to skills, knowledge, capabilities, potentialities, qualifications required to perform jobs and available among employees which is made accessible at the fingertips of the managers through computer network. HRIS differs from the manual system as it uses the information technology or computers. HRIS forms a part of management information system which includes information relating to finance, assets, accounting, sales, marketing, production etc. HRIS meant for collection and analysis of data relating to human resources of the organization. It helps managers in decision-making in respect of promotion, wage fixing, recruitment, training and development. In this way HRIS works as a decision support system device. The inputs of HRIS include the information relating to employees, their abilities, qualifications, potentialities, creative instincts, age, pay scale, various jobs in the organization, their required skills and qualifications to do them, the

number of employees and executives at various positions, organizational objectives, policies and procedures etc. This information is loaded into the system. This data is analyzed into the most useful information required by the managers. This is the transformation of input data. The information technology after transformation gives output in multiple forms like printouts and other devices. HRIS is the device widely used by the corporate bodies as it provides significant, accurate, relevant and comprehensive data base information in respect of human resources required by the organization. There are many private firms which keep and maintain the database relating to human resources dealing in consultancy services in respect of recruitment of executive and other personnels required by the companies. These consultancy firms are the important external source of recruitment of all types and kinds of personnels to the companies in India and abroad.

Human Resource Information System

The HRIS can, not only be prepared for an industrial, business, service, educational, govt. organisation but also for the entire city, district, state or country, it can be prepared and used whenever need arise for a special kinds of personnels. In order to eliminate human resource problem of any kind, HRIS comes to the rescue and provides the services of hiring human resources, maintaining the complete record of human resources. It can at any moment show the supply of human resources available. The HRIS works as follows:

Inputs : The Input of human resource information system includes information related to employees such as education, age, experience, training, present status, present salary, whether promoted or not, organization's policy past and present, procedures past and present, and other necessary detailed information relating to the human resources at the organization. These are the raw data collected from the office files and entered into computer terminal connected to the main computer. This information is checked and rechecked and scanned to ensure its correctness. The computerized human resource information system is in all respect a superior one to that of manual system which is time consuming and not so cost effective. On the contrary, HRIS is time saving and cheap and there is no possibility of error. Error can be eliminated. The most important benefit of the system is the information available immediately as and when desired.

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Transformation: The information fed to the computer can be transformed into more meaningful and necessary information that exactly required by the organization. This is the conversion stage of computerized HRIS. The transformation of HRIS is closely related to the computer software. These are the instructions or commands for the computer to do the needful.

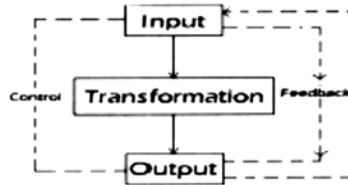


Fig.1: HRIS Framework

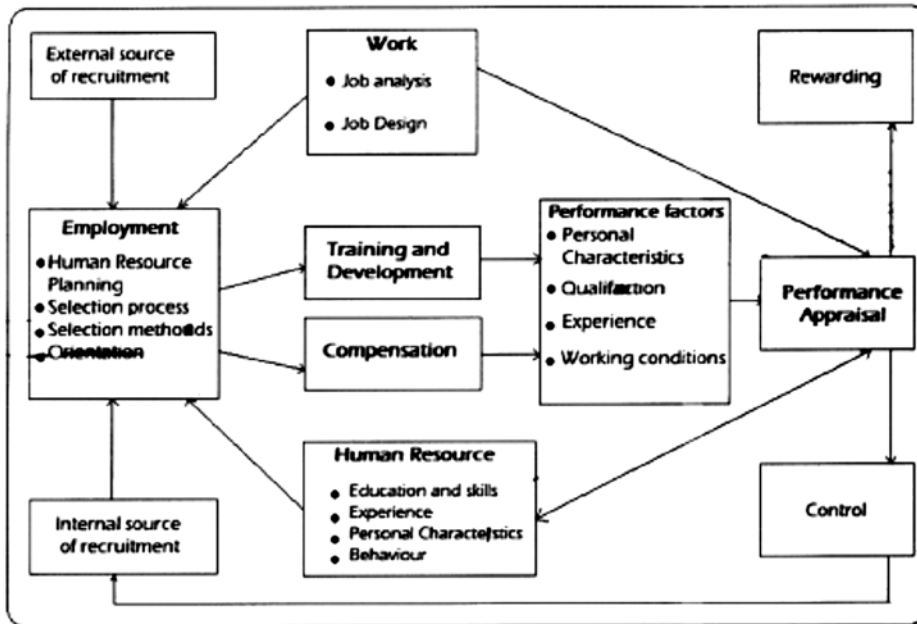
Organizations may have functional HRIS to suit to their needs. They may have HRIS for marketing, sales, advertising, production, finance, accounting, materials etc. These are the various types of HRIS which can easily be prepared and maintained. The information transformed in to meaningful calculation is very useful to the managers and organization as well. This works as a decision support system. Comparative statements weekly, monthly, quarterly, annually can easily be had at the fingertips of the managers which aid in making appropriate decisions. Statistical and operation research techniques can be used.

Output: The transformed material can be utilized potentially. Output referred to the printouts of the transformed material from the computer printer, e.g. salary statement, cheques to be issued to the parties, report on performance of an employee, budget estimates, average cost of production of goods etc. All these can be had in the form of printouts, terminal screens etc. A well knit HRIS acts as a worthy decision support system of a very high quality. The high quality output must be accurate, relevant, consistent, readable and comprehensive not partial.

Feedback and control : The output obtained is relevant and useful or not must be known. The method of ensuring it is known as feedback. Feedback establishes control over the system.

Therefore designing of an effective information system is vital for the efficient working of an organization. It can be built around electronic computers in case of big organizations. HRIS is a system designed to supply information required for effective management of human resources in an organization. Any organization is managed by taking various

decisions at the various levels of its management hierarchy. Information is needed to take these decisions. Human Resource Information System is designed to support the human resource department in the performance of its functions as shown in figure as follows:



Human Resource Information System

Fig 2: Human Resource Information System (Arrows denote flow of information)

A Computerised Human resource Management is designed to monitor, control and influence the movement of people from the time they join the organization till the time they separate from the organization. That is why; modern organizations use computerized Human Resource Information System (HRIS). It virtually integrates the information relating to various sub-systems of human resource management like HRP, Recruitment training, appraisal, payroll and personnel administration etc. Thus the scope of HRIS is very vast. It, in fact, serves as a common data base of information on jobs, people and organization variables as shown in figure. An integrated HRIS involves the following elements:

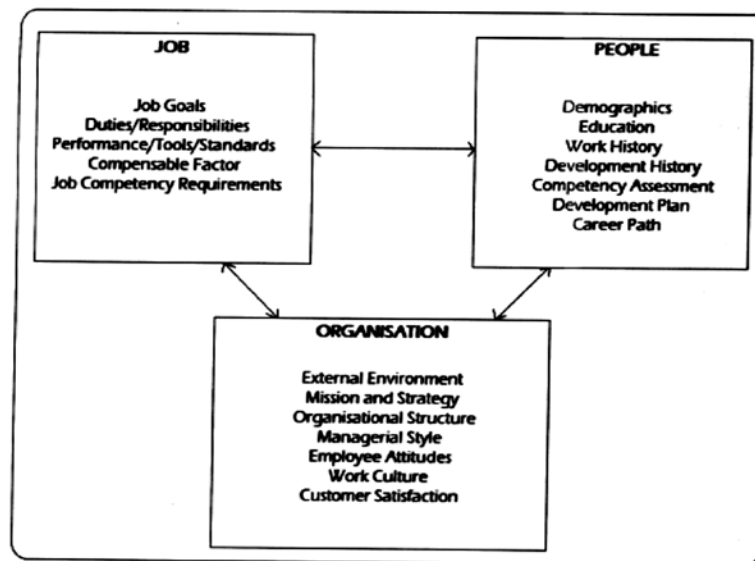


Fig. 3: Integrated view of information about job, people and organisation.

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6.3 ADVANTAGES OF HRIS

1. It gives accurate information.
2. It dose fast processing.
3. It works as a valuable tool to strategic planning and its implementation.
4. It gives instant information relating to existing human resources, skills, categories, pay structures, qualifications, age, specialization, training and development, experience etc.
5. It acts as a decision support system.
6. It is an expert system.
7. It is time efficient and not much expensive.
8. It facilitates reliable information.
9. Information relating to human resource is made easily accessible through HRIS.
10. It establishes strong management control.
11. It facilitates configurations of various designs, such as multiple systems, mixing of system designs, centralized computer facility. It tells about the attitude of the organization regarding its human resources.

6.4 INFRASTRUCTURE REQUIRED BY HRIS

Computerised human resource information system is one time investments. Initial investment is very high. Installation of the entire

network of computers, software, specialized staff needs very heavy investment. But in the long run it is very cost effective. It is quite cheap. For its use only the computer consumables are required.

HRIS is the system which facilitates quick human resource decision making. But it has certain drawbacks. This information is easily accessible by anyone and hence there is every likelihood of its misuse or underuse. It requires that the members of the organization using HRIS must follow certain ethics and abstain from revealing the vital information to any unauthorized person. It is a strategic tool in the hands of management of effective planning for future. Therefore the secrecy of the information must be maintained at any cost. The employees of the organization need to be trained on certain ethics to be followed by everyone.

6.5 FUNCTIONS OF HRIS

1. *Data Collection:* The manner of data collection depends upon the purpose for which data is required. The nature and the form of data vary from organization to organization depending upon its objectives.
2. *Data Management:* A good data management system involves the following subfunctions:
 - i. Processing operations, viz, classifying, analysing, summarising and editing the data.
 - ii. Storage of data, viz, indexing, coding and filing of information.
 - iii. Retrieval of data, whenever required.
 - iv. Evaluation, i.e., judging the usefulness of information in terms of its relevance and accuracy.
 - v. Dissemination i.e., providing the required data in the right form at the right time.

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The data management system should be capable of giving efficient service in terms of day-to-day processing of information. It should be flexible enough as the conditions demand.

6.6 HUMAN RESOURCE INFORMATION SYSTEM AT DIFFERENT LEVELS

There are three basic functions of HRM, namely, staffing, training and development and compensation administration. These functions have different HRIS requirement at the strategic, tactical and operational levels of the organization as shown in the following figure:

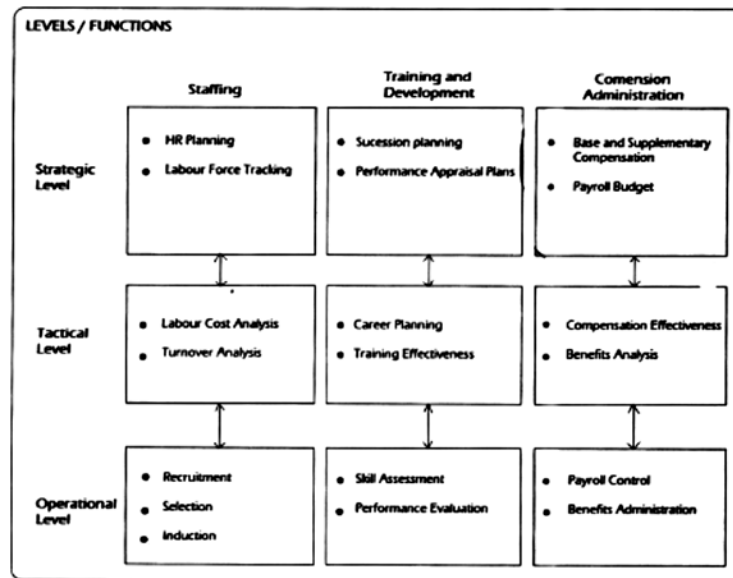


Fig. 4: HRIS at various levels

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HRIS contains personal information about the employees of an organisation and security of this information against unwanted of unwarranted access, use or distribute is extremely important to the individuals involved. HRIS includes number of tactical and strategic information systems. Tactical includes job analysis, recruitment, training and development and employee compensation. Strategic HRIS includes information systems that support human resource planning and human resource tracking.

6.7 HUMAN RESOURCE ACCOUNTING

Human resources means the total qualities of the employees i.e. knowledge, skills, potential, experience, health etc. available to the organisation for fulfillment of its objectives. These qualities or attributes of employees are ht productive capacity of the enterprise. There is therefore a need for their accounting. Human Resource Accounting is a process of identification and measurement of human resources and supplying the information to the interested parties. It is the measurement and financial assessment of human resources of the organisation. It involves measurement of cost of recruitment, training and development, experience and commitment of employees as resources. It also measures the economic value of employees of organisation.

As per Stephan Knauf, “HRA is the measurement and quantification of human organisational inputs, such as recruiting, training, experience and commitment”.

However it is absurd to treat people as assets in accounting sense. But this objection is not considered in human resource management.

6.8 NEED, OBJECTIVES & BENEFITS OF HUMAN RESOURCE ACCOUNTING

Need of Human Resource Accounting:

The need for human resource accounting was felt because of growing concern for human relations management in industry. Experts felt that failure of on the part of accountants to evaluate human resources was the main hurdle in effective management. The need for HRA is felt because of the following:-

- (1) **Non availability of information in conventional Accounting:** The need for HRA is felt because of non availability of information in respect of human resources to the organisation in conventional accounting. This makes the job of attaining long run objectives of the organisation difficult for the managers. People are important assets for the organisation who help in making physical and financial resources operationally effective.
- (2) **No record of human assets:** The physical resources have recorded value of assets but there is not record available of human assets of the organisation corresponding firms depend on their contribution. Accounting does not treat human capital in the same manner as non human capital. With the neglect value of human capital in accounting practice, assessment of the total value of the firm is not possible. That is why need for human resources accounting is essential.
- (3) **Non balance sheet of human resources:** The need for HRA is, essential to prepare balance sheet of value of human assets with capital assets so that the real worth of the firm get reflected in the balance sheet of the firm and then the valid comparison between the two firms can be easily made. This will reflect true performance of the firm which will strengthen investor's interest in the firm.
- (4) **Expenses on training and development:** The present accounting system treats expenses incurred on training and development of the employees and the fringe benefits offered to them as current cost and written against current revenue. Blind eye is turned off toward the fact that these expenses are the investment made by the firm on human capital the benefits of which result over a period of time extended beyond one year. It is a general feeling among manager to cut down expenses on human development ignoring the fact that effective motivation in long run in terms of high performance, high productivity, high profitability and high quality. It is for this fact there arise a need for human resources accounting.
- (5) **Reflection in financial statement:** Today's need is that the value of human resources should be reported in the financial statement i.e. balance sheet and profit and loss account of the organisation. It

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is essential to understand the management decision on human capital which is possible through the reflection of them in the financial statement of the organisation. In the accounting practice which is followed today, the expenses incurred on human resources are charge against revenue of the accounting period in which they are incurred. But the fact is the benefits of human resources can be extended to several accounting periods not just one. Accountancy cannot justify this because of uncertainly of tenure of employees. The need of human resource accounting arises because of the above facts.

Objectives of HRA:

The following are the objectives of human resources accounting:

- (1) To create managerial awareness about the value of human assets
- (2) To facilitate better decisions on people at work based on improved information system.
- (3) To get sufficient time for planning and budgeting.
- (4) To increase accountability of management for its human assets.
- (5) To develop effective measure/method for utilization of human resource.
- (6) To ascertain the conservation, appreciation and depreciation of human resource during any given time period.

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Benefits of HRA:

There are certain benefits accrue to the organisations which are listed below.

(1) Explains Return on Capital Employed:

Human Resources accounting reveals the valuation of human resources employed by the organisation. This enables the organisation to explain and interpret the return on capital employed. Further it is possible to know the long term dimensions of business performance.

(2) Improvement in Decision Making:

For making HRA the detailed and up-to-date records relating to human resources are to be maintained. This helps managers to take right decisions in respect of recruitment, promotions, transfers, retention and retrenchment in the best interest of the organisation in the light of budgetary provisions.

(3) Increased Productivity:

HRA practices open the avenue for increasing productivity of human resources. This is possible because valuation in monetary terms is made of human assets and this valuation find a place in financial

statements of the organisation. This motivates the employees for putting better efforts.

Also the feeling of sense of belonging to the organisation is developed among the employees. They are now identified as valuable resources of the organisation.

In India the concept of HRA is yet to gain momentum because the financial statements are prepared according to the Company law where there is no scope for showing valuation of human resources. Only the salaries paid to them can be exhibited. However companies can have a mention about the worth of human assets in the schedules or notes. In Indian the companies like Minerals and Metal trading corporation of India, Oil and Natural Gas Commission, Bharat Heavy Electricals and some of the corporate bodies have adopted the concept of HRA. Once it has made headway, it will be adopted by many companies in the country. In brief several benefits of the human resource practices are listed below:

- (1) HRA provides vital information about the human capital to the organisation enabling executive to take right decisions in respects of recruitment, promotions, transfers etc.
- (2) HRA provides a true picture about the human resources with their strengths and weaknesses in the enterprise so that the recruitment or retrenchment policies can be frame.
- (3) HRA provides feedback to the performance of employees enabling managers to evaluate the effectiveness of current policies and practices of human resources.
- (4) HRA facilitates comparison between enterprises or with the industry and enable the investor to make a choice of enterprise to invest.
- (5) HRA is a tool of cost control.
- (6) The organization records physical resources and value of human resources are ignored which does not provide correct evaluation. HRA practices prevent the faulty evaluations.

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6.9 METHODS OF HR VALUATIONS

(1) Historical Cost Method:

This method is based on costs incurred or recruitment, training, familiarization etc. It is developed by Rensis Likert. This is a very simple method an attempt is made to have proper match between cost and revenue. The plus point of this method is that the organization can show the value of human capital in its balance sheet and profit and loss account, the weak point of this method is that is fails to fulfill the need of developing a system of HRA based on systematic valuation of human resources.

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(2) Replacement Cost method:

Under this method the replacement cost of existing personnel is estimated. Replacement cost includes the cost of recruitment, training and opportunity cost for the intervening period. This serves the purpose of making valuation of human resources periodically. It helps in planning for human resources in future. The difficulty in this method is that the value differs from person to person making difficult to find identical replacement of the present human assets.

(3) Economic Value Method:

The payment made to the human resources till their retirement are calculated and appropriately discounted to get their present economic value.

(4) Standard Cost Method:

This method is in improvement over replacement cost method. Under this method the standard cost of recruitment, training and development are developed and established every year to overcome complications in calculations. These costs represent the value of human resources for accounting. It is easy for implementation and control.

(5) Present Value Method:

Under this method the net contributes of employees to the earning of the organisation are discounted to have present value of human resources.

(6) Current Purchase Power Method:

In this method the historical costs are converted into current purchasing power of money with the help of index numbers.

