

BHARATHIDASAN UNIVERSITY

(Re-accredited with 'A' Grade by NAAC)

CENTRE FOR DISTANCE EDUCATION

PALKALAIERUR, TIRUCHIRAPPALLI – 24



**M.B.A
CORE COURSE XI**

II – Semester

HUMAN RESOURCE MANAGEMENT

Chairman:

Dr. V.M Muthukumar
Vice-Chancellor
Bharathidasan University
Tiruchirappalli – 620 024.

Co-Ordinator:

Dr. R.Babu Rajendren
Registrar i/c
Centre for Distance Education
Bharathidasan University
Tiruchirappalli – 620 024.

Course Director:

Dr.V.Vinod Kumar
Director i/c
Centre for Distance Education
Bharathidasan University
Tiruchirappalli – 620 024.

The Syllabus Revised from 2017-18 onwards

Lesson Writer:

Dr.S.A.Sirajudeen
Associate Professor & Head,
PG&Research
Dept.of Management Studies,
J.J College of Arts & Science (A)
Pudukottai – 622 422.

CORE COURSE XI

HUMAN RESOURCE MANAGEMENT

Objectives:

The course aims at introducing the students to various aspects of human resources management. The important functions of a human resources manager such as recruitment and selection processes interview methods. Performance appraisal, training and development, disciplinary procedures, collective bargaining and employee welfare.

Unit I: Perspectives in Human Resource Management

Evolution of Human Resource Management – The Importance of the Human Factor – Objectives of Human Resource Management – Role of Human Resource Manager – Human Resource Policies – Understanding business process in the context of Human Resource Management – Computer Applications in Human Resource Management.

Unit II: The concept of Best-fit Employee

Importance of Human Resource Planning – Forecasting Human Resource requirements – Internal and External sources. Selection Process – Screening – Tests – Validation – Interview – Medical Examination – Recruitment. Induction – Importance – Practices Socialization benefits.

Unit III: Training and Executive Development

Types of training methods – Purpose – Benefits – Resistance. Executive development programmes – Common practices – Benefits – Self Development .

Unit IV: Sustaining Employee Interest

Compensation Plans – Rewards – Motivation – Theories of motivation – career Management – Developing Mentor – Portage Relationships.

Unit V: Performance Evaluation and Control Process

Methods of Performance Evaluation – Feedback – Industry practices, Promotion, Demotion, Transfer and Separation – Implications of job change. The control process – Importance – Methods – Requirements of Effective Control System. Grievances – causes – Implications – Redressed Methods – Gender Sensitivity.

Recommended Text book :

1. Human Resource Management By MIRZA – S – Saiyadain Tata Mcgraw Hill Co.
Email: mark_pani@mcgrawhill.com
2. Human Resource Management by Chitra Atmavam Naik, ANE books PVT Ltd., Chennai.
3. Human Resource Management By P. Jothi and D.N. Venkatesh, Oxford University Press, Chennai.
4. Human Resource Management By K. Aswathappa – Tata Mcgraw Hill Co.
5. Human Resource Management By Biswajeet Pattanayak, PHI learning India PVT Ltd.,
6. Human Resource Management By SK. Sharma Global India Publications PVT Ltd., New Delhi. Email: info@globalindiapublications.com
7. Introduction to Human Resource management by Paul Banfield and Rebecca kay – Oxford University press, Chennai.
8. Managing Human Resource by Fisher, Schoenfeldt and shaw, cengage learning.
9. Managing Human Resources By Wayne.F Cascio, Tata Mcgraw Hill Co.
10. For Unit V: Advanced Human Resource management by SC Gupta, ANE Books, Chennai.
11. Human Resource management in practice, Srinivas R. Kandula PHI learning India PVT Ltd.,
12. Strategic Human Resource Management, By Nayantara – Atlantic publishers (P) Ltd., Chennai. Email: chennai@atlanticbooks.com

UNIT - I

PERSPECTIVES IN HUMAN RESOURCES MANAGEMENT

Human Resource Management (HRM or HR) is the management of human resources. Commonly referred to as the HR Department, it is designed to maximize employee performance in service of an employer's strategic object. HR is primarily concerned with the management of people within organizations, focusing on policies and on systems. HR departments are responsible for overseeing employee-benefits design, employee recruitment, training and development, performance appraisal, and rewarding (e.g., managing pay and benefit systems). HR also concerns itself with organizational change and industrial relations, that is, the balancing of organizational practices with requirements arising from collective bargaining and from governmental laws.

HR is a product of the human relations movement of the early 20th century, when researchers began documenting ways of creating business value through the strategic management of the workforce. It was initially dominated by transactional work, such as payroll and benefits administration, but due to globalization, company consolidation, technological advances, and further research, HR as of 2015 focuses on strategic initiatives like mergers and acquisitions, talent management, succession planning, industrial and labor relations, and diversity and inclusion.

Human resources focuses on maximizing employee productivity. HR professionals manage the human capital of an organization and focus on implementing policies and processes. They can specialise on recruiting, training, employee-relations or benefits. Recruiting specialists find and hire top talent. Training and development professionals ensure that employees are trained and have continuous development. This is done through training programs, performance evaluations and reward programs. Employee relations deals with concerns of employees when policies are broken, such as in cases involving harassment or discrimination. Someone in benefits develops compensation structures, family-leave programs, discounts and other benefits that employees can get. On the other side of the field are Human Resources Generalists or business partners. These human-resources professionals could work in all areas or be labor-relations representatives working with unionized employees.