(7) Opportunity Cost Method:

Under this method the value of human asset is determined in their alternative use or the next best alternative use. This value forms the basis for valuation of human asset of organization. For calculation of opportunity cost bidding method is used. But it is difficult to decide bid or offer.

6.10 HUMAN RESOURCE AUDIT AND RESEARCH

Managers need to have the complete information about the health of organizations they are working in. they require continuous feedback in respect of performance appraisal, salaries and benefits, promotions, transfers, career planning and development, HR programmes and policies etc. HR audit and research shows the functioning of HR programmes and policies which are harmful or useful to the organization. It is further useful in detecting deficiencies in HR programmes, lack of teamwork, lack of

interest on the part of personnels. For the knowledge of this keeping HR records is very essential.

HR Records: It refers to the information documents utilized by an organization to carry out its functions. It represents the memory of organization. The records provide information about the organization which is maintained in tangible form i.e. written, pictorial, charts etc. they are therefore tangible evidence of the activities of the organization. Personnel records provide information about the position of HR in the organization. Personnel records provide information, about the position of HR in the organization e.g. records relating to training performance, absenteeism, wages and salary, labour turnover, productivity, morale surveys, job satisfaction, social security, employee welfare etc. Conventionally records are stores in the form of papers, cards, files, charts, blue prints etc. But in modern times records are stored in C.D. & video films, audio cassettes etc.

Types of information: The records are prepared from reports, minutes of meetings, orders etc. They contain information about employees, trade unions, employer, government, job description, job analysis, recruitment, selection, promotion, transfer, termination, redeployment, training and development, lay off, strikes, PF contributions, employee benefits, wage and salary, grievances disputes etc.

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Objectives of Personnel Records:

The main objective of records is not in storing but in having information for making analysis of various problems. Effectively stores records enable better analysis of the problems. Records serve the following purposes.

- 1) Help managers to identify, prepare and implement training programmes for employees and executive development for managers.
- 2) Facilitate in decision making in respect transfer, promotion, demotion, redeployment etc.
- 3) Help in preparing wage and salary sheets. Enables to provide information relating accidents, absenteeism, labour turnover, wages and salaries to government agencies.
- 4) Facilitate human resource audit.
- 5) Enable research in human relations.
- 6) Provide knowledge about validity of employment tests and interviews.
- 7) Maintain data in respect of leaves, training, promotion, transfer, layoffs, dismissals, expenses incurred on employee benefits etc.

Essentials of a Good Record:

To achieve the above objective a good record must include the following features.

- 1) It should be objective. It should be maintained to fulfill the stated objectives.
- 2) Record keeping should be simple and easy to understand.
- 3) It should be accurate without any chance of errors or fraud.
- 4) It should be consistent with the needs.
- 5) It should be easily traceable or available.
- 6) In maintaining the records, principle of economy should be followed. Maintenance of records should not be expensive.
- 7) It should be useful for better management of business. Needless papers should not be kept in records.
- 8) There should be easy access to required information, hence should be maintained accordingly.
- 9) Different records should be easily differentiated.
- 10) There should be no duplication
- 11) Record keeper should be deputed to look after maintenance of records.

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Precautions in Maintaining Records:

The records serve many purposes. The records of personnel's are to be maintained from the date of their induction till the time of their retirement or leaving the organization. According to Jucius Michael certain precautions are essential in maintaining the personnel records. They are given as follows:-

- 1) All hiring information for every employee may be kept in a folder. The other information concerning the employee such as performance evaluation, educational qualifications, training, disciplinary actions, if any, against the personnel etc are placed in the folder.
- 2) Besides folder a card containing important information may be filed in the folder enabling the easy availability of the employee record at any point of time.
- 3) In some cases, where the number of employees is very large, data processing equipment may be used for maintaining records.

Types of Personnel Records:

The basic records of personnel in industrial enterprises are the following:

- 1) **Individual Service Record:** This record includes name and address, sex, age, educational qualifications, experience, department & section, date of appointment, date of superannuation, wage, increment, promotion received, transfer etc. of employee.
- 2) **Performance Record:** Ratings given to each employee on the basis of annual performance appraisal is included in this record.
- 3) **Leave Records:** It includes the different types of leave taken by the employees and the leaves balance.
- 4) **Training Record:** This includes the training programmes attended by the employees with date and time periods.
- 5) **Health and safety Records:** These records include the information about accidents, medical reports, insurance records etc.

6.11 HUMAN RESOURCE AUDIT

HR audit is an important management control device. It is a tool to judge organizations performance and effectiveness of HR management. According to Dale Yoder, "Personnel audit refers to an examination and evaluation of policies, procedures and practices to determine the effectiveness of personnel management." It is an analytical, investigative and comparative process. It gives feedback about HR functions to operating managers and HR specialists. It enables to know about the effectiveness of personnel programmes. It further provides feedback about how well managers are meeting their HR duties. It provides quality control check on HR activities. It refers to determine the effectiveness and efficiency of HRM. The essential features of HR audits are as follows:-

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- 1) To measure the effectiveness of HR management's mission, goals, strategies, policies, programmes and activities and
- 2) To determine the action plan for future in response to the results from such measurement. According to R.D. Gray, "the primary purpose of audit is to know how the various units are functioning and how they have been able to meet the policies and guidelines which were agreed upon and to assist the rest of the organization by identifying the gap between objectives and results for the end product of an evaluation should be to formulate plans for corrections or adjustment."

Objectives of HR Audit:-

- 1) To review every aspect of management of HR to determine the effectiveness of each programmes in an organization.
- 2) To seek explanation and information in respect of failure and success of HR.
- 3) To evaluate implementation of policies.

- 4) To evaluate the performance of personnel staff and employees.
- 5) To seek priorities, values and goals of management philosophy.

Need for Human Resource Audit:

Though there is no legal obligation to have HR audit as in case of financial accounts but the managements have realized its need and usefulness. Therefore they have taken up HR audit voluntarily. It is done to fulfill the following needs.

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- 1) The management of organization have realized the need for HR audit because of powerful influence on motivation of employees at work due to participation of employees in decision making.
- 2) Growth of organization needs HR audit. Large organization requires continuous feedback for improvement in performance of its employees.
- 3) Mounting pressures form trade unions of employees and their participation in formulating employment policy and questioning of managerial competence have raised the need for HR audit.
- 4) An effective two way communication system has also facilitated the need for HR audit.
- 5) Many plants are located at large distance. This also made the HR audit compulsory.
- 6) The HR audit becomes essential because of delegation of authority and decentralization of power.

Areas of Human Resources Audit:

The HR audit must be conducted in every aspect of HRM of the organization. The audit has to be broad in scope because people's problems are not limited to HR department only. It must be directed towards HR function and the impact of HR activities on the employees of the organization. The HR audit should cover the following aspects. The major areas of audit are disused below which are to be evaluated in the light of results obtained, programmers and procedures and policies formulated:

- 1) **Planning;** Planning is one of the major area where human resources audit can be conducted. Planning of HR requirement and effectiveness of forecasting and scheduling can be ascertained through HR audit. It is to be seen whether the needs of HR were identified in time or not. If there is an indication through audit about inaccurate forecast, the efforts can be made to improve the forecasting techniques for accurate results in future. Through audit management knows whether there is surplus or shortage of manpower. A review of recruitment and selection practices can be made to meet the future HR requirements. Better programmes and procedure can be adopted by way of cost benefit budget. The

training programmes can be reviewed in terms of result obtained. Motivation of employees at all levels is the key aspect in HRM. HR auditors should evaluate the communication in the organization which is one of the major criteria of failure or success. HR auditors should find out the causes of absenteeism, rate of accidents, labour turnover and can make suggestion to improve them. In respect of all these, appropriate policies can be formulated by the management.

- 2) **Staffing and Development** ; Staffing and Development is yet another area which need to be evaluated with reference to results obtained, programmes and procedures adopted and policies framed. Staffing is done through recruitment and selection. Here the HR auditors need to evaluate the sources of recruitment and the number of persons hired by the organization. The success of these programmes depend upon the contribution made by the hired persons in the achievement of organizational objectives. As for result are concerned they depend upon the effectiveness of HR policies and practices adopted by the enterprise. For conducting the audit of result, the HR auditors need to adopt the method such as questionnaires, checklist, personal data, attitude and morale surveys, productivity data, and costs, time. The auditors should thoroughly check the record and statistics and should stress on their accurate maintenance. The information in respect of disciplinary actions, absents, transfers and promotions are available in records. HR auditors have to examine the procedure and programmes adopted in respect of career and succession planning.

The policy for staffing should be formulated in to achieve organizational goals. In this case cream should get due consideration that too without any discrimination. As for training and development, proper policies need to be formulated by making the SWOT analysis of the existing staff and training and development programmes should be prepared to meet the organizational needs. The cost of training is increasing day by day. Hence there must be evaluation of specific training and development programme. Auditors should see whether the best practice is adopted or not. They should evaluate the training result in terms of costs per trainee hour, average training hours per employee and revenues per employee per year etc. They can obtain the feedback from reports and records available in the organization.

- 3) **Organizing** : Organizational structure are meant for facilitating coordination, communication and collaboration. HR auditors have to evaluate effectiveness of organizations structure in attaining the result. They can obtain feedback from the employee and from reports and records. They can check the jobs assigned to the individual employees authority delegated to the subordinates,

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special task forces etc. H.R. auditors can also evaluate the policy formulated for encouraging employees to accept change. They can also verify effectiveness for encouraging employees to accept change. They can also verify effectiveness of three way communication.

- 4) **Commitment:** Enterprise wants committed employees. Efforts are taken by the management in this respect for motivating individual and groups of employees. HR auditors have to examine the results of motivation through increase in productivity, improvement in performance and costs. They also have to examine the programmes and procedures followed for job enrichment, wage and salary administration, fringe benefits, morale of employees. They have to verify the satisfaction level of employees through the HR policies adopted by the organization. A satisfied employee is committed to the work.
- 5) **Administration :** HR auditors have to examine the style of leadership adopted by the management in dealing with the subordinates. Leadership may be authoritative or participative should be evaluated. One of the benchmark in this respect is delegation of authority. Delegation is more in participative style. Auditors can assess the result of style of leadership adopted in getting the thing done through others by inviting suggestion, going through grievances of the staff, disciplinary actions taken against the subordinates etc. Leadership results can also be visualized if auditors examine the union management relationship and the employees getting promotions.

The auditors also have to examine the position of collective bargaining and its procedure to assess the effectiveness of administration in the organization. They have to look at policy of the management in respect of collective bargaining and employees participation in decision making.

- 6) **Research and Innovation:** Research and innovation is yet another area of HR audit. Here several experiments are conducted and theories are put to test by the experts relating to quality design, marketing etc. Results obtained through this endeavour can be evaluated on this basis of changes brought about, experiments made and reports and other similar publications. Auditors can evaluate the result. They can also examine the programme and procedures adopted for R and D efforts.

The management's policy in respect of R & D efforts can be examined by the auditors and necessary suggestions can be made by them in this regard.

Audit Report:

After evaluating HR policies, procedures, practices and results, the auditors have to prepare a report on their observations and findings and

make necessary recommendation. The contents of audit report on HR are the findings of the auditors, their suggestions and conclusions. There exist no set pattern of audit reports in this but in case of financial reports they have. The preparation of reports varies from auditors to auditors. The importance of audit report depends on the competence of the auditors and their educational qualifications. The auditors should possess the required professional qualification. They should adopt professional approach in preparing audit reports.

HR audit report is an eagerly awaited document by the employees and management as well. It should be noted here that all the aspects of audit report are not made public. Some of the aspects are not made available for perusal to the employees for confidential reasons by some organizations. But audit report reveals the weaknesses and strength of the HR of the organization hence it should be widely publicized. It may serve as a reference for future improvement because it is based on findings highlighting the ground realities.

Audit report provides very useful information in the form of summaries and evaluation. The information thus obtained can be utilized for making comparison of policies, practice and programmes of other organizations. This provides a chance for improvement to the organization in future.

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The audit report should include the following significant aspects.

- 1) Highlight the contents.
- 2) Objectives of audit.
- 3) Summary of the audit report for perusal of top executives of the organization
- 4) Conclusions drawn.
- 5) Department wise evaluation.
- 6) Appendix-The voluminous data that cannot be included in the body of report.

Evaluation of HR plays a key role in justifying existence of department and the expenditure incurred on it. The department should see it contributes positively to the organization. Excesses expenditure can be brought down. The HR audit reveals the efficiency of HR managers, Their job satisfaction, efficiency of appraisal system and training and development programmes.

HR audit is now gaining importance and companies have realized its significance but it cannot be said firmly how often it is taken up. HR audit is not forced by law. Financial audit is forced by law and the audit is conducted by chartered accountant. But there are no such HR auditors. Moreover there is no one fair method of conducting HR audit or agreed manner in which it is done.

Approach to HR audit:

According to William Weather and Keith Davis, there are five approaches for the purpose of evaluation. These are briefly outlined as under.

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- 1) **Comparative Approach** : Under this approach auditors identify one model company and the results obtained of the organization under audit are compared with it.
 - 2) **Outside Authority Approach** : In outside authority approach a benchmark is set to compare own results. A standard for audit set by outside consultant is used as benchmark.
 - 3) **Statistical Approach** : Under statistical approach the statistical information maintained by the company in respect of absenteeism, employee turnover etc is used as the measures for evaluating performance.
 - 4) **Compliance Approach** : Under compliance approach the auditors make a review of past actions to determine to see whether this activities are in compliance with the legal provisions and in accordance with the policies and procedures of the company.
 - 5) **MBO Approach** : Under MBO approach specific targets are fixed. The performance is measured against these targets. The auditors conduct the survey of actual performance and compare with goals set.

6.12 SUMMARY

HRIS forms a part of management information system which includes information relating to finance, assets, accounting, sales, marketing, production etc. HRIS meant for collection and analysis of data relating to human resources of the organization. It helps managers in decision-making in respect of promotion, wage fixing, recruitment, training and development.

HR audit and research shows the functioning of HR programmes and policies which are harmful or useful to the organization. It is further useful in detecting deficiencies in HR programmes, lack of teamwork, and lack of interest on the part of Personnel.

Personnel audit refers to an examination and evaluation of policies, procedures and practices to determine the effectiveness of personnel management. It is an analytical, investigative and comparative process. It gives feedback about HR functions to operating managers and HR specialists. It enables to know about the effectiveness of personnel programmes. It further provides feedback about how well managers are meeting their HR duties.

6.13 SELF ASSESSMENT EXERCISE

1. Explain the concept of HRIS in an industrial organization.
2. Explain the various subsystems of HRIS.
3. Discuss the functions of HRIS.
4. Why is there a need for HR accounting?
5. Define the concept of human resource accounting and its objectives.
6. What are the uses of HR audit?
7. Discuss the various methods of HR valuation.

6.14 FURTHER READINGS

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UNIT 7

RECRUITMENT AND SELECTION

Objectives:

After studying this lesson, you will be able to:

- explain the meaning, policy and sources of recruitment;
- describe the various methods of recruitment;
- distinguish between recruitment and selection
- analyse the steps involved in selection process;
- understand the offer of employment.

Structure:

- 7.1 Introduction
- 7.2 Meaning and Process of Recruitment
- 7.3 Policy of Recruitment
- 7.4 Sources of Recruitment
 - 7.4.1 Internal Sources
 - 7.4.2 External Sources
- 7.5 Methods of Recruitment
 - 7.5.1 Recent Trends in Recruitment
- 7.6 Meaning of Selection
- 7.7 Recruitment VS Selection
- 7.8 Selection Procedure
- 7.9 Evaluation of selection procedure
- 7.10 Summary
- 7.11 Self Assessment Exercise
- 7.12 Further Readings

7.1 INTRODUCTION

Recruitment is a positive process and concerned with attracting the candidates for consideration of selection to various jobs. It enables the management to select suitable employees for different jobs. Recruitment

is done before selection or employment of employees. Recruitment is a positive process of searching the prospective employees and attracting them to apply for vacancies.

7.2 MEANING AND PROCESS OF RECRUITMENT

“Recruitment is the process of identifying the sources for prospective candidates to stimulate them to apply for jobs in the organization.” It involves seeking and attracting a pool of people from which qualified candidates for job vacancies can be chosen.

The process of identification of different sources of personnel is known as recruitment. It is a positive process as it attracts suitable applicants who apply for available jobs. Recruitment precedes the selection process and aims at creating a pool of candidates so that management can select the most suitable candidate. For this the human resource department communicates the vacant job positions through notice board, advertisement, employment exchange, website, etc.

The process of recruitment:

- 1) Identifies the different sources of labour supply,
- 2) Assesses their validity,
- 3) Chooses the most suitable source or sources, and
- 4) Invites applications from the prospective candidates for the vacant jobs.

7.3 POLICY OF RECRUITMENT

As Yoder et al observe recruitment policy spells out the objectives of the recruitment and provides a framework for implementations of the recruitment programme in the form of procedures. It may involve a commitment to broad principles such as filling vacancies with the best qualified individuals. The recruitment policy may embrace several issues such as the extent of promotion from within, attitudes of enterprise in recruiting old, handicapped, and minor individuals, minority group members, part-time employees and relatives of present employees. In addition, the recruitment policy may also involve the organisation system to be developed for implementing the recruitment programme and procedures to be employed. Explicitly, an organizational system is a function of the size of an enterprise. In smaller enterprises, there may be merely informal recruiting procedures and the line official may be responsible to handle this function along with their usual responsibilities. On the other hand in larger organizations, there is usually a staff unit, attached with personnel or an industrial relations department designated as employment or recruitment office. This specialization of recruitment

Recruitment And Selection

enables staff personnel to become highly skilled in recruitment techniques and their evaluation. However, recruitment remains the line responsibility as far as the personnel requisition forms are originated by the line personnel, who have also the final word in the acceptance or rejection of a particular applicant. Despite this, the staff procedure to be followed for this purpose. Recruitment policy covers the following areas:

- To prescribe the degree of emphasis inside the organization or outside the organization.
- To provide the weightage that would be given to certain categories of people such as local population, physically-handicapped personnel, personnel from scheduled castes/tribes and other backward classes.
- To prescribe whether the recruitment would be centralized or decentralized at unit levels.
- To specify the degree of flexibility with regard to age, qualifications, compensation structure and other service conditions.
- To prescribe the personnel who would be involved in recruitment process and the role of human resource department in this regard.
- To specify the budget for meeting the expenditures incurred in completing the recruitment process.

According to Yoder, “the recruitment policy is concerned with quantity and qualifications of manpower.” It establishes broad guidelines for the staffing process. Generally, the following factors are involved in a recruitment policy:

- To provide each employee with an open road and encouragement in the continuing development of his talents and skills;
- To provide individual employees with the maximum of employment security, avoiding, frequent lay-off or lost time;
- To avoid cliques which may develop when several when several members of the same household or community are employed in the organization;
- To carefully observe the letter and spirit of the relevant public policy on hiring and, on the whole, employment relationship;
- To assure each employees of the organization interest in his personal goals and employment objective;
- To assure employees of fairness in all employment relationships, including promotions and transfers;
- To provide employment in jobs which are engineered to meet the qualifications of handicapped workers and minority sections; and

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- To encourage one or more strong, effective, responsible trade unions among the employees.

Prerequisites of a Good Recruitment Policy: The recruitment policy of an organization must satisfy the following conditions:

- It should be in conformity with its general personnel policies;
- It should be flexible enough to meet the changing needs of an organization;
- It should be so designed as to ensure employment opportunities for its employees on a long term basis so that the goals of the organisation should be achievable; and it should develop the potentialities of employees;
- It should match the qualities of employees with the requirements of the work for which they are employed; and
- It should highlight the necessity of establishing Job analysis.

7.4 SOURCES OF RECRUITMENT

The scope of recruitment process is very wide as the candidates for various jobs are widely scattered. Recruitment of employees can be done from both **internal sources** and **external sources**. Internal sources of recruitment means the Personnel already working in the organization. External sources denote recruitment from sources outside the organisation as shown in:

INTERNAL SOURCES

- TRANSFERS
- PROMOTIONS
- RE-EMPLOYMENT OF EX-EMOLOYEEES

EXTERNAL SOURCES

- FACTORY GATE
- ADVERTISING
- EMPLOYMENT EXCHANGE
- EMPLOYMENT AGENCIES
- EDUCATIONAL INSTITUTES
- LABOUR CONTRACTORS

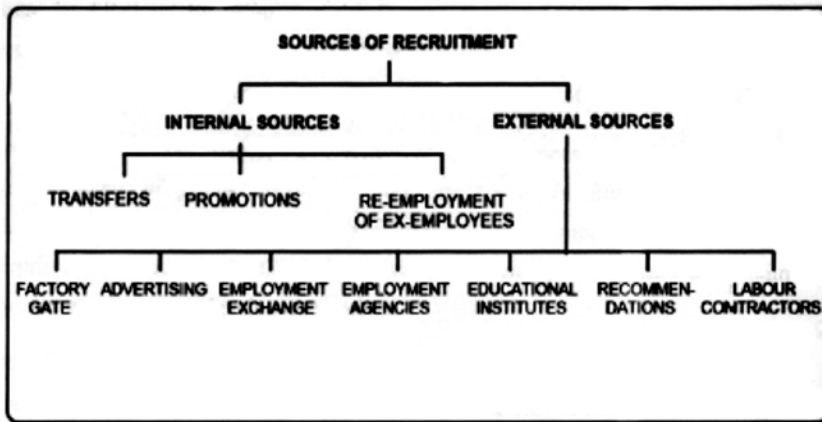


Fig. 1. Sources Of Recruitment

7.4.1 INTERNAL SOURCES

The internal sources of recruitment include *transfer*, *promotion* and reemployment of ex-employees as discussed below :

- 1) **Transfer** : It means shifting an employee from one job to another having similar status and responsibility. Transfer are done to fill vacancies with employees from overstuffed departments.

According to Dale Yoder, “A transfer involves the shifting of an employee from one job to another without special reference to changing responsibility or compensation”. Transfer means shifting of an employee from one job to another, one unit to another or one shift to another and may involve a new geographical location. For example, a bank employee may be transferred from one seat (or post) to another or even from one branch to another.

Promotion : A promotion is the transfer of an employee to a job that carries higher pay and status. A promotion involves reassignment of an employee to a position having increased responsibilities, higher privileges, increased benefits and greater potential. For example, the vacant post of General Manager Thus, Promotion is a vertical shifting of an employee. The purpose of a promotion is to a Job which a is worth more to the organization than incumbents present position.

According to Pigors and Myres, “*Promotion is the advancement of an employee to a better job-in terms of greater responsibilities, greater skills, higher status and higher Pay*” The existing employees may be given training for promotion to higher position in the enterprise. If a vacancy is filled from within the enterprise, it acts as a stimulating force for the employee to develop themselves.

- 2) **Re-employment of Ex-employees** : It refers to employing the people who had left the organization earlier because of some reason. It may be on a temporary or permanent basis.

Merits of Internal Source

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The merits of sources of internal recruitment are as follows :

- 1) The internal candidates having intimate knowledge of the organization structure, can handle the new Jobs easily.
- 2) Promotion will increase the morale of the employees.
- 3) Promotion will ensure sincere efforts on the part of employees because they know that they may rise to senior positions by promotions.
- 4) The costs of training the insiders will enable the enterprise to make best use of the capabilities of its employees
- 5) The cost of internal recruitment is very low.

Demerits/Limitations of Internal Sources

Internal sources may be associated with the following drawbacks:

- 1) Better qualified outsiders may not be reached by the management, Moreover, the Person promoted to a senior job may not possess the required qualities.
- 2) The mobility of manpower is restricted. Once a man joins an organization, he will stick to that organization. Employee turnover to a certain extent is good for the health of the organization.
- 3) In promotion there may be clash between factors like seniority and ability. Such decisions by managers may lead to favouritism.
- 4) The spirit of competition among the employees is hampered if they are sure about time bound promotion.
- 5) Future growth of the business is hindered by the limited talent of the insiders. The entry of talent into organization will be restricted

7.4.2 EXTERNAL SOURCES

Many a time, suitable candidates are not available from the internal sources. In order to meet the demands of the company, the external sources have to be used. The personnel department may use the following external sources of recruitment:

- 1) **Direct Recruitment :** Many unskilled persons often contact the employment section of various enterprises to ascertain if they could be employed. Many firms follow the practice of recruitment at factory gate to fill casual vacancies. Such workers are known as *Budli Workers*. This method is very useful for recruiting unskilled workers for a temporary period. It does not involve costs of advertising the vacancies. Whenever the regular workers absent themselves in large number of candidates may be called whenever the need arises.

- 2) **Casual Callers** : In case of reputed organization, many qualified people are known as unsolicited applicants or casual callers. They serve as a good source of manpower. A proper files may be Kept of such applications and the candidates may be called whenever the need arise.
- 3) **Advertising** : Job advertising has become a popular practices with the large companies particularly when the vacancy is for a higher post or when there are a large number of vacancies. This help in approaching the candidates spread over different parts of the country. Information about the Job descriptions and Job specifications can be given in the advertisement so that only the candidates who think themselves to be suitable may apply only. This method also increases the choice of the management.
- 4) **Employment Exchanges** : There is a network of employment exchanges in the country run by the government which has also made it compulsory for the employers to fill some vacancies through the employment exchange. Thus, employment, exchanges play an important role in recruitment.
- 5) **Placement Agencies** : Professional bodies have come into existence which provide their services to the enterprises for recruitment and selection of employees. These agencies specialize in the supply of particular categories of employees such as trained computer professionals.
- 6) **Management Consultants or Head Hunter** : Management Consultancy firms help the organizations to recruit technical, professional and managerial personnel. They specialize in middle level and top level executive placements. They maintain data bank of persons with different qualifications and skills and even advertise the jobs on behalf of their clients to recruit right type of personnel. A few example of head hunter are A.F Ferguson and Co., ABC Consultants, Godman's International, Mantec Consultants, etc. These days, professional bodies of accountants, engineers, etc. also help their members to get suitable placements in industrial organizations.
- 7) **Campus Recruitment** : Colleges and institutes of management and technology have become a popular source of recruitment for technical, professional and managerial jobs. Many big organizations maintain a close liaison with the universities, vocational and management institutes to recruit qualified personnel for various jobs. Recruitment from educational institutions is the well-established practice of business and other organizations. This is referred to as 'campus recruitment'.
- 8) **Recommendations or Referrals** : Applicants introduced by friends and relatives may prove to be a good source of recruitment. In fact, many employers prefer to take such persons because something about their background is known. When a present

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employee or a business friend recommends someone for a job, the person is placed on the job after a brief screening. Some organizations have agreements with the trade unions to give preference to blood relations of existing or retired employees if their qualifications and experience are suited to fill the vacant jobs.

- 9) **Labour contractors :** Labour contractors are an important source of recruitment in some industries in India. Workers are recruited through labour contractors who are themselves employees of the organization. The disadvantage of this system is that if the contractors has been banned for the public sector units in India. However, this practice is still common in case of construction industry in the private sector.
- 10) **Web Publishing :** Internet is becoming a popular source of recruitment these days. There are certain websites specifically dedicated for the purpose of providing information about job seekers and job opening both. In fact, websites such as www.naukri.com, www.jobstreet.com etc. are very commonly visited both by the prospective employees and the organizations searching for suitable people.
- 11) **Telecasting :** The practices of telecasting of vacant over T.V. (Doordarshan and other channels) is gaining importance these days. Special programs like '**Job Watch**', '**Youth Pulse**' '**Employment News**', etc. Over the T.V. have become quite popular in recruitment for various types of jobs. The detailed requirements of the job and the qualities required to do it are publicized along with the profile of the organization where the vacancy exists.

Merits of External Sources

The merits of external sources of recruitment are as under:

- 1) **Qualified Personnel :** By using external sources of recruitment, the management can make qualified and trained people apply for vacant jobs in the organization.
- 2) **Wider Choice:** When vacancies are advertised widely, a large number of applicants from outside the organization apply. The management has wider choice while selecting the people for employment.
- 3) **Fresh Talent :** The insiders may have limited talents. External sources facilitate infusion of fresh blood with new ideas into the enterprise. This will improve the overall working of the enterprise.
- 4) **Competitive Spirit :** If a company can tap external sources, the existing staff will have to compete with the outsiders. They will work harder to show better performance.

Demerits of External Sources

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

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

Table 1. COMPARISON BETWEEN INTERNAL SOURCES AND EXTERNAL SOURCES

Basis	Internal Sources	External Sources
1. Meaning	It involves search of candidates from within the organization	It involves finding candidates from outside the organization
2. Economy	This process is cheaper. It does not involve any costs of contracting the external sources.	This process is costly as vacancies have to be notified in newspaper, etc.
3. Motivation	The existing staff members are motivated to improve their performance.	The workers feel dissatisfied if external sources are used.

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4. Choice	Choice of candidates is limited. The scope of fresh talent is diminished.	The business can hope for talented candidates from outside. This means infusion of new blood and ideas into the enterprise.
5. Time	Internal recruitment is a quick process. Internal sources help in saving time of officials responsible for recruitment.	External recruitment is a lengthy process. External sources of recruitment are time-consuming.

3.5 METHODS OF RECRUITMENT

Methods of recruitment are different from the sources of recruitment. Sources are the locations where prospective employees are available. On the other hand, methods are way of establishing links with the prospective employees. Various methods employed for recruiting employees may be classified into the following categories:

1. Direct Methods:

These include sending recruiters to educational and professional institutions, employees, contacts with public and manned exhibits. One of the widely used direct methods is that of sending of recruiters to colleges and technical schools. Most college recruiting is done in co-operation with the placement office of a college. The placement office usually provides help in attracting student, arranging interviews, furnishing space, and providing student resumes. For managerial, professional and sales personnel campus recruiting is an extensive operation. Persons reading for MBA or other technical diplomas are picked up in this manner. For this purpose, carefully prepared brochures, describing the organisation and the jobs it offers, are distributed among students, before the interviewer arrives. Sometimes, firms directly solicit information from the concerned professors about student with an outstanding record. Many companies have found employees contact with the public a very effective method. Other direct methods include sending recruiters to conventions and seminars, setting up exhibits at fairs, and using mobile offices to go to the desired centres.

2. Indirect Methods:

The most frequently used indirect method of recruitment is advertisement in newspapers, journals, and on the radio and television. Advertisement enables candidates to assess their suitability. It is appropriate when the organisation wants to reach out to a large target group scattered nationwide. When a firm wants to conceal its identity, it can give blind advertisement in which only box number is given. Considerable details about jobs and qualification can be given in the advertisement. Another method of advertising is a notice-board placed at the gate of the company.

3. Third-Party Methods:

The most frequently used third-party methods are public and private employment agencies. Public employment exchanges have been largely concerned with factory workers and clerical jobs. They also provide help in recruiting professional employees. Private agencies provide consultancy services and charge a fee. They are usually specialized for different categories of operatives, office workers, salesman supervisory and management personnel. Other third-party methods include the use of trade unions. Labour management committees have usually demonstrated the effectiveness of trade unions as methods of recruitment. Several criteria discussed in the preceding section for evaluating sources of applicants can also be used for assessing recruiting methods. Attempts should be made to identify how the candidate was attracted to the company. To accomplish this, the application may consist of an item as to how the applicant came to learn about the vacancy. Then, attempts should be made to determine the method which consistently attracts good candidates. Thus, the most effective method should be utilized to improve the recruitment programme.

7.5.1 RECENT TRENDS IN RECRUITMENT

Outsourcing:

Under this arrangement, a company may draw the required personnel from the outsourcing firms or agencies on temporary basis rather than offering them employment. This is also called leasing of human resources. The outsourcing firms develop their human resources pools by employing people for them and make available the personal to various companies (called clients) as per their needs. The outsourcing firms get payment for their services to their clients and give salary directly to the personnel. The personnel deputed by the outsourcing agencies with the client are not the employees of the clients. They continue to be on the payroll of their employers, the outsourcing agencies.

Several outsourcing companies or agencies have comp up which supply (or lease) human resources of various categories to their clients. A company in need of personnel of certain categories can approach an outsourcing agency and avail the services of its human resources on lease basis against payment of agreed amount. The human resources so deputed will report back to the outsourcing agency after their assignment is over.

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This system facilitates the organization to hire security personnel from a security agency, computer professionals from a computer firm, or accountants from an accountancy firm.

The advantages of getting human resources through the outsourcing agencies are as follows :

- 1) The companies need plan for human resources much in advance. They can get human resources on lease basis from an outsourcing agency.
- 2) The companies are free from industrial problem as human resources taken on lease are not their employees.
- 3) The companies can dispense with this category of employees immediately after the project or assignment is completed.

Poaching or Raiding

Poaching means employing a competent and experienced person already working with another reputed company which might be a rival in industry. A company can attract talent from another firm by offering attractive pay packages and other terms and conditions. For instance, several executives of **HMT** left to join Titan Watches and several pilots of **Indian Airlines** left to join private air taxi operator. There are several other examples where the firms have raided the rival firms to procure key personnel to enhance their competitive advantage. Whatever may be the means used to raid rival firms for potential candidates, it is often seen as an unethical practices and not openly talked about. In fact, raiding has become poaching of a key executive by a rival firm will weaken the competitive strength of the affected.

Website or e-Recruitment

Many big organisation use internet as a source of recruitment. They advertise the job vacancies through the worldwide web (www). The job seekers send their applications or Curriculum Vitae i.e. CV, through e-mail using the internet. Alternatively, job seekers place their CVs in the world wide web/internet, which can be drawn by the prospective employees depending upon their requirements.

The advantages of e-recruitment are as follows:

- 1) Low cost of recruitment per candidates.
- 2) Reduction in time for recruitment.
- 3) Efficiency in the process of recruitment.

Internship

Internship offered by many industrial enterprises constitute an effective recruiting technique. Internship usually involves employment during the summer before graduation from college, specially in some

technical courses. This is also known as ‘**Summer Placement**’ which requires a prior selection process by the employer. The talented interns may be offered regular jobs on completion of their internship training.

Walk-in Interview

Under this method, the employer can insert a ‘Walk-in’ or Talk-in’ advertisement in a daily newspaper or in the cyberspace. Those who walk in (come personally to the human resources department) or talk in (contact the human resources department over phone) or write in (send application through fax or e-mail) are asked to give necessary details to the recruiter. However, during the ‘walk in interview, the candidates may be asked to submit a formal applications for the vacant post in the firm. After the interviews, the candidate may be informed about the selection or rejection decision of the employer.

7.6 MEANING OF SELECTION

Selection is the process of coaching the right person for particular job. It leads to employment of workers. Selection is a negative process as it involves rejection of unsuitable candidates. More candidates are rejected than are selected. Selection involves several stages to weed out the unsuitable candidates for the job under consideration. Criteria are laid down at each stage. Those who do not fulfill the criteria set for a stage are rejected immediately.

Selection is the process of choosing from among the candidates the most suitable person for the current position or for the future position-
Dale Yoder

Selection is the process of differentiating between applicants in order to identify and hire those with a greater likelihood of success in a job.-**Stoner**

7.7 RECRUITMENT VS. SELECTION

Recruitment is a positive process searching the prospective employees and selection is a negative process because it involves rejection of unsuitable candidates. However, both recruitment and selection are the two phases of the employment process. Recruitment being the first phases envisages taking decisions on the choice of tapping the sources of labour supply. Selection is the second phases which involves giving various types of test to candidates and interviewing them in order to select the suitable candidates.

Table 2. COMPARISON OF RECRUITMENT AND SELECTION

Basis	Recruitment	Selection
1. Meaning	It is the process of searching candidates for vacant jobs and making them apply for the same.	It is process of selection of right types of candidates and offering them job.
2. Nature	It is a positive process as it stimulates people to apply for vacant job.	It is negative process as it leads to rejection of unsuitable candidates.
3. Aim	Its aim is to attract more and more candidates for vacant job.	Its aim is to pick up the most suitable people for the vacant jobs.
4. Procedure	The firm notifies the vacancies through various sources and distributes application forms to candidates.	The firm asks the candidates to pass through a number of stages such as filling of form, employment testes, interview, medical exam, etc.
5. Contact of Services	No contractual realization is created. Recruitment implies communication of vacancies only.	Selection follows recruitment and it leads to a contract of services between the employer and the employee,
6. Number	There is no restriction upon the number of candidates.	Only a certain number of candidates are selected.

7.8 SELECTION PROCEDURE

Selection producer involves the following steps:

- 1) Preliminary interview
- 2) Screening applications
- 3) Employments tests
- 4) Finale interview
- 5) Reference checking
- 6) Medical examination
- 7) Appointment letter

As shown in every candidates for a jobs has to clear a number of hurdles before getting selected for the job. If he is not found suitable at any stage, he is not considered for the further stages. Thus, he will be rejected. For instance, If a candidate's particulars in the application are not found suitable, he will not be called for the tests. Similarly, if a candidates fails in the tests, he will not be called for the interview. The successive stages in the selection process are discussed below:

- 1) **Preliminary Interview:** The preliminary interview is generally taken for executive jobs. It is brief and leads to eliminating the totally unsuitable candidates. Lack of certain requirements in education, training of experience may determine unsuitability. The candidates who clears the interview is asked to fill in the application form to provide detailed information about himself. The preliminary interview offers advantages not only to the organization, but also to the applicants. If an applicants is eliminated at this stage, the organization will be saved from the expenses of processing him through the remaining steps of the selection procedure. The unsuitable candidate will be saved from the trouble of passing through the long selection procedure.

Screening of Application Forms: The application form is provided to the candidates on request. It can also be download from the website of the concerned organization. It asks for a written record of qualification, experience and other qualities of the candidates. The application form should be as simple as possible and incorporate question about the suitability of the applicant for the job. The Application form is useful for several reasons. It gives a preliminary idea about the candidate to the interviewer and helps him in formulating questions to have more information about the candidate. The written information about age, qualifications, experience etc. may prove to be of greater value to the interviewer. It makes the processing of applications very easy since there is uniformity of filling the data in the application form. A specimen of an application form the post of statistically officer is given below.

SPECIMEN APPLICATION BLANK

1. **Name of the application Mr./Miss/Mrs.**

(First Name) (Second Name) (Surname)

2. **Date of Birth** _____

3. **Marital Status** _____

Place of Birth _____

Educational Qualification-

S. No.	Board/University	Degree	Major Subjects	Percentage if marks	Division

5. **Specialization, if any** _____

6. **Publications** _____

7. **Mother Tongue** _____

8. **Other Language Spoken** _____

Written _____

9. **Games/Sport** _____

10. **Have you ever represented your Institution/College/University/State/ Country. (Please Specify)**

11. **Work Experience years.** _____

12. **Details of Previous Employment-**

S. No	Name of Employer	Period of Employment		Reason for Leaving	Salary Drawn
		From	To		
1.					
2.					

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13. Name of the immediate Supervisor (last employed)

Address _____

14. Salary. Expected Rs. _____ per month.

15. Hobbies _____

16. Special Interest, if any _____

17. Nationality _____

18. Why are you interested to join this organisation?

19. Are you able to work independently?

20. If not, reasons

21. Name of the Referees:
1. Name _____
Address _____
2. Name _____
Address _____

22. If appointed, how much time will you require to join?

Date : _____ Signature of Applicant
Place : _____ (Name in full)

.....
Application forms are processed by the screening committee and properly screened to select the candidates who are to be given the employment test and called for an interview.

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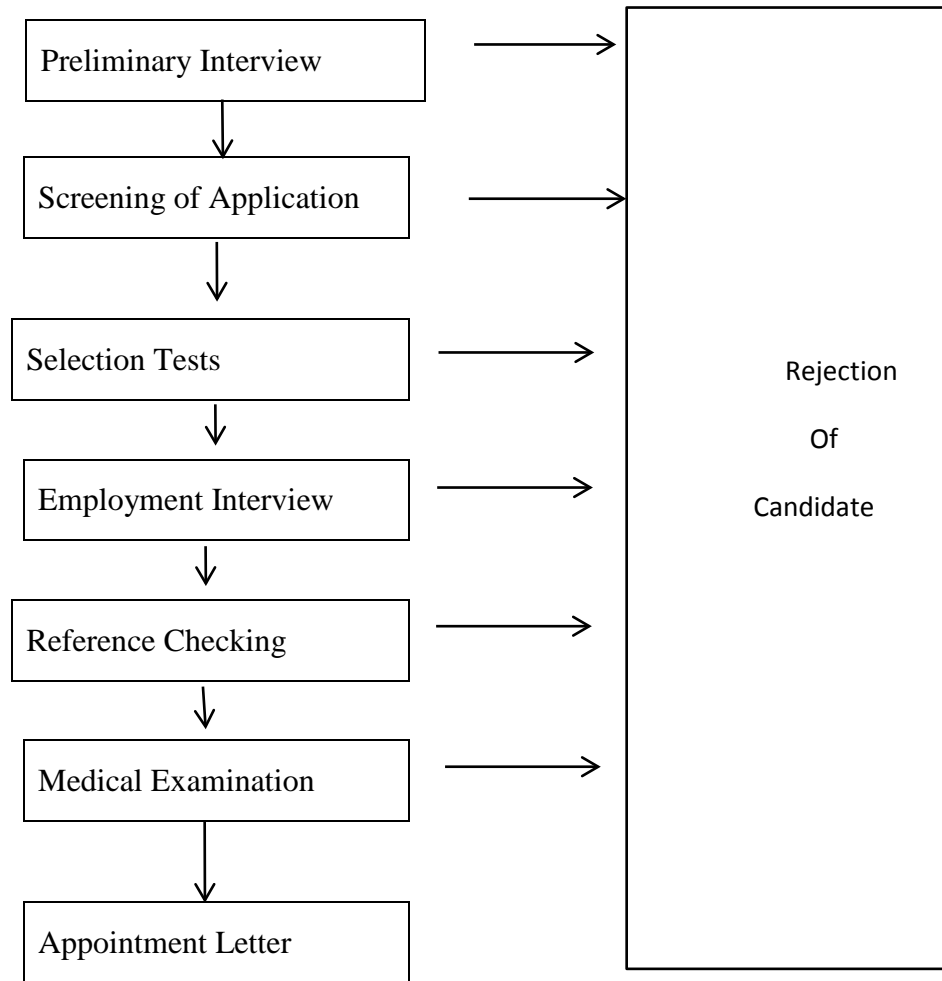


Fig. Selection procedure

2) **Employment Tests:** Employment tests are widely used to select persons for various jobs. These tests help in, attaching the characteristics of individuals with the vacant jobs so as to employ right type to personnel. The following types of tests are given to the candidates:

- a) Intelligence tests.
- b) Aptitude tests.
- c) Occupational or Professional tests.
- d) Interest tests.
- e) Personality tests.

Employment tests bring out the qualities and weaknesses of individual which could be analyzed before offering them jobs. The tests must be designed properly. If they are biased, they will not be good indicators of one's knowledge and skills. Selections based on such tests

will be faculty. That is why, tests should not be relied upon blindly for the purpose of selection.

Recruitment And Selection

- 3) **Employment Interview** : After an applicant clears the various employment tests, he is called for final interview. The interview is taken by the Board consisting of the HR Manager and the representative of other departments. The interview is held to determine suitability of the candidate and to provide him a complete picture of the responsibility associated with the job. Employment interview is of great importance to both the applicant and the employer. There should be proper physical arrangement for the interview. It will enhance the reputation of the employer and give confidence to the candidates. Privacy and comfort should not be forgotten to ensure that the objectives of interview are achieved. If this is not done, there would be wastage of money on interviewing and right type of candidates may not be selected. The interviews should come fully prepared for the interview and also give proper attention to each candidate.
- 4) **Reference Checking** : Many employers request names, addresses, and telephone numbers of references for the purpose of verifying information and gaining additional information about the applicant. Previous employers, known persons, teachers and university professors, can act as references. Prior to final selection, the prospective employer normally makes an investigation on the references supplied by the applicant and undertakes more or less a thorough search into the candidate's past employment, education, personal reputation, financial condition, Police record etc. However, it is often difficult to persuade a reference to give his opinion frankly. The organization may persuade him to do so by giving an assurance that all information provided by him will be treated as strictly confidential.
- 5) **Medical Examination** : Medical examination is given to the selected candidates to ascertain their physical capability and protect the employer from employing physically unsuitable candidates. Medical test is given by the medical expert appointed by the employer. Medical physical examination should disclose the physical characteristics of the individual that are significant from the standpoint of his efficient performance of the job he may be assigned or of those jobs to which he may reasonably be expected to be transferred or promoted. A proper medical examination will ensure higher standard of health and physical fitness of the employees and will reduce the rates of accident, labour turnover, and absenteeism.

The advantages of physical examination are : 1) it serves to ascertain the applicant's physical capability to meet the job requirements; 2) it serves to protect the organization against the unwarranted claims under worker's compensation laws or against law

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suits for damages; and 3) it helps to prevent communicable diseases entering the organization.

- 6) **Appointment Letter or the offer of Employment:** When a candidate has cleared the above listed hurdles in the selection procedure, he is given an appointment letter and is requested to join the organization. The management or board of the company offers employment in the form of an appointment letter mentioning the post, the rank the salary grade, the date by which the candidate should join and other terms and conditions of employment. Some firm make a contract of service on judicial paper. Usually an appointment is made on probation in the beginning. The probation period may range from three month to two years. When the work and conduct of the employee is found satisfactory, he may be confirmed. The personnel department prepares a waiting list and informs the candidates. In case a person does not join after being selected, the company calls next person of the waiting list. When the employee reports for duty, he is given some sort of orientation and placed on the job for which he is appointed.

7.9 EVALUATION OF SELECTION PROCEDURE

The selection process, if properly performed, will ensure availability of competent and committed personnel. A period audit, conducted by people who work independently of the human resource department, will evaluate the effectiveness of the selection process. The auditors will do a through and the intensive analysis and evaluate the employment programme. In evaluation of selection, it is noted that, selections have two objectives: (1) to predict which job applicants would be successful if hired and (2) to inform and sell the candidate on the job and the organization. Unfortunately, these two objectives are not always compatible. Putting a job candidate through hours of filling out forms, taking tests, and completing interviews rarely endears the organization to the candidate. These are tiresome and often stressful activities. Yet if the selection activities place too great an emphasis on public relations, obtaining the information needed to make successful selection decisions may be subordinated. Hence a manager's dilemma in selection is how to balance the desire to attract people with the desire to gather relevant selection data.

Selection is a critical process in the employment program of any organization as it involves a heavy investment of time and money to get right types of people Induction and training costs are also high. If the right types of persons are not chosen, it will lead to huge loss of the employer in terms of time, efforts and money. Therefore, it is essential to evaluate the selection procedure. Each step in the selection procedure should help in getting more and more information about the applicants to facilities right

selection decision. The benefits of evaluation of selection procedure are as follows:

Recruitment And Selection

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

7.10 SUMMARY

Recruitment is the process of identifying the sources for prospective candidates to stimulate them to apply for jobs in the organization. It involves seeking and attracting a pool of people from which qualified candidates for job vacancies can be chosen. Recruitment has two types of sources: Internal sources and external sources. Recruitment policy should be framed in achieving the organizational goals. Selection is the process of differentiating between applicants in order to identify and hire those with a greater likelihood of success in a job. Selection process contains many steps through which a candidate passes to get the desired job for which he has applied. After the selection process, the offer of employment is given to the selected candidates. Recruitment is a positive process searching the prospective employees and selection is a negative process because it involves rejection of unsuitable candidates. However, both recruitment and selection are the two phases of the employment process.

7.11 SELF ASSESSMENT EXERCISE

1. Define recruitment.
2. Discuss the methods of recruitment.
3. What are the various sources of recruitment? Compare them.
4. What is the significance of selection process?
5. Explain the procedure of selection.
6. What do you mean by the offer of employment?
7. Distinguish between recruitment and selection process.

7.12 FURTHER READINGS

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UNIT 8

PLACEMENT AND INDUCTION

Objectives:

After studying this lesson, you will be able to:

- explain the meaning, nature & scope of human resource development;
- identify the difference between human resource development & personnel functions;
- describe the various roles of HR managers;
- understand the evolution of HRD in India.

Structure :

8.1 Introduction

8.2 Placement

8.3 Induction

8.4 Promotion

8.4.1 Purpose of Promotion

8.4.2 Types of promotion

8.5 Transfer

8.5.1 Objects of transfer

8.5.2 Transfer Policy

8.5.3 Types of transfer

8.5.4 Causes and reasons of transfer

8.6 Transfer VS Promotion

8.7 Separation

8.8 Summary

8.9 Self Assessment Exercise

8.10 Further Readings

8.1 INTRODUCTION

Human Resource Procurement

For smooth working of the organisation and efficient management it becomes essential for the organisation to get right human resource in the organization. After the selection process, the candidates are given offer letters. Once they join the organisation they are given right placement and induction so that they can achieve organisational goals in effective and efficient manner. For better staffing and organising, top management reshuffle the human resources, change their positions in the broader interest of the organisation. This reshuffling or change of place laterally is transfer. In other words, it is lateral movement of human resources from one section to other, from one department to other to other, from one table to other without an cognizable change in salary, status, duties and responsibilities. Reshuffling may also be done by means of promotion of the employees. An organisation is always in search of such persons with passions to go up and ready to work hard through which both can gain their goals. Organisation acquire such persons, provide training and maintain them and utilize their services for the accomplishment of organisational goals. Organisation can take work from the employee and force him to pour hundred percent of his capacity but it cannot force him to remain in the same job forever. Organisation must allow and give him chance to move up in the ladder of hierarchy. The employee has the potential to improve and move up in the organisation. Organisation therefore has to fill up vacant post from within by allowing the employees move up to the higher positions and he tries best to put up a good performance. The employees can be pushed up through promotions and transfers. Promotion and career building have important place in the organization

8.2 PLACEMENT

Meaning of Placement:

The last step in the procurement of employees is the placement of selected candidates on right jobs and orienting them to the organization. According to Pigors and Myers,

“Placement may be defined as the determination of the job to which a selected candidate is to be assigned, and his assignment to the job”.

It is matching of what the supervisor has reason to think he can do with the job demands (job requirements); it is matching of what he impose (in strain, working conditions) and what he offers in the form of payroll with promotional possibilities etc. However, in broad terms, placement is the assignment or reassignment of an employee to a new job. *It includes the assignment of new entrants and the transfer and promotion of the existing employees.*

Significance of Placement:

It is important for both the organization and the staff that each employee should be placed on a suitable job. While doing so, the factor to be considered is not only the suitability of the individual to the job but also the suitability of the job to the individual. Initial placement is always a problem because of lack of adequate knowledge about the new employee. Therefore, placement should be made after due consideration of the demands of the job and the social, psychological needs of the individual. A company which has spent a lot of time and money in making a very careful selection may lose due to wrong placement.

Placement And Induction

Advantages of right placement:

Right placement of workers can have the following advantages:

- 1) Reduced labour turnover rate.
- 2) Reduced absenteeism rate.
- 3) Increased safety of workers and lower accidents.
- 4) Increased morale of workers.
- 5) Better human relations in the organization.

Placement is not an easy process. It is very difficult to adjust for a new employer who is quite unknown to the job and environment. For this reason, the employee is generally put on a probation period ranging from one year to two years. At the end of the probation period, if the employee shows a good performance, he is confirmed as a regular employee of the organization. Thus, the probation period of trial period is the transition period at the end of which management has to take a decision whether the employee should be made regular or discharged from the job.

Principles must be Considered Placement of New Employees:

Placement decisions are generally taken by line executives. It is the supervisor who in consultation with higher levels decides the placement of each employee. The personnel department's role is to advise the line managers about the human resources policies of the company and to provide counseling to the employees.

While taking the placement decision, the following considerations or principle must be kept in mind:

- 1) **Job Requirements:** An employee should be placed on the job according to the requirements of the job such as physical and mental ability, Eyesight, hearing, stress, etc. The job should not be adjusted according to the qualifications and abilities of the employee. Job placement profile charts can be used to match the workers physical and mental abilities with the job requirements. This profile charts displays an evaluation of both job requirements and worker abilities for key features of the job so that management can easily determine how well a worker fits a job.

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- 2) **Adequate Information to the Job Incumbent** : The employee should be provided with complete information and facts relating to the job, including the working condition prevailing in the firm. He should also be informed about the rewards associated with various performance levels.
- 3) **Suitable Qualification** : The job should be offered to a person who is suitably qualified. Over qualified and under qualified persons might create problems for the organization in the long-run.
- 4) **Commitment and Loyalty** : While placing the new employee, an efforts should be made to develop a sense of commitment, loyalty and cooperation in his mind so that he may realize his responsibilities better towards the job, the organization and his associates.
- 5) **Flexibility** : The placement in the initial period may be temporary as changes are likely after the completion of training. The employee may be later transferred to the job where he can do better justice.

Proper placement helps to improve employee morale. The capacity of the employee can be utilized fully if he is placed on the job for which he is most suitable. Right placement also helps to reduce labour turnover, absenteeism and accident rates. If a candidate adjust himself to the job and performs as per expectations, it would mean that the candidate is properly placed.

8.3 INDUCTION

Meaning of Induction:

Induction is the first step in a affective communication which seeks to build a tow-way channel of information between the management and the employees.

Induction is concerned with introducing or orienting a new employee to the organization. It is the welcoming process to make the new employee feel at home and generate in him a feeling of belongingness to the organization.

The new employee, on his joining the organization, must be helped to get acquainted and adjusted with the fellow employees and the work environment. Rather than leaving him to groping his way through the organization, it is much better to properly and systematically introduced him to the company, its philosophy, its place in the industry or economy, its major policies, etc. This place of induction is properly handled by the HR department. Some large organizations show to the new employees motion picture depicting their history and operations and also their values and ethical principles. The new employees are also given the necessary information about canteen, lunch break, rest hours, wash room facilities, etc.

Objectives of induction:

The objectives of systematic induction are as follows:

- a) To build up the new employee's confidence in the company and in himself, so that he can become an efficient worker.
- b) To give the new employee information and knowledge of the company, its organization structure and products.
- c) To give him information that he needs, such as the time to break, off for tiffin, where to find the canteen, the wash room, etc. what leave he is entitled to and how to apply for it, and so on.
- d) To foster a close and cordial relationship between the newcomers and the old employees and their supervisors.
- e) To ensure that the newcomers do not form false impression and negative attitude towards the organizations or the jobs because first impression is the last impression.
- f) To promote among employees a feeling of "belonging" and loyalty to the company.

Placement And Induction

Significance of Induction:

Induction is a socialization process by which the organization seeks to make an individual its agent for the achievement of its objectives and the individual seeks to make an agency of the organization for the achievement of this personal goals. The basic purpose of induction is to introduce the new employee and the organization to each other, to help them become acquainted, and to help them accommodate each other. The new employee is explained what is expected of him and is also told the rules, regulations, policies and procedures that directly affect him. He is made aware of how his job fits into the overall operations of the organization, his own duties and responsibilities, and to whom he should look for when has any problem or difficulty. The first impression made on the mind of the employee is likely to be a lasting impression, and the treatment he receives during the early days on the new job will help to form his opinion of his employers. Careful introduction to his job will make his adjustment to the job more rapid, his mistake fewer and his attitude more co-operative.

Benefits of Induction:

The benefits of formal induction are as under:

- 1) It reduces new *employee's anxieties* and provides him an opportunity to know about the organization and its people.
- 2) It helps the new employees in *knowing the expectations* of the organization and its executive.
- 3) It foster a *uniform understanding* among the employees about the company's objectives, policies, principles, strategies, and what the

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company expects of its people. The new employees are also interested in learning about the total organization. Orientation tells them how they and their unit fit into the “big picture.”

- 4) It builds a *positive attitude* towards the company and its stakeholders. First day is crucial because new employee remembers it for years. A well managed orientation programme leaves a lasting impression on the mind of the new employee.
- 5) It builds and strengthens *two-way communication* in the company.
- 6) It helps speed up *socialization process* by making the new employee understand the social, technical and cultural aspects of the workplace. The new employee become a part of the social fabric of the organization and develops a sense of belongingness.

Induction Procedure and Practice:

Induction may be informal in case of small firms and formal of the duration of two to four weeks case of big organization. Orientation training course should not be too lengthy. It need not necessarily be given on the day when the new employee joins his duties. But if a formal course is to be attended after two or three weeks on the job, the initial introduction and the immediately needed information should be provided to the new employee by an HR executive and a department executive.

Induction procedure should consist of the following steps:

- 1) The new person should be give a definite time and place to report.
- 2) The supervisor or the immediate boss should meet and welcome the new employee to the organization when the latter reports for duty.
- 3) Information about working hours, vacations, probationary period, medical leave, suggestion systems, etc. should be conveyed to the employee.
- 4) Departmental orientation should include, introduction to the department, explanation of the functions of the department, job instruction and to whom he should look for help and guidance when he should look for help and guidance when he has any problem.
- 5) Verbal explanations may be supplemented by a wide variety of printed material, employee handbook, employee manuals, house journals, pamphlets etc. along with short guided tour around the company’s premises.
- 6) The induction programme should be handled by persons who are fully conversant with the course contents. The success of the induction course will depend upon the quality of trainers and their ability to draw out the interest of their listeners.

CONTENTS OF INDUCTION PROGRAMME

Placement And Induction

Topics to be covered in Induction

1. Company's history, vision, mission and philosophy.
2. Products and services of the company.
3. Company's organization structure.
4. Location of department and employee services.
5. Employee's activities like clubs, credit society etc.
6. Personnel policies and procedures.
7. Standing orders.
8. Rules and regulations.
9. Terms and conditions of services.
10. Grievance procedure.
11. Safety measures.
12. Benefits and services for employees.
13. Training facilities.
14. Transfer and promotion policies.
15. Career advancement policies.
16. Counselling facility.

A commonly used practice of induction is talk plus audio video presentation. Motion pictures, visual aids, charts, printed materials, etc. can be used to explain company policies, processes and products of the company. A round of the plant the department should also be arranged to acquaint the new workers with the overall operations of the company.

Guidelines in Effective Induction:

For achieving intended results, care should be taken of the following points:

- Orientation should be thoroughly planned and those conducting the program should give due attention to specific problems faced by the new employees.

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- Supervisors should be trained in the art of orientation of new workers. Thus, induction should be treated as a special duty.
- Human side is the most important part of orientation. Therefore, first of all the new employee should be introduced to the people with whom he will work-his colleagues, superiors and subordinates. A tea party may also be arranged for this purpose.
- The new employee should be informed about the rules that apply to him as well as the specific work situation and job requirements.
- Orientation should be a gradual process. The participants should not be overloaded with too much information.
- The supervisions should answer the questions and clarify the doubts that the employee may have about the job and the organization.

8.4 PROMOTION

Every human being by nature looks ahead. He thinks for future, plans for future, saves for future. Future is important for him. What he does today, what he sacrifices today, he does all this keeping future in mind and sight. It is not imagination. It is practical and sensible approach to life. Nothing is wrong in it. This spring aspiration. One must aspire high. He should not be contented what he has today or what he is today. To fulfill his aspiration person acquires what he needs, and obtain where he lacks. He acquires skill, intelligence, knowledge, competence and put them into practice, into his profession.

According to Markham, Harlan and Hackett, “Promotion, succession and career systems have a significant impact on the ability of organization to compete effectively in today’s complex and ever changing environment. These system are relied upon to identify and develop both leaders needed to provides direction and managers needed to competently operate complex organizations. They also have a significant impact on the satisfaction, organizational commitment and involvement, and motivation of all the members of the organization.”

MEANING OF PROMOTION:

Promotion refers to an upward movement of an employee from one job to another job, which commands higher pay scales and allowances, upper status and prestige, more authority, power and responsibility, challenges, and future opportunities to rise. Promotion is given to the employee in the same organization. It is the internally upward mobility of an employee. Promotion leads to chances in the environment, privileges, place, and working hours etc. Promotion puts an employee or executive on a career path which goes upward.

Employees at lower level have to wait years together for promotion while executives get promotion comparatively early. In some of the companies and organizations young executives get promotion quite early. This becomes a critical factor in the identification and development of executives. These executives have to face early challenges of the jobs carrying higher responsibilities. This make them experienced at the earliest and clears their career path of success. This also has a positive effect in the form of increase in confidence and motivation. It also sends favourable signals to the management about their ability to manage. Early promotions given to executives benefit the organization and themselves because they do not have to face stringent competition in future.

8.4.1 PURPOSE OF PROMOTION

The following are the purposes or objectives of the promotion:

- 1) Promotion is a reward for recognition of efficiency of an employee and his performance.
- 2) Promotion prevents an employee from leaving the job through resignation.
- 3) Promotion motivates the employees because they feel secured and worry free that their efficiency will be rewarded with promotion to a higher position.
- 4) Granting promotions aim at increasing organisational effectiveness.
- 5) It increases sense of belonging to the organisation among the employees.
- 6) It aims at promoting job satisfaction among employees.
- 7) It helps in boosting up of employee morale.
- 8) It promotes loyalty to the organisation.
- 9) Yet another purpose of promotion is to create an impression upon others that better opportunities are available to them in this organisation and their career is safe and has an upward movement.
- 10) It aims at reducing labour turnover, discontent and labour unrest.
- 11) It aims at promoting ambitions.
- 12) It aims at increasing creativity and positive thinking among employees.
- 13) It aims at attracting trained, competent, and hardworking people.
- 14) It aims at conserving intelligence, skill, talent, knowledge, creative abilities, and competence.

- 15) It aims at promoting good human relations.

8.4.2 TYPES OF PROMOTION

Promotion given to the employees in an organisation are of the following types:-

- 1) **Horizontal Promotion:** It is kind of promotion when a personnel is shifted in the same category. e.g. a junior clerk is promoted as senior clerk. The promotion can be made within the same department from one department to other or from one plant to another plant.
- 2) **Vertical promotion:** It is a kind of promotion when an employee is shifted from a lower category to a higher one involving higher pay, more authority, increased opportunities e.g. a personnel promoted from lower level of management to a higher level of management in the organisational hierarchy.
- 3) **Dry promotion:** During the times of monetary and financial crisis the management can grant promotion without any rise in pay and allowances. Such promotions are known as dry promotions. When crisis is over they are paid increased wages.

8.5 TRANSFER

Transfer means shifting of an employee from one job to another, one unit to another or one shift to another and may involve a new geographical location. Transfer may be initiated by the organisation or by the employee with the approval of the organization. According to Dale Yoder, "A transfer involves the shifting of an employee from one job to another without special reference to changing responsibilities or compensation." A transfer may be horizontal or vertical. It may be associated with a higher salary but with change in conditions.

8.5.1 OBJECTS OF TRANSFER

There are multiple objects of transfer of employee from one place or position to another. Some of the objects are listed below:

- 1) Organization wants that its employee must know the work of all department and becomes versatile and competent. So the transfer are effected to increase competence and versatility of employees working at certain important positions. Hence during emergency work does not suffer.
- 2) Transfer helps in increasing organisational effectiveness.
- 3) On certain positions inefficient persons are posted. The object of transfer in such cases to correct the mistake of posting.

- 4) Employee develop monotony if they are working at the same place without any change. Transfer of the employee in this case help him break monotony and boredom. This also result in increase in efficiency of the transferred employee.
- 5) Transfer gives employee a chance to show his competence and creative ability.
- 6) Transfer provides a kind of training.
- 7) The object of transfers sometimes is to remove incompatibilities in human relations.
- 8) Human resources are the valued assets of the organisations hence taking care of their health is the prime responsibility of organisations. The ailing and aged employees cannot carry on their duties properly at the responsible and important position hence they are transferred to less important positions where responsibility are less.
- 9) The changing technology, in modern times has brought in wide changes in the job requirement. Transfer of employees are made to meet the job requirements.
- 10) Transfers can be effected to stall lay off. When one plant is on the verge of close down the workers from that plant are transferred to the other plant where more workers are required. In this way workers jobs remain intact.

8.5.2 TRANSFER POLICY

In every organisation transfer of employees from one department to the other is a regular phenomenon and there is nothing wrong in it but there should be a policy regarding transfer. The transfer should then be effected according to the laid down policy. Policy serves as the guide-post to the manager in effecting transfer. While framing the policy in respect of transfer of employees certain guidelines must be followed.

- 1) The need for transfer should be assessed.
- 2) Type of transfer should be given due consideration.
- 3) The purpose of transfer should be avoided as far as possible.
- 4) Needless transfer should be avoided as far as possible.
- 5) The time period of transfer should be made clear.
- 6) Transparency in transfer policy should be maintained.
- 7) Authority in effecting transfer must be fixed.
- 8) Performance of the employee should be evaluated before transfer.

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One should not expect a uniform transfer policy in all the organisations. It varies from organization to organization. It depends upon the type, kind and size of the organization. Transfer policy should be consistent with the overall objectives of the organizations.

8.5.3 TYPES OF TRANSFER

There are different kinds of transfer that an organization can adopt. The following are the major types of transfer:

- 1) **Production transfer:** When there is excess manpower in one section, department or plant and exists underemployment in the other department, transfer of employees are effected from the former departments to the latter. This prevents lay off and the excess employee are absorbed to stabilize employment in the establishment. This process of stabilization of employment is looked after and controlled by human resources department. The main purpose of production transfer is to prevent lay off and make use of the excess employees in the plants or department where their services are most required.
- 2) **Remedial transfer:** Remedial transfer are done to correct the wrong placement of the employees or to shift the inefficient one who is not carrying his duties satisfactorily. This type of transfer is resorted to in case of aged and the employee who are ailing. Such transfer protects the interests of the employees.
- 3) **Shift transfer:** Shift transfer are routine in the plants where work progresses for 24 hours or in three shift. Usually such transfer are effected through mutual understanding of the employees.
- 4) **Versatility transfer:** Veritably transfer are effected to give employee a chance to learn various skills involved in different jobs. This makes an employee a perfect man and he becomes versatile. His versatility can then be utilized by the organization as and when needed. These transfers are a kind of job rotation through which employee gains in experience and is prepared for promotion. Employee receives training through such transfer.
- 5) **Penal transfer:** Management may transfer an employee from one position to another to penalize for his ill behavior with his immediate supervisor. Such transfers are also a common feature in most government organisation.

8.5.4 CAUSES OR REASONS OF TRANSFERS

In modern organizations, transfer are made because of the following reasons:

- i) **Meeting Organizational Needs:** A company may transfer employee due to changes in volume of production, in technology, in production schedule, in product line in organization structure, in

market conditions, etc. filling in of the vacancies which may occur because of separations or because of the need for suitable adjustment in business operations. In short, the purpose of transfer is to stabilize employment in the organization.

- ii) **Meeting Employee's Requests:** Transfers are also done at the request of the employees. Employee may need transfers in order to satisfy their desire to work under a different superior in a department/region where opportunities for advancement are bright, in or near their native place, doing a job where the work itself is challenging etc. Many employees seek transfer because of family related issues such as marriage or illness.
- iii) **Better Utilisation of the Employees:** An employee may be transferred because the management feels that he is not performing satisfactorily and adequately and when the management feels that he may be more useful or suitable elsewhere, where his capacities would be better utilized.
- iv) **Developing All-rounder:** The employees may be transferred to different jobs to widen their knowledge and skills. In some companies, transfer are made as a matter of policy after an employee has stayed on a job for a specified period. Such rotation from one job to another serves as a tool of developing versatile workers.
- v) **Manpower Adjustment:** The employees may be transferred from a plant where there is less work to a plant where there is more work. Thus, the employees who have been in service of an organization are not thrown out of employment but adjusted elsewhere.
- vi) **Avoidance of Conflicts:** Where employees find it difficult to get along with colleagues in a particular section or department, they could be shifted to another place to reduce conflict.
- vii) **Punishing the Employees:** Transfers may be made as a disciplinary measure. The employees indulging in undesirable activities may be transferred to remote, far flung areas or transferred on less important jobs.
- viii) **Relief to the Employees:** Transfers may be made to give relief to employees who are overburdened or doing hazardous jobs for long periods. Transfer may also be made to break the monopoly of the employee. The climate to a place may be unsuitable for an employee's health. He may request a transfer to another place, on health grounds.
- ix) **Tenure system:** In senior administrative services of the Government and also in industries, the employees hold certain jobs for a fixed tenure. They are made to move from job to job with a view to acquire variety of experience and skill and also to ensure

8.6 TRANSFER VS. PROMOTION

The distinction between implies transfer and promotion will be further clear by going through the following points.

1. Promotion generally implies an upward elevation of an individual in terms of job responsibilities, pay scale and status. It represents an advancement, and going up a step in the career ladder. It is a case of upward mobility which most of the employees seek for their career advancement. But transfer refers to a lateral shift of an individual from one job position to another on the same occupational level and pay scale.
2. Promotion represents a recognition of and reward for merit, good performance and behavior, loyal service or the length of time, and so on. It tends to improve satisfaction of the person promoted and to induce him to perform better. Transfer does not have these implications considerations of merit and seniority do not generally enter into transfer matters; there may however be some instances where an employee with good performance is transferred to another unit to utilizes his skills more meaningfully. The incentive value of transfers is generally low.
3. Promotion involves thoughtfully managerial decision, but transfer is a routine administrative matter. In the case of promotion, management has to consider whether a particular position should be filled by internal promotion or external selection. Thus, competition by outsiders is a threat to insider aspiring for promotion. In case of transfer, outsiders do not enter into the scene.
4. The criteria for promotion are different from those of transfers. The promotion criteria may be proved merit in the job, potential for assuming higher responsibilities, length of service in a job, or an appropriate combination of all. In case of transfer, criteria such as need for improving versatility of employees, rectification or correction of wrong placement, increase or decrease in volume of activity, punishment for poor performance or objectionable behavior, solution of genuine personal problems of the employees, etc. are generally used.
5. Normally, once an employee is promoted to a higher position, he is not reverted or demoted to his earlier position. Thus, promotion is a one-way upward movement for the employee concerned, except in some odd cases. But transfer could be multi-directional and reversible. An employee transferred from one job to another may be shifted back to his earlier job after some time. In general, promotion is positively viewed by the employees, because it has economic, psychological and even social implications for them. It

is a morale booster for the promote concerned and brightens high sense of self-esteem as also his esteem in the group. Lack of promotional opportunities and stagnation of employees in the same job position can cause serious heart burnings and even revolts within the organization. But transfer is generally free from these considerations. It may have positive, negative impact, separation of an employee from his work-group or place of work may create severe adjustment problems. Some employees resist transfer while others try to sabotage them for their own reasons. Such resistance is generally unthinkable in the case of promotion. However, transfer to some jobs which involve more power is considered as rewards.

8.7 SEPARATION

Separation may arise in a number of ways, including resignation, retrenchment, retirement or dismissal. Each brings with it specific sensibilities that must be addressed carefully. Managing separation is important in terms of staff morale, organizational planning and risk management. Most industrial awards contain clauses regulating termination of employment including redundancy and managers should seek advice if in any doubt about the processes required. Managers responsible for separations should be aware of the potential difficulties inherent in the processes, and should ensure that the appropriate procedures are applied. The advantages of managing the separation process well can include the following:

- Maintaining the morale of employees
- Managing the workforce to meet the organization's needs
- Receiving feedback through an effective exit interview process
- Gaining relevant information regarding the strengths and weaknesses of the person to assist in refilling the position or in redeployment
- Provision of support if required

8.8 SUMMARY

Placement may be defined as the determination of the job to which a selected candidate is to be assigned, and his assignment to the job. Placement decisions are generally taken by line executives. It is the supervisor who in consultation with higher levels decides the placement of each employee. The personnel department's role is to advise the line managers about the, human resources policies of the company and to provide counseling to the employees.

Induction is a socialization process by which the organization seeks to make an individual its agent for the achievement of its objectives and the

**Human Resource
Procurement**

individual seeks to make an agency of the organization for the achievement of this personal goals. Promotion refers to an upward movement of an employee from one job to another job, which commands higher pay scales and allowances, upper status and prestige, more authority, power and responsibility, challenges, and future opportunities to rise. Promotion is given to the employee in the same organization. Transfer means shifting of an employee from one job to another, one unit to another or one shift to another and may involve a new geographical location. Promotion represents an advancement, and going up a step in the career ladder. It is a case of upward mobility which most of the employees seek for their career advancement. But transfer refers to a lateral shift of an individual from one job position to another on the same occupational level and pay scale.

8.9 SELF ASSESSMENT EXERCISE

1. Explain the meaning of placement and induction.
2. What is the role of promotion in procurement of employees?
3. Distinguish between transfer and promotion.
4. Discuss the need for transfer.
5. What are the different types of transfers?
6. Describe the reasons for the transfer of employees?
7. Define separation.

8.10 FURTHER READINGS

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Human Resource Management

Block

3

Training and Development

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परिमापक

परिमापक

अनुवाद की स्थिति में

मूल लेखक	अनुवाद
मूल सम्पादक	भाषा सम्पादक
मूल परिमापक	परिमापक

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प्रूफ रीडर

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UNIT 9

TRAINING AND DEVELOPMENT

Objectives

After studying this unit, you should be able to understand

What is training and development, need for training, why training is important. Types of training and development in the modern times.

Unit Structure

- 9.0** Introduction
- 9.1** Concept
- 9.2** Need of Training
- 9.3** Importance of Training
 - 9.3.1** Importance of Training Objectives
- 9.4** Purpose of Training
- 9.5** Methods of Training
 - 9.5.1** Cognitive Methods
 - 9.5.1.1** Lectures
 - 9.5.1.2** Demonstrations
 - 9.5.1.3** Discussions
 - 9.5.1.4** Computer Based Training
 - 9.5.2** Behavioral Methods
 - 9.5.2.1** Games and Simulations
 - 9.5.2.2** Case Studies
 - 9.5.2.3** Equipment Simulators
 - 9.5.2.4** In – Basket Technique
 - 9.5.2.5** Role Play
- 9.6** Types of Training
- 9.7** Issues of Training
- 9.8** Key words
- 9.9** Self assessment questions
- 9.10** References

9.0 Introduction

Human resource management regards training and development as a function concerned with organizational activity aimed at improving the job performance of individuals and groups in organizational settings. Training and development can be described as “ an educational process which involves the sharpening of skills, concepts, changing of attitude and gaining more knowledge to enhance the performance of employees”.

9.1 Concept

Definitions

According to L.L Steinmetz ‘Training is the act of increasing the knowledge and skill of an employee for doing a particular job’.

Training is the act of increasing knowledge and skills of an employee for doing a Particular Job. (Edwin B Flipppo)

Training is used to here to indicate the Process by which the aptitudes, skills and abilities of employees to perform specific jobs are increased (Michael J. Jucius).

It is a learning process that involves the acquisition of knowledge, sharpening of skills, concepts, rules or changing of attitudes and behaviours to enhance the **performance of employees**.

According to J.P. Campbell Training refers only to instructions and mechanical operations. Specifically stated, training is the organized procedure by which people learn knowledge and skill for a definite purpose.

Concept :

Training is an activity leading to skilled behaviour.

- It’s knowing how to reach what you want from life.
- It’s knowing how to get where you want to go.
- It’s knowing how to take off to the heights you want to reach.
- It may be a new outcome much beyond your aim.
- It’s having the knowledge about what you dream of doing.
- It’s more like a vision.
- It’s what you need to achieve.

Training is about knowing where you stand (no matter how good or bad the current situation looks) at present, and where you will be after some point of time.

Training is about acquisition of knowledge, skills and abilities (KSA) through professional development.

9.2 Need for Training

Training is essential for overall success of any organization, it is required because of following reasons :

9.1.2 Job requirement

In order to perform job in a better way an employee needs certain skillset, therefore, in order to impart such skillset to an employee training is needed. Training can be given in order to bridge the following gaps.

- a. **Lack of qualifications :-** Employees selected for a particular job might lack the qualifications needed in order to perform the job effectively.
- b. **Inexperienced employees :-** New and inexperienced employees need detailed instructions for successful job performance.
- c. **Remedial training :-** Remedial training are given to such experienced employees in case their past experience, attitudes and behavior patterns might be inappropriate to new organization.
- d. **Orientation training for new employees :-** In order to get acquainted with job and organization.

9.2.2 Technological changes

- a. Automation and Mechanization in offices and service sector.
- b. Fast changing technology requires new technology training, e.g. computerization in public sector.
- c. To reap benefits of latest technology.

9.2.3 Organizational Viability

- a. **Globalization and liberalization :-** Training enables an employee to adapt with continually changing environment, it also helps business firms in expansion, their growth and cope with diversification.
- b. Training enhances capabilities of employees to face international competition.
- c. **Refresher training :-** Refresher training is given to existing employees to keep them abreast of knowledge.
- d. Prevent obsolescence of skills.
- e. Second line of command to meet future needs.

9.2.4 Internal mobility

Training is also needed in case of internal movement of employees from one unit to other or from one department to other. When the employees are promoted or transferred from one place to other or one job to other then training is given to them. Therefore, training is a continuous process which helps in taking advantage from new and advanced techniques. With the help of training improvement in old methods can be implemented successfully.

9.3 Importance of Training and Development

Areas of significance of training are as follows :

Optimum utilization of Human Resources – Training and Development helps in optimizing the utilization of Human resource that further helps the employee to achieve the organizations goals as well as their individual goals.

Development of Human Resources – Training and Development helps to provide an opportunity and broad structure for the development of human resources' technical and behavioral skills in an organization. It also helps the employees in attaining personal growth.

Development of skills of employees – Training and development helps in increasing the job knowledge and skills of employees at each level. It helps to expand the horizons of human intellect and an overall personality of the employees.

Productivity – Training and Development helps in increasing the productivity of the employees that helps the organization further to achieve its long – term goal.

Team spirit - Training and Development helps in inculcating the sense of team work, team spirit, and inter – team collaborations. It helps in inculcating the zeal to learn within the employees.

Organization Culture – Training and Development helps to develop and improve the organizational health culture and effectiveness. It helps in creating the learning culture within the organization.

Organization Climate – Training and Development helps building the positive perception and feeling about the organization. The employees get these feelings from leaders, subordinates, and peers.

Quality – Training and Development helps in improving upon the quality of work and work-life.

Healthy work environment – Training and Development helps in creating the healthy working environment. It helps to build good employee relationship so that individual goals aligns with organizational goal.

Health and Safety - Training and Development helps in improving the health and safety of the organization thus preventing obsolescence. **Training and Development**

Morale – Training and Development helps in improving the morale of work force.

Image – Training and Development helps in creating a better corporate image.

Profitability – Training and Development leads to improved profitability and more positive attitudes towards profit orientation.

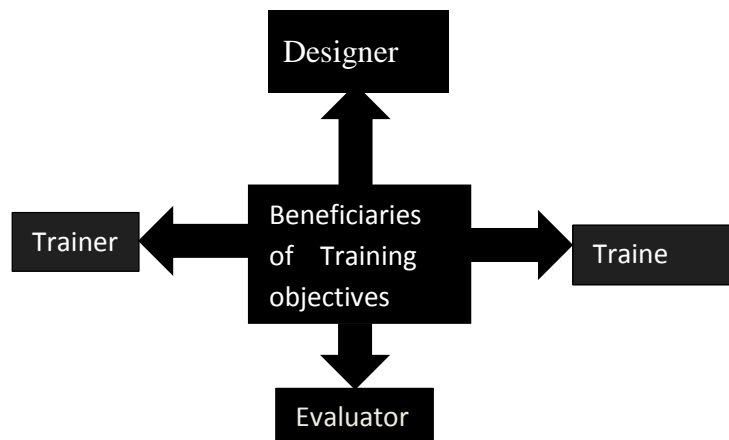
Training and Development aids in organizational development i.e. Organization gets more effective decision making and problem solving. It helps in understanding and carrying out organizational policies.

Training and Development helps in development leadership skills, motivation, loyalty, better attitudes, and other aspects that successful workers and managers usually display.

9.3.1 Importance of Training Objectives

Training objective tell the trainee that what is expected out of him at the end of the training program. Training objectives are of great significance from a number of stakeholder perspectives.

1. Trainer
2. Trainee
3. Designer
4. Evaluator



Trainer - The training objective is also beneficial to trainer because it helps the trainer to measure the progress of trainees and make the required adjustments. Also, trainer comes in a position to establish a relationship between objectives and particular segments of training.

Training and Development

Trainee – The training objective is beneficial to the trainee because it helps in reducing the anxiety of the trainee up to some extent. Not knowing anything or going to a place which is unknown creates anxiety that can negatively affect learning. Therefore, it is important to keep the participants aware of the happenings, rather than keeping it surprise.

Secondly, it helps in increase in concentration, which is the crucial factor to make the training successful. The objectives create an image of the **training program** in trainee's mind that actually helps in gaining attention.

Thirdly, if the goal is set to be challenging and motivating, then the likelihood of achieving those goals is much higher than the situation in which no goal is set. Therefore, **training objectives** helps in increasing the probability that participants will be successful in training.

Designer – The training objective is beneficial to the training designer because if the designer is aware what is to be achieved in the end then he'll buy the training package according to that only. The training designer would then look for the training methods, training equipments, and training content accordingly to achieve those objectives, Furthermore, planning always helps in dealing effectively in an unexpected situation. Consider an example ; the objective of one training program is to deal effectively with customers to increase the sales. Since the objective is known, the designer will design a training program that will include ways to improve the interpersonal skills, such as verbal and non verbal language, dealing in unexpected situation i.e. when there is a defect in a product or when a customer is angry. Therefore, without any guidance, the training may not be designed appropriately.

Evaluator – It becomes easy for the training evaluator to measure the progress of the trainees because the objectives define the expected performance of trainees. Training objective is an important tool to judge the performance of participants.

9.4 Purpose of Training and Development

Advantages of training and development are as follows :

Creating a pool of readily available and adequate replacement for personnel who may leave or move up in the organization.

Enhancing the companies ability to adapt and use advances in technology because of a highly knowledgeable staff.

Building a more efficient, effective and highly motivated team, which enhances the company's competitive position and improves employee's morale.

Ensuring adequate human resources for expansions into new programme.

There are various methods of training.

9.5.1 Cognitive Methods

9.5.2 Behavioral Methods

Trainers need to understand the pros and cons of each method, also its impact on trainees keeping their background and skills in mind before giving training.

Cognitive methods are more of giving theoretical training to the trainees. The various methods under cognitive approach provide the rules for how to do something, written or verbal information, demonstrate relationship among concepts, etc. These methods are associated with changes in knowledge and attitude by stimulating learning.

The various methods that come under Cognitive approach are :

9.5.1.1 LECTURES

It is one of the oldest methods of training. This method is used to create understanding of a topic or to influence behaviour, attitude through lecture. A lecture can be in printed or oral form. Lecture is telling someone about something. Lecture is given to enhance the knowledge of listener or to give him the theoretical aspect of a topic. Training is basically incomplete without lecture. When the trainer begins the training session by telling the aim, goal, agenda, processes, or methods that will be used in training that means the trainer is using the lecture method. It is difficult to imagine training without lecture format. There are some variations in Lecture method. The variation here means that some forms of lectures are interactive while some are not.

Straight Lecture : Straight lecture method consists of presenting information, which the trainee attempts to absorb. In this method, the trainer speaks to a group about a topic. However, it does not involve any kind of interaction between the **trainer and the trainees**. A lecture may also take the form of printed text, such as books, notes, etc. The difference between the straight lecture and the printed material is the trainer's intonation, control of speed, body language, and visual image of the trainer. The trainer in case of straight lecture can decide to vary from the training script, based on the signals from the trainees, whereas same material in print is restricted to what is printed.

A good lecture consists of introduction of the topic; purpose of the lecture, and priorities and preferences of the order in which the topic will be covered.

Main Features of Lecture Method :

Some of the main features of lecture method are :

Training and Development

- Ability to identify and correct misunderstandings
- Less expensive
- Can be reached to large number of people at once
- Knowledge building exercise
- Less effective because lectures require long periods of trainee inactivity

9.5.1.2 DEMONSTRATIONS :

This method is a visual display of how something works or how to do something. As an example, trainer shows the trainees how to perform or how to do the tasks of the job. In order to be more effective, demonstration method should be accompanied by the discussion or lecture method.

To carry out an effective **demonstration**, a trainer first prepares the lesson plan by breaking the task to be performed into smaller modules, easily learned parts. Then, the **trainer** sequentially organizes those modules and prepares an explanation for why that part is required. While performing the demonstration, trainer :

- Demonstrates the task by describing how to do, while doing.
- Helps the focusing their attention on critical aspects of the task.
- Tells the trainees what you will be doing so they understand what you will be showing them.
- Explains why it should be carried out in that way.

The difference between the lecture method and the demonstration method is the level of involvement of the trainee. In the lecture method, the more the trainee is involved, the more learning will occur.

The financial costs that occur in the demonstration method are as follows :

- Cost of training facility for the program
- Cost of materials that facilitate training
- Food, travel, lodging for the trainees and the trainers
- Compensation of time spent in training to trainers and trainees
- Cost related to creating content, material.
- Cost related to the organization of the training.

After completing the demonstration the trainer provide feedback, both positive and or negative, give the trainee the opportunity to do the task and describe what he is doing and why.

9.5.1.3 DISCUSSIONS :

This method uses a lecturer to provide the learners with context that is supported, elaborated, explains, or expanded on through interactions both among the trainees and between the trainer and the trainees. The interaction and the communication between these two make it much more effective and powerful than the lecture method. If the **Discussion method** is used with proper sequence, i.e. lectures, followed by discussion and questioning, can achieve higher level knowledge objectives, such as problem solving and principle learning.

The Discussion method consists a **two – way flow of communication** i.e. knowledge in the form of lecture is communicated to trainees, and then understanding is conveyed back by trainees to trainer.

Understanding is conveyed the form of verbal and non – verbal feedback that enables the trainer to determine whether the material is understood. If yes, then definitely it would help out the trainees to implement it at their workplaces and if not, the trainer may need to spend more time on that particular area by presenting the information again in a different manner.

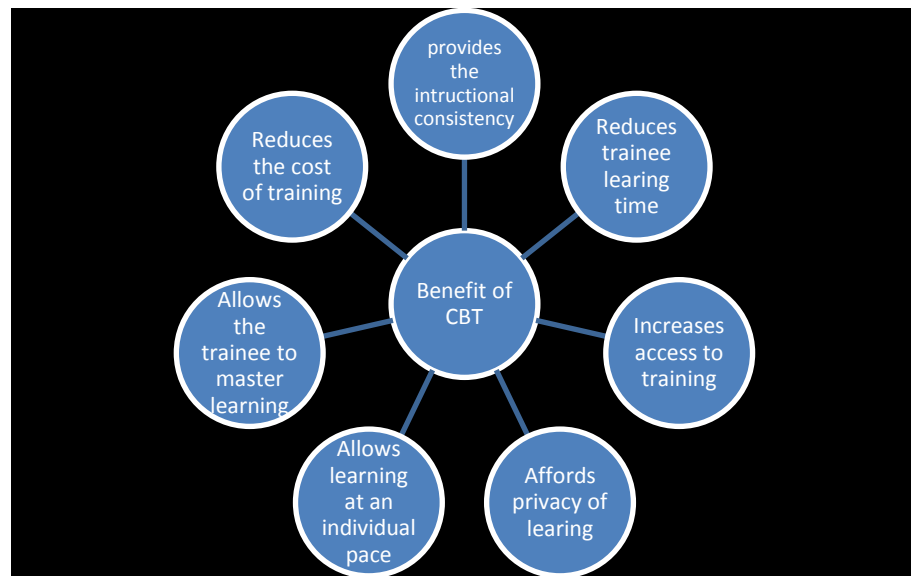
Questioning can be done by both ways i.e. the **trainees** and the trainer. When the trainees ask questions, they explain their thinking about the content of the lecture. A trainer who asks questions stimulates thinking about the content of the lecture, Asking and responding questions are beneficial to trainees because it enhance understanding and keep the trainees focused on the content. Besides that, discussions, and interactions allow the trainee to be actively engaged in the material of the material of the trainer, This activity helps in improving recall.

9.5.1.4 Computer based training (CBT):

With the worldwide expansion of companies and changing technologies, the demands for knowledge and skilled employees have increased more than ever, which in turn, is putting pressure on HR Department to provide training at lower costs. Many organizations are now implementing CBT as an alternative to classroom based training to accomplish those goals.

Some of the benefits of Computer Based training are:

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According to a recent survey, about 75% of the organization are providing training to employees through Internet or Internet. Internet is not the Method of training but has become the technique of delivering training, the growth of electronic technology has created alternative training delivery systems.

CBT does not require face to face interaction with a human trainer. This method is so varied in its applications that it is difficult to describe in concise terms.

INTELLIGENT TUTORIAL SYSTEM :

This Intelligent Tutorial system uses artificial intelligence to assist in training or tutoring the participants. This system learns through trainee responses.

Features of Intelligent Tutorial System (ITS)

- It selects the appropriate level of instructions for the participants
- It guides the trainees
- It is a text- based system
- It also evaluates the training Program
- It also improves the methodology for teaching the trainee based on the information.
- It is an interactive system
- It is determines the trainee's level of understanding

Intelligent Tutorial System (ITS) comprises of 5 Components :

1. A domain expert also called the expert knowledge base

2. **A trainee model** – stores the information on how the trainee is performing during the training program
3. A scenario generator
4. **A training session manager-** interprets trainees response and responds either with tutoring more content or information
5. **A user interface** – allows the trainee to communicate with the Intelligent tutorial system

PROGRAMMED INSTRUCTION (PI) Programmed instruction is a Computer – based training that comprises of graphics, multimedia, text that is connected to one another and is stored in memory.

Programmed instruction is the procedure of getting the participants strategically through the information in a way that facilitates the most effective and efficient learning. It provides the participant with content, information, asks questions, and based on the answer goes to the next level of information, i.e. if the trainee gives the correct answer;

One branch moves the trainee forward to the new information and if the trainee gives the wrong answer information in more elaborate manner. Then different branch is activated, taking the trainee back to the review relevant

This method allows the trainees to go through the content according to the individual speed, and capability. Those trainees, who respond better, move through the content rapidly.

Programmed Instruction also comes in

- Printed form i.e. books
- Tape
- Interactive Video
- Other formats
- In programmed instruction, trainees receive information in substantial amount and then tested on their retention of information. If the trainees are not able to retain the information, they are referred back to the original information. If the trainees retain the information, they are referred to next log of information that is to be learned.

VIRTUAL REALITY : Virtual reality is a training method that puts the participants in 3-D environment. The three dimensional environment stimulates situations and events that are experienced in the job. The participant interacts with 3-D images to accomplish the training objectives. This type of environment is created to give trainee the impression of physical involvement in an environment. To experience virtual reality, the trainee wears devices, like headset, gloves, treadmills, etc.

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Virtual Reality provides trainees with an understanding of the consequences of their actions in the work environment by interpreting and responding to the trainees' action through its accessories.

- **Headset** – provides audio and visual information
- **Gloves** – provides tactile information
- **Treadmills** – is used for creating the sense of movement
- **Sensory devices** - transmits how the trainees are responding in the virtual workplace to the computer. This allows the virtual reality (VR) system to respond by changing the environment appropriately.

Features of Virtual Reality (VR) System

Some of the features of Virtual Reality System are :

- It is Poorly understood- require technical understanding
- It is expensive
- It is time consuming
- It is flexible in nature
- It does not incur traveling, or food cost
- It requires excellent infrastructure

9.5.2 Behavioral methods

Behavioral methods are more of giving practical training to the trainees. The various methods under behavioral approach allow the trainee to behavior in a real fashion. These methods are best used for **skill development**.

The various methods the come under behavioral approach are :

9.5.2.1 Games And simulations

games and simulations are structured and sometimes unstructured, that are usually played for enjoyment sometimes are used for training purposes as on educational tool. Training games and simulations are different from work as they are designed to reproduce to simulate events, circumstances, processes that take place in trainees job.

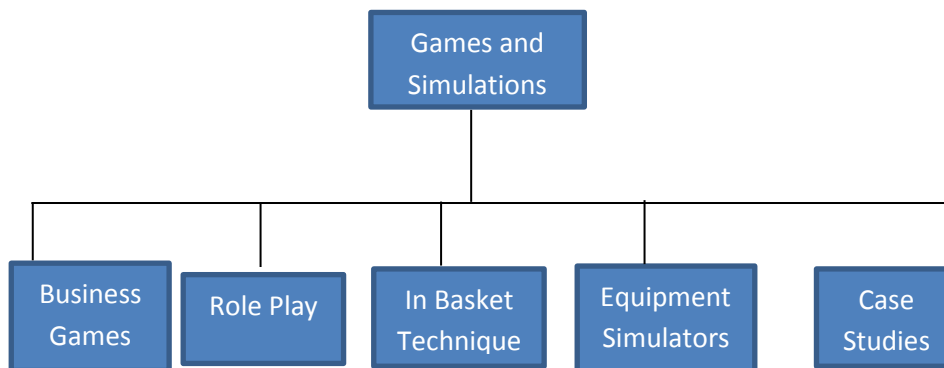
Training game is defined as spirited activity or exercise in which trainees compete with each other according to the defined set of rules.

Simulation is creating computer versions of real-life games. Simulation is about imitation or making judgment or opining how events might occur in a real situation.

It can entail intricate and numerical modeling. Role playing without the training because its key components are :

- Challenge
- Rules
- Interactivity
- These three components are quite essential when it comes to learning.

Some of the examples of this technique are:



Trainees can therefore experience these events, these events, processes, games in a controlled setting where they can develop knowledge, skills, and attitudes or can find out concepts that will improve their performance.

The various methods that come under Games and simulations are:

- A. **BEHAVIOR – MODELING** Behavior modeling use this innate inclination for people to observe others to discover how to do something new. It is more often used in combination with some other techniques.

Procedure of Behavior Modeling Technique

In this method, Some Kind of process or heavier is videotaped and then is watched by the trainees. Games and simulation section is also included because once the trainees see the videotape, they practice the behavior through role plays or other kind of simulation techniques. The trainee first observes the behavior modeled in the video and then reproduces the behavior on the job.

- The skills that are required to build up are defined
- A brief overview of the theory is then provided to the trainers
- Then the trainees are given instructions that what specific learning points or critical behavior they have to watch
- Then the expert is used to model the suitable behaviors

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- Then the trainees are encouraged to practice the suitable behavior in a role play or through any other method of simulation
- Trainees are then provided with some opportunities to give reinforcement reinforcement for appropriate imitation of the model behavior
- In the end, trainer ensures that trainees appropriately reinforces the behavior on the work place.

Behavior modeling focuses on developing behavioral and interpersonal skills. This type of method can be used for training in

- Sales training
- Interviewee training
- Interviewer training
- Safety training
- Interpersonal skills training

B. BUSINESS GAMES With the increase in globalization and changing technologies, many organizations are now moving from board games to computer based simulations, using interactive multimedia (IM) and virtual reality (VR).

Business games are the type of simulators that try to present the way an industry, company, organization, consultancy, or subunit of a company functions. Basically, they are based on the set of rules, procedures, plans, relationships, principles derived from the research. In the business games, trainees are given some information that describes a particular situation and are then asked to make decisions that will best suit in the favour of the company. And then the system provides the feedback about the impact of their decisions.

Again, on the basic of the feedback they are asked to make the decisions again. This process continues until some meaningful result do not came out or some predefined state of the organization exists or a specified number of trails are completed.

As an example, if the focus is on organization's financial state, the game may end when the organization reach at desirable or defined profitability level.

- It develops leadership skills
- It improves application of total quality principles
- It develops skills in using quality tools
- It strengthen management skills
- It demonstrates principles and concepts
- It explores and solves complex problem



any games and simulations examine the total organization but only some focus on the functional responsibilities of specific positions in an organization.

Business games simulate whole organization and provide much better perspective than any other training methods. They allow trainees to see how their decisions and actions impact on the related areas.

9.5.2.2 Case Studies Case Studies

try to simulate decision making situation that trainees may find at their at work place. It reflects the situations and complex problems faced by managers, staff, HR, CEO, etc. The objective of the case study method is to get trainees to apply known concepts and ideologies of the case study method is to study method emphasize on approach to see a particular problem rather than a solution. Their solutions are not as important as the understanding of advantages and disadvantages.

Procedure of the Case Study Method

- The trainee is given with some written material, and the some complex situations of a real or imaginary organization. A case study may range form 50 to 200 Pages depending upon the problem of the organization.
- A Series of questions usually appears at the end of the case study.

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- The longer case studies Provide enough of the information to be examined while the shorter ones require the trainee to explore and conduct research to gather appropriate amount of information.
- The trainee then makes certain judgment and opines about the case by identifying and giving possible solutions to the problem.
- In between trainees are given time to digest the information. If there is enough time left, they are also allowed to colled to relevant information that supports their solution.
- Once the individuals reach the solution of a problem, they meet in small group to discuss the options, solutions generated.
- Then the trainee meets with the trainer, who further discusses the case.

Case Study method focuses on :

- Building decision making skills
- Assessing and developing Knowledge, Skills and Attitudes (KSAs)
- Developing communication and interpersonal skills
- Developing management skills
- Developing procedural and strategic knowledge

9.5.2.3 EQUIPMENT STIMULATORS

These are the mechanical devices that use some actions, plans, measures, trails, movements, or decision processes they would use with equipment back on their respective work place.

It is imperative that the simulators be designed to repeat, as closely as possible, the physical aspects of equipment and operational surroundings trainees will find at their work place. This is also called as physical fidelity of the simulation.

Besides that, the mental conditions under which the equipment is operated such as, increasing demands, pressure of time, and relationship with colleagues, subordinates, etc. must also be closely matched to what the trainees experience on the work place.

The literature on socio-technical approaches to organizational development provides guidelines for the design or redesign of tools. Human Resource Professional involved in propose of simulators and their pre-testing should engage who will be using the equipment and their supervisors. Their input can help in reducing the potential resistance, errors in the equipment and more importantly, it also increases the degree of reliability between the simulation and work setting.

Equipment simulators can be used in giving training to:

- Air Traffic Controllers
- Taxi Drivers
- Telephone Operators
- Ship Navigators
- Maintenance Workers
- Product Development Engineers
- Airline Pilots
- Military Officers

9.5.2.4 In –Basket Technique-

It provides trainees with a log of written text or information and requests, such as memos, messages, and reports, which would be handled by manager, engineer, reporting officer, or administrator.

Procedure of the in-basket Technique

- In this technique, trainee is given some information about the role to be played such as, description, responsibilities, general context about the role.
- The trainee is then given the log of materials that make up the in-basket and asked to respond to materials within a particular time period.
- After all the trainees complete in-basket, a discussion with the trainer takes place.
- In this discussion the trainee describes the justification for the decisions.
- The trainer then provides feedback, reinforcing decisions made suitably or encouraging the trainee to increase alternatives for those made unsuitably.

A variation on the technique is to run multiple, simultaneous in baskets in which each trainee receives a different but organized set of information required to make a suitable decision.

This technique focuses on:

- Building decision making skills
- Assess and develops knowledge, Skills and Attitudes (KSAs)
- Develops of communication and interpersonal skills
- Develops procedural knowledge
- Develops strategic knowledge

9.5.2.5 Role Play

Role Play is a simulation in which each participant of given a role to play. Trainees are given with some information related to description of

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the role concerns objectives, responsibilities, emotions, etc. then a general description of the situation, and the problem that each one of them faces, is given. For instance situation could be strike in factory, managing conflict, two parties in conflict, scheduling vacation days, etc. Once the participants read their role descriptions, they act out their roles by interaction with one another,

Role plays helps in

- Developing Interpersonal skills and communication skills
- Conflict resolution
- Group decision making
- Developing insight into one's own behavior and its impact on others



There are various types of role plays, such as:

Multiple Role Play – In this type of role play, all trainees are in groups, with each group acting out the role play simultaneously. After the role play, each group analyzes the interactions and identifies the learning points.

Single Role Play–One group of participants plays the role for the rest, providing demonstrations of situation. Other Participants observe the role play, analyze their interactions with one another and learn from the play.

Role Rotation – It starts as a single role play. After the interaction of participants, the trainer will stop the role play and discuss what happened so far. Then the participants are asked to exchange characters, this method allows a variety of ways to approach the roles.

Spontaneous Role Play – In this kind of role play. One of the trainees plays herself while the other trainees play people with whom the first participant interacted before.

9.6 TYPES OF TRAINING

Training in an organization can be divided to two broad types, They are on the job trainings and off- the- job trainings.

These on – the job- trainings are given to the employees while they are conducting their regular works at the same places. In this way they do not lose time while they are training or learning. After a plan is developed for what should be taught, employees should be informed about the details. A time table should be established with periodic evaluations to inform employees about their progress. On – the- job training techniques include orientations, job instruction training, apprenticeship, internships, assistantships, job rotation and coaching. Off – the- job techniques include lectures, special study, audio visual conferences or discussions, case studies, role playing simulation, programmed instructions, and laboratory trainings, Most of these techniques are too costly, can be basically divided into Methods of trainings to four types, namely,

- a. The telling method
- b. The showing method
- c. The role playing method
- d. The discussion technique

This is any form of training which takes place away from the immediate workplace. Off the job training includes more general skill and knowledge useful for work as well as job specific training, Training may be provided by specialist working for National Grid or by an outside company hired to help with training, off the job training is particularly effective of non – technical skills, as employees can use these across different areas of the company.

Induction training

Both apprentices and graduates receive induction training. One of the induction modules for graduates is a project that aims to accelerate their understanding of the whole Company and introduce them to the behaviours required for working in business teams.

It provides many opportunities to learn about and explore four core competencies:

1. Managing oneself. Trainees learns to tools and techniques to help their self-development through managing their time effectively, meeting deadlines and targets and building other personal capabilities.

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2. Working with others, trainees develop leadership and influencing skills, learn to better listen to and respect others, build team spirit and understand personal differences within the team.
3. Business and strategic awareness. Trainees learn and analyses the company's strategy and the commercial environment in which it operates.
4. Planning to achieve. Trainees improve their skills in data gathering and interpret station, project management and creative problem solving.

Health and Safety

In addition, health and safety is an essential part of training at National grid, whether employees perform their work in an office or outdoors in the field. National grid passionately believes that all workplace injuries and incidents are preventable. The company constantly emphasizes and the public as well as the safety of the safety of their colleagues and the public as well as ensure their own safety, the of help the company achieve its target of zero injuries every day. Is in place to help the company achieve its target of zero injuries every day. National grid's Golden Rules are a fundamental building block for its Road to Zero programme. They focus on critical areas of the business where safe behaviours are essential to safeguard employees and the public. They cover behaviours that will prevent the most serious injuries.

9.7 IDENTIFYING TRAINING ISSUES

When building a blue print for success, it is important that you analyze the issues to ensure that they are actually **'training issues'**.

Determine the problem : Determining the problem can sometimes be difficult, especially when it comes to identifying training issues, the first reaction is to look at a issues on the surface, By looking at the shallow end of a situation, we often misinterpret the symptoms of an issue as the root cause of the problem, to avoid for a the misinterpretation, try to take each problem and determine if there is a source of the problem, for example, your client states that his employees need training on a widget process, the misinterpretation is that the employees do not know the processes, after further analysis your discover that the employees do not understand what the widget does, if you simply develop training around the widget processes, the employees, will still find it difficult to meet the expectations of your client, However, training the employees about the purpose of the widget, will result in greater success. One they understand the purpose of the widget, the processes will be easier on understand and they will perform to the expectations of your client, consider the following questions.

- What is the root cause of the problem ?

- What can training do to improve performance ?
- What performance measures are being used to assess employee Performance ?

Determine expectations : Many times People determine a problem and fail to identify the expectations of the performance. This is an important step in the process of identifying training issues. In the last example, you identified the problem. The next step is to determine the expectations of performance for the identified problem. For example, you identified that the employees need on understand the purpose of the widget. However, you have not established the amount of understanding that the employees need.

To know in order to meet acceptable performance measures, it is one thing to know about a widget, it is another thing to know how you should use the widget in accordance to management expectations, Many training courses fail because they lack a clear understanding of the performance standards. Ensuring that employees meet the expectations is the goal of all training initiatives, Consider for the following questions when discussion expectations:

- What performance measures are being used to assess employee performance?
- What skills are required for the job?
- What level of experience is required for the job?
- What level of skill is expected once of employee completes the training?
- How does the business define success?
- What are the goals of the business?

After determining the problem and the expectations, you should be able to define and list the training objectives for the course. Remember that training attempts to prove the necessary knowledge and skill for employees to meet their job performance expectations successfully.?

9.8 Key Words

CBT: Computer based training

Business games : Type of simulators that represent the way an industry, company, organization, consultancy, or subunit of a company functions.

Cognitive methods: Making trainees aware of mental processes required ofr learning.

Behavioral methods: Giving practical training to the trainees.

9.9 Self assessment questions

- 1) Define training. Why training need occurs?
- 2) Elaborate on CBT
- 3) Describe various types of training.
- 4) Differentiate between cognitive methods and behavioral methods.
- 5) Write brief account of
 - A. Programmed instructions
 - B. Role playing
 - C. In-basket techniques of training.
 - D. Equipment stimulators
 - E. Case study methods

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UNIT 10

EVALUATION OF TRAINING

After studying this unit, you would be able to understand the :

- 1) Reaction, i.e. did trainees like the programme? Did they think it worthwhile ?
- 2) Learning. Test the trainees to determine whether they learned the principles, skills and facts they were suppose to learn.
- 3) Behaviour. Whether trainees behaviour changed because of the training programme.
- 4) Results. What final results were achieved in terms of the training objectives previously set? Did the number of complaints about employees drop? Did the reject rate improve ? Did the scrappage cost decrease? If desired results are not achieved then in the final analysis the training has not achieved it's goals.

Unit Structure

10.1.1 Introduction

10.1.2 Approaches to Evaluation of Training

10.1.3 Current Practices in Evaluation of Training

10.1.4 Using Computer to Automate Evaluation Process

10.1.5 Conclusion

10.2 New issues in Manpower Training and Career Development

10.3 Role of Training in Skill Development

10.3.1 Roles you can play

10.3.2 The 10-step Process for Developing Training Courses

10.4 Emerging issues in Training

10.4.1 Developing Training Packages

10.5 Training in Global Environment

10.1.1 INTRODUCTION

Training is a vital component for any organization or business to be successful. Thorough evaluation are needed to determine the most effective training programs and how best to implement them. Evaluation is an important part of most instructional design (ID) models. Evaluation tools and methodologies help determine the effectiveness of instructional

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interventions. Despite its importance, evaluations of training programs are often inconsistent or missing (Carnevale & Schulz, 1990; Holcomb, 1993; McMahan & Carter, 1990; Rossi et al, 1979). Reasons include : insufficient budget allocated; insufficient time allocated; lack of expertise; blind trust in training solutions; or lack of methods and tools (see, for example, McEvoy & Buller, 1990).

Part of the explanation may be that the task of evaluation is complex in itself. Evaluating training interventions with regard to learning transfer, and organizational impact involves a number of complexity factors. These complexity factors are associated with the dynamic and ongoing interactions of the various dimensions and attributes of organizational and training goals, trainees, training situations, and instructional technologies.

Evaluation goals involve multiple purposes at different levels. These purposes include evaluation of student learning evaluation of instructional materials, transfer of training, return on investment and so on. Attaining these multiple purposes may require the collaboration of different parts of an organization. Furthermore, not all goals may be well-defined and some may change.

Different approaches to evaluation of training indicating how complexity factors associated with evaluation are addressed below. Furthermore, how technology can be used to support this process is suggested. In the following section, different approaches to evaluation and associated models are discussed. Next, recent studies concerning evaluation practice are presented. In the final section, opportunities for automated evaluation systems are discussed. The article concludes with recommendations for further research.

10.1.2 APPROACHES TO EVALUATION OF TRAINING

Commonly used approaches to educational evaluation have their roots in systematic approaches to the design of training. They are typified by the instructional system development (ISD) methodologies, which emerged in the USA in the 1950s and 1960s and are represented in the works of Gagne and Briggs (1974), Goldstein (1993) and Mager (1962). Evaluation is traditionally represented as the final stage in a systematic approach with the purpose being to improve interventions (formative evaluation) or make a judgment about worth and effectiveness (summative evaluation) (Gustafson & Branch, 1997). More recent ISD models incorporate evaluation throughout the process (see, for example, Tennyson, 1999).

Six general approaches to educational evaluation can be identified (Bramley, 1991; Worthen & Sanders, 1987), as follows:

- Goal-based evaluation

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- Goal-free evaluation
- Responsive evaluation
- Systems evaluation
- Professional review
- Quasi-legal

Goal-based and systems-based approaches are predominantly used in the evaluation of training (Philips, 1991). Various frameworks for evaluation of training programs have been proposed under the influence of these two approaches. The most influential framework has come from Kirkpatrick (Carnevale & Schulz, 1990; Dixon, 1996; Gordon, 1991; Philips, 1991, 1997). Kirkpatrick's work generated a great deal of subsequent work (Bramley, 1996; Hamblin, 1974; Warr et al. 1978) Kirkpatrick's model (1959) follows the goal-based evaluation approach and is based on four simple questions that translate into four levels of evaluation. These four level are widely known as reaction, learning, behaviour and results. On the other hand, under the systems approach, the most influential models include : Context, Input Process, Product (CIPP) Model (Worthen & Sanders, 1987); Training Validation System (TVS) Approach (Fitz-Enz, 1994); and input, Process, Output, Outcome (IPO) Model (Bushnell, 1990). Table 1 presents a comparison of several system-based models (CIPP, IPO & TVS) with a goal-based model (Kirkpatrick's). Goal-based models (such as Kirkpatrick's four level) may help practitioners think about the purposes of evaluation ranging from purely technical to covertly political purpose. However, these models do not define the steps necessary to achieve purposes and do not address the ways to utilize results to improve training. The difficulty for practitioners following such models is in selecting and implementing appropriate evaluation methods (quantitative, qualitative or mixed). Because of their apparent simplicity, "trainers jump feet first into using [such] model[S] without taking the time to assess their needs and resources or to determine how they'll apply the model, and training ends up being evaluated only at the reaction, or at best, at the learning level. As the level of evaluation goes up, the complexities involved increase. This may explain why only levels 1 and 2 are used.

Kirkpatrick (1959)	CIPP Model (1987)	IPO Model (1990)	TVS Model (1994)
1. Reaction: To gather data on participants reactions at the end of a training program	1. Context: Obtaining information about the situation to decide on educational needs and establish program objectives.	1. Input: Evaluation of system performance indicators, such as, trainee qualification, availability of materials, appropriateness	1. Situation: Collecting pre-training data to ascertain current levels of performance within the organization and defining a desirable level of future performance.

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		of training, etc.	
<p>2. Learning: To assess whether the learning objectives for the programme are met.</p>	<p>2. Input: Identifying educational strategies most likely to achieve the desired result.</p>	<p>2. Process: Embraces planning, design, development and delivery of training programmes.</p>	<p>2. Intervention: Identifying the reason for the existence of the gap between the present and desirable performance to find out if training is the solution to the problem.</p>
<p>3. Behaviour: To assess whether job performance changes as a result of training.</p>	<p>3. Process: Assessing the implementation of the educational program.</p>	<p>3. Output: Gathering data resulting from the training interventions.</p>	<p>3. Impact: Evaluating the difference between the pre- and post-training data.</p>
<p>4. Results: To assess cost versus benefits of training programs, i.e., organizational impact in terms of reduced costs, improved quality of work, increased quantity of work, etc.</p>	<p>4. Product: Gathering information regarding the results of the educational intervention to interpret its worth and merit.</p>	<p>4. Outcomes: Longer-term results associated with improvement in the corporation's bottom line-its profitability, competitiveness, etc.</p>	<p>4. Value: Measuring differences in quality, productivity, service of sales all of which can be expressed in terms of dollars.</p>

Table 1. Goal-based and system-based approaches to evaluation

On the other hand, systems-based models (e. g, CIPP, IPO and TVS) seem to be more useful in terms of thinking about the overall context and situation but they may not provide sufficient granularity. System-based models may not represent the dynamic interactions between the design and the evaluation of training. Few of these models provide detailed descriptions of the processes involved in each steps. None provide tools for evaluation. Furthermore, these models do not address the collaborative process of evaluation, that is, the different roles and responsibilities that people may play during as evaluation process.

10.1.3 Current Practices in Evaluation of Training

Evaluation becomes more important when one considers that while American Industries, for example, annually spend up to \$ 100 billion on training and development, not more than “10 percent of these expenditures actually result in transfer to the job” (Baidwin & Ford, 1988, p.63). This can be explained by reports that indicate that not all training programs are consistently evaluated (Carnevale & Shulz, 1990). The American Society for Training and Development (ASTD) found that 45 percent of surveyed organizations only gauged trainees reactions to courses (Bassi & Vab Buren, 1999). Overall, 93% of training courses are evaluated at Level one, 52% of the courses are evaluated at Level Two, 31% of the courses are evaluated at Level Three and 28% of the courses are evaluated at Level Four. These data clearly represent a bias in the area of evaluation for simple and superficial analysis.

This situation does not seem to be very different in Europe, as evident in two European commission projects that have recently collected data exploring evaluation practices in Europe. The first one is the Promoting Added Value through Evaluation (PAVE) project, which was funded under the European Commission’s Leonardo da Vinci program in 1999 (Donoghue,1999). The study examined a sample of organizations (small, medium and large), which had signaled some commitment to training and evaluation by embarking on the UK’s Investors in People (Iip) standard (Sadler-Smith et al., 1999). Analysis of the responses to surveys by these organizations suggested that formative and summative evaluations were not widely used. In the majority of the cases, the responsibility for evaluation was that of managers and most frequently used methods were informal feedback and questionnaires. The majority of respondents claimed to assess the impact on employee performance (the ‘learning’ level). Less than one-third of the respondents claimed to assess the impact of training on organization (the results level). Operational reasons for evaluating training were cited more frequently than strategic ones. However, information derived from evaluations was used mostly for feedback to individuals, less to revise the training process, and rarely for return on investment decisions. Also, there were some statistically significant effects of organizational size on evaluation practice. Small firms are constrained in the extent to which they can evaluate their training by the internal resources of the firm. Managers are probably responsible for all aspects of training (Sadler-Smith et al. 1999).

The second study was conducted under the Advanced Design Approaches for Personalized Training- Interactive Tools (ADAPT IT) is a European project within the Information Society Technologies programme that is providing design methods and tools to guide a training designer according to the latest cognitive science and standardization principles (Eseryel & Spector, 2000). In an effort to explore the current approaches to instructional design a series of surveys conducted in a variety of sectors including transport, education, business and industry in Europe. The participants were asked about activities that take place including the

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interim products produced during the evaluation process, such as a list of revisions or an evaluation plan. In general, systematic and planned evaluation was not found in practice nor was their distinction between formative and summative evaluation. Formative evaluation does not seem to take place explicitly while summative evaluation is not fully carried out. The most common activities of evaluation seem to be the evaluation of student performance (i.e. assessment) and there is not enough evidence that evaluation results of any type are used to revise the training design (Eseryel et al. 2001). It is important to note here that the majority of the participants expressed a need for evaluation software to support their practice.

10.1.4 Using Computer to Automate Evaluation Process:

For evaluations to have a substantive and pervasive impact on the development of training programs, internal resources and personnel such as training designers, trainers, training managers and chief personnel will need to become increasingly involved as program evaluators. While using external evaluation specialists has validity advantages, time and budget constraints make this option highly impractical in most cases. Thus the mentality that evaluation is strictly the province of experts often results in there being no evaluation at all. These considerations make a case for the convenience and cost-effectiveness of internal evaluations. However, the obvious concern is whether the internal team possesses the expertise required to conduct the evaluation and if they do how the bias of internal evaluators can be minimized. Therefore, just as automated expert systems are being developed to guide the design of instructional programs (Spector et al., 1993), so might such systems be created for instructional evaluations. Lack of expertise of training designers in evaluation, pressures for increased productivity, and the need to standardize evaluation process to ensure effectiveness of training products are some of the elements that may provide motivations for supporting organization's evaluation with technology. Such systems might also help minimize the potential bias of internal evaluators.

Ross & Morrison (1997) suggest two categories of functions that automated evaluation systems appear likely to incorporate. The first is automation of the planning process via expert guidance; the second is the automation of the data collection process.

For automated planning through expert guidance, an operational or procedural model can be used during the planning stages to assist the evaluator in planning an appropriate evaluation. The expert program will solicit key information from the evaluator and offer recommendations regarding possible strategies. Input information categories for the expert system include:

- Purpose of evaluation (formative or summative)

- Type of evaluation objectives (cognitive, affective, behavioural, impact)
- Level of evaluation (reaction, learning, behaviour, organizational impact)
- Type of instructional objectives (declarative knowledge, procedural learning, attitudes)
- Type of instructional delivery (classroom-based, technology-based, mixed)
- Size and type of participant groups (individual, small group, whole group)

Based on this input an expert system can provide guidance on possible evaluation design orientations, appropriate collection methods, data analysis techniques reporting formats, and dissemination strategies. Such expert guidance can be in the form of flexible general strategies and guidelines (weak advising approach). Given the complexities associated with the nature of evaluation, a weak advising approach such as this is more appropriate than a strong approach that would replace the human decision maker in the process. Indeed, weak advising systems that supplement rather than replace human expertise have generally been more successful when complex procedures and processes are involved (Spector et al., 1993).

Such a system may also embed automated data collection functions for increased efficiency. Functionality of automated data collection systems may involve intelligence test scoring of procedural and declarative knowledge, automation of individual profile interpretations and intelligent advice during the process of learning (Bunderson et al., 1989). These applications can provide increased ability to diagnose the strengths and weaknesses of the training program in producing the desired outcomes. Especially, for the purposes of formative evaluation this means that the training program can be dynamically and continuously improved as it is being designed.

Automated evaluation planning and automated data collection systems embedded in a generic instructional design tool may be an efficient and integrated solution for training organizations. In such a system it will also be possible to provide advice on revising the training materials based on the evaluation feedback. Therefore evaluation data, individual performance data, and revision items can be tagged to the learning objects in a training program. ADAPT IT instructional design tool is one of the systems that provide such an integrated solution for training organizations (Eseryel et al. , 2001).

10.1.5 Conclusion

Different approaches to evaluation of training discussed herein indicate that the activities involved in evaluation of training are complex

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and not always well-structured. Since evaluation activities in training situations involve multiple goals associated with multiple levels, evaluation should perhaps be viewed as a collaborative activity between training designers, training managers, trainers, floor managers and possibly others.

There is a need for a unifying model for evaluation theory, research and practice that will account for the collaborative nature of and complexities involved in the evaluation of training. None of the available models for training evaluation seem to account for these two aspects of evaluation. Existing models fall short in comprehensiveness and they fail to provide tools that guide organizations in their evaluation systems and procedures. Not surprisingly, organizations are experiencing problems with respect to developing consistent evaluation approaches. Only a small percentage of organizations succeed in establishing a sound evaluation process that feeds back into the training design process. Evaluation activities are limited to reaction sheets and student testing without proper revision of training materials based on evaluation results. Perhaps lack of experience in evaluation is one of the reasons for not consistently evaluating. In this case, the organization may consider hiring an external evaluator, but that will be costly and time consuming. Considering the need for the use of internal resources and personnel in organizations, expert system technology can be useful in providing expert support and guidance and increase the power and efficiency of evaluation. Such expert systems can be used by external evaluators as well.

Strong, completely automated systems offer apparent advantages, but their development and dissemination lag behind their conceptualization. Future needs to focus on the barriers to evaluation of training, how training is being evaluated and integrated with the training design, how the collaborative process of evaluation is being managed and how they may be assisted. This will be helpful in guiding the efforts for both the unifying theory of evaluation and in developing automated evaluation systems.

10.2 New Issues in Manpower Training and Career Development

Major Issues that are related to manpower training are:

- 1) **Aligning training with business strategy:** Aligning training activities with business strategy has been a goal of most training units for a long time. This is because organizations have begun to realize that training is a tool not only for getting better job performance, but also for creating organization-wide adaptability.
- 2) **Changing demographics:** Most demographic shifts affect the business nowadays. Principle among these demographic shifts are:
 - Increased ethnic and cultural diversity.

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- Differing generational values
 - Significant fluctuations in generational birth rates
 - Aging of the population (baby boomers)
- 3) Knowledge workers : It is predicted that there will be a shortage of labour in areas requiring advanced or specialized knowledge and skill. Companies are now trying to find ways to maintain the competency levels of existing employees and provide appropriate competencies to new employees.
 - 4) Training as a continuous improvement: Effective training is a continuous performance improvement process. Training does not start and stop with each program. The training function in organizations continuously searches for performance improvement opportunities.
 - 5) Quality: High quality products and services are necessary to stay in business in today's competitive markets and thus have priority for most businesses. Once a company takes a decision to ensure quality measures it, therefore, is prepared to engage in a substantial amount of training.
 - 6) Legal Issues: Equal employment opportunity, affirmative action, sexual harassment and related legislation have placed legal requirements on business that affect how training is managed.

Some of the important legal issues are:

- Equity
 - Required training
 - Liability for injury or illness
 - Confidentiality
 - Copyrighted materials
- 7) Job analysis as an indicator: An effective job analysis should be done in order to find the deficiency in the employee's knowledge and skill so that these gaps are filled. Therefore, job descriptions and job specifications will help in indicating the strengths and weaknesses.
 - 8) Trainer training: In order for training programs to be more efficient, it is important that the trainers themselves should have adequate and specialized type of training.
 - 9) Technology: The methods and techniques used by the trainers should provide an active participation of the trainees in the learning process, so that they have grasp and assimilation of the knowledge and information gained through various methods and techniques.

10.3.1 Roles you can Play

COACH: Helps employees identify strengths, weaknesses, interests, and values by maintaining open, effective communication and ongoing encouragement. You can improve your coaching by:

- Encouraging two-way dialogue
- Showing employees how to identify their skills, interests, and values
- Scheduling uninterrupted career development discussions

ADVISOR: Provides organizational information, realities, and resources to employees.

You can improve your advising by:

- Helping employees develop realistic career goals based on your department's needs and their individual development plans
- Helping employees understand the current opportunities and limitations on the campus
- Advising employees on the feasibility of various career options

APPRAISER: Evaluates employee's performance in an open, candid way and relates this to potential opportunities. You can improve your appraisal skills by:

- Providing frequent feedback in a way that fosters development
- Conducting performance appraisals that define strengths, weaknesses, and career development needs
- Relating current performance to future potential in realistic ways
- Using an individual development plan as a tool for continual feedback and development

REFERRAL AGENT: Helps employees meet their goals through contacts with people and resources. You can improve your referral agent skills by:

- Helping employees formulate development plans and consulting on strategies
- Providing opportunities for experience, exposure, and visibility, such as committees and task forces
- Using personal resources who you know and what you know to create opportunities
- Assisting in seeking employees placement lateral or vertical.

10.3.2 The 10-Step Process For Developing Training Courses

The process for developing performance-based training includes the following 10 steps. The first four steps constitute the task analysis that is necessary to design and develop relevant, useful training materials. Steps-5 constitute the design and development process.

1. Define the target population for training.
2. List the tasks to be performed by the target population on the job.
3. List the skills and knowledge needed to do the tasks.
4. Select the skills and knowledge to be taught. (These make up the “training objectives”).
5. Organize the selected skills and knowledge into suitable teaching units (modules) and develop the training design (including brief outlines of Module content and planned training methods).
6. Draft expanded outlines of modules, including instructional objectives, main body of text, and descriptions of training methods, examples and exercises.
7. Experts provide realistic examples and information for use in exercises.
8. Draft the complete modules, facilitator guidelines and course director guidelines.
9. Field-test the training materials.
10. Revise and finalize training materials on the field test.

10.4 EMERGING ISSUES IN TRAINING

The general training objectives need to be broken into various components such as knowledge, skill, attitude and understanding. For each constituent, specific contents are decided, appropriate methods chosen and time frame specified. It is useful to work out in detail the specification for each constituent part called event or block in terms of

- A. General objectives
- B. Specific objectives
- C. Content
- D. Method
- E. Teaching aid needed
- F. Time required

- G.** Evaluation
- H.** Resource Persons

10.4.1 Developing Training Packages:

After analyzing each constituent segment of the objectives, a number of training packages can be developed to provide the organization with various alternative ways of achieving the objectives. For example, for meeting the objectives of helping middle managers acquire human relations skills the following training packages may be suggested.

Package 1- One week full time residential program.

Package 2- One week full time non residential programme.

Package 3- Two weeks part-time non residential training after working hours.

Through the analysis already done of the content, method, resources, facilities and time required, it will be possible and advisable to work out budget for each of the packages so as to enable the decision makers to select the appropriate package.

Such a training package should also contain a detailed syllabus with proper sequencing of content and themes, consistency in their arrangement, and an appropriate mix of training methods. Today psychology has a fund of knowledge that can be applied with extremely beneficial results in the matter of training of all sort and at all the levels of organization. The psychological principles can serve as guidelines in drawing sounder and more satisfactory training programmes in industry.

Other advantages of implementation of a well drawn out and sound training programme in industries are reduced turnover, absenteeism, dissatisfaction accident scrap and increased production. Training is an investment in HR with a promise of better return in future.

10.5 TRAINING IN GLOBAL ENVIRONMENT

Training in global environment are organized around three pillars namely Education, Training and Networking.

Education:

Focuses on: Inspiring, informing, mentoring, supporting and facilitating institutions of higher learning to undertake curriculum innovations for sustainability. Additionally, institutions of higher learning are encouraged to reorient their curricula in support of sustainable development.

The Education pillar also focuses on: Inspiring, encouraging, and supporting universities to develop and implement their own transformative strategies for establishing green, resource-efficient and low carbon

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campuses. This provides an opportunity to build stakeholder capacity to deliver systemic, institution-wide integration of sustainability principles into all aspects of university business with the view to improve the sustainability performance of universities globally and to provide support to other stakeholders embarking on their own sustainability journeys. Further, this initiative aims to enhance the practical relevance of universities to sustainable development.

Current initiatives include: Guidance to universities and other institutions of higher learning on curriculum review and reorientation towards sustainable development, in line with the principles of Education for Sustainable Development (ESD); Greening

Universities initiative; Environment and Sustainability Seminars and Leadership Programmes and ;Development dissemination of information and knowledge resources e.g. Source Books to aid development of graduate level (masters) curricula and programmes on Green Economy and Ecosystems Management.

Training

Focuses on developing applied competence by enhancing knowledge and awareness on UNEP's priority thematic areas as well as equipping the target audience (mainly mid-level managers and policy makers) with relevant skills, values and attitudes on key environmental and sustainability themes, issues and emerging concepts such as 'Green Economy'. This is implemented through scheduled training courses and leadership programmes in universities.

Current training programmes include: The International Post-graduate Training Programme on Environmental Management (Dresden University, Germany) ; Youth Encounter on Sustainability (YES)/ Activating Talent in Sustainability (ACTIS) programme; sustainable Communities Course (Helsinki University of Technology, Finland) ; International Environmental Law-making and Diplomacy Training (University of Joensuu, Finland), International training Programme (ITP) on Education for Sustainable Development (ESD) (Ramboll Natura , AB, Sweden), UNEP-Tongji Institute of Environment for Sustainable Development Training Courses (Tongji University, China), Central Asian Leadership Programme on Education for Sustainable Development and UNEP / WATSON Scholars of the Environment (Brown University, U.S.A.).

Networking

Focuses on encouraging and strengthening regional and sub-regional higher education networks for environment and sustainability. These are modeled around continents, UNEP regions as well as the North-South and South-South frameworks. It also aims to further establish linkages with other higher education initiatives for sustainability around the world and recognize programmes of excellence.

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Some flagship networking initiatives include : Mainstreaming Environment and Sustainability in African Universities (MESA) for Africa, Mainstreaming Environment and sustainability in the Caribbean Universities (MESCA) for the Caribbean and, the Regional University Consortium (RUC) for Asia and the Pacific. All these feed into the Global Universities Partnership on Environment for Sustainability (GUPES). Sustainable societies of Africa. This is vital contribution to the efforts of universities throughout Africa to contribute in a real and sustainable manner to development in Africa. In both design and content, the United Nations Environment Programme (UNEP) and the Environic Foundation International (EFI) have produced a valuable tool for both improving the quality of higher education in Africa and the quality of life for graduates and their communities.

Environment Awareness Programme : The promotion and support of structured and continued environmental awareness raising initiatives aimed at developing informed citizens able to critically engage in decision making and action taking for sustainable development.

Training Programmes : The promotion and strengthening of professional development and training programmes that are empowering, tolerant of diversity, and contextually responsive to local and regional environmental and development issues.

Ongoing research and Training Programme : Facilitating ongoing research to enhance the quality and effectiveness of environmental education and training programmes for all sectors of society as well as the use of information and communication technology skills.

Training Programmes : The promotion and strengthening of professional development and training programmes that are empowering, tolerant of diversity, and contextually responsive to local and regional environmental and development issues.

Networking and Partnership : The establishment and strengthening of mechanisms for flexible, cross-sectoral, governmental cooperation amongst relevant organizations, institutions and civil society to enhance the shared development and wise use of environmental education resources programmes.

Promotion of Environmental Education : Strengthening of UNEP's advocacy role in enabling policy and resource allocation decisions within political, economic, social and environmental agencies, institutions and the private sector.

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Key Words:

Advanced Design Approaches for Personalized Training – Interactive Tools (ADAPT IT) is a European project within the Information Society Technologies programme that is proving design

methods and tools to guide a training designer according to the latest cognitive science and standardization principles.

Automated expert systems-are being developed to guide the design of instructional programs

Automated planning through expert guidance, an operational or procedural model can be used during the planning stages to assist the evaluator in planning an appropriate evaluation.

Aligning training with business strategy- a tool for creating organization-wide adaptability.

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Self Assessment Questions

- 1 What are the general approaches to evaluation program?
- 2 Presents a comparison of several system-based models (CIPP, IPO & TVS) with a goal-based model (Kirkpatrick’s).
- 3 Discuss Ross & Morrison (1997) suggested two categories of functions that automated evaluation systems appear likely to incorporate.
- 4 Elaborate on the major Issues that are related to manpower training
- 5 Describe the 10-steps Process For Developing Training Courses.

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