In startup companies, trained professionals may perform HR duties. In larger companies, an entire functional group is typically dedicated to the discipline, with staff specializing in various HR tasks and functional leadership engaging in strategic decision-making across the business. To train practitioners for the profession, institutions of higher education, professional associations, and companies have established programs of study dedicated explicitly to the duties of the function. Academic and practitioner organizations may produce field-specific publications. HR is also a field of research study that is popular within the fields of management and industrial/organizational psychology, with research articles appearing in a number of academic journals, including those mentioned later in this article.

Some businesses globalize and form more diverse teams. HR departments have the role of making sure that these teams can function and that people can communicate across cultures and across borders. Due to changes in commerce, current topics in human resources include diversity and inclusion as well as using technology to advance employee engagement. In the

current global work environment, most companies focus on lowering [employee turnover](#) and on retaining the talent and knowledge held by their workforce. New hiring not only entails a high cost but also increases the risk of a newcomer not being able to replace the person who worked in a position before. HR departments strive to offer benefits that will appeal to workers, thus reducing the risk of losing [corporate knowledge](#).

We often hear the term Human Resource Management, [Employee Relations](#) and [Personnel Management](#) used in the popular press as well as by Industry experts. Whenever we hear these terms, we conjure images of efficient managers busily going about their work in glitzy offices.

“**what is HRM ?**” by giving a broad overview of the topic and introducing the readers to the practice of HRM in contemporary organizations. Though as with all popular perceptions, the above imagery has some validity, the fact remains that there is much more to the field of HRM and despite popular depictions of the same, the “art and science” of HRM is indeed complex. We have chosen the term “art and science” as HRM is both the art of managing people by recourse to creative and innovative approaches; it is a science as well because of the precision and rigorous application of theory that is required.

The process of defining HRM leads us to two different definitions. **The first definition of HRM is that it is the process of managing people in organizations in a structured and thorough manner.** This covers the fields of staffing (hiring people), retention of people, pay and perks setting and management, performance management, change management and taking care of exits from the company to round off the activities. This is the traditional definition of HRM which leads some experts to define it as a modern version of the Personnel Management function that was used earlier.

The second definition of HRM encompasses the management of people in organizations from a macro perspective i.e. managing people in the form of a collective relationship between management and employees. This approach focuses on the objectives and outcomes of the HRM function. What this means is that the HR function in contemporary organizations is concerned with the notions of people enabling, people development and a focus on making the “employment relationship” fulfilling for both the management and employees.

These definitions emphasize the difference between Personnel Management as defined in the second paragraph and human resource management as described in the third paragraph. To put it in one sentence, **personnel management is essentially “workforce” centered whereas human resource management is “resource” centered.** The key difference is HRM in recent times is about fulfilling management objectives of providing and deploying people and a greater emphasis on planning, monitoring and control.

“what is HRM?” is that it is all about people in organizations. No wonder that some MNC’s (Multinationals) call the HR managers as People Managers, People Enablers and the practice as people management. In the 21st century organizations, the HR manager or the people manager is no longer seen as someone who takes care of the activities described in the traditional way. In

fact, most organizations have different departments dealing with Staffing, Payroll, and Retention etc. Instead, the HR manager is responsible for managing employee expectations vis-à-vis the management objectives and reconciling both to ensure employee fulfillment and realization of management objectives.

In conclusion, this article has briefly touched upon the topic of HRM and served as an introduction to HRM. We shall touch upon the other topics that this field covers in other articles.

Following are the important **concepts of Human Resource Management:**

- [Importance of HRM](#)
- [Scope of HRM](#)
- [Various Processes in HRM](#)
- [What is Human Resource Planning ?](#)
- [The HRM Function](#)
- [Functions of a Human Resource Manager](#)
- [Staffing Role of the HR Manager](#)
- [Role of HRM in Leadership Development](#)
- [Role of HR in People Empowerment](#)
- [Talent Management and HRM](#)
- [Performance Management as a HR Management Concept](#)
- [Hiring Strategies](#)
- [Retention Strategies](#)

Virtual human resources

Technology has a significant impact on human resources practices. Human resources is transitioning to a more technology-based profession because utilizing technology makes information more accessible to the whole organization, eliminates time doing administrative tasks, allows businesses to function globally and cuts costs. Information technology has improved HR practices in the following areas:

E-Recruiting

Recruiting has mostly been influenced by information technology. In the past, recruiters had relied on printing in publications and word of mouth to fill open positions. HR professionals were not able to post a job in more than one location and did not have access to millions of people, causing the lead time of new hires to be drawn out and tiresome. With the use of e-recruiting tools, HR professionals can post jobs and track applicants for thousands of jobs in various locations all in one place. Interview feedback, background and drug tests, and onboarding can all be viewed online. This helps the HR professionals keep track of all of their open jobs and applicants in a way that is faster and easier than before. E-recruiting also helps eliminate limitations of geographic location. Jobs can be posted and seen by anyone with internet access. In addition to recruiting portals, HR professionals have a social media presence that allows them to attract employees through the World Wide Web. On social media they can build the company's brand by posting news about the company and photos of fun company events.

Human Resources Information Systems (HRIS)

Human resources professionals generally process a considerable amount of paperwork on a daily basis. This paperwork could be anything from a department transfer request to an employee's confidential tax form. In addition to processing this paperwork, it has to be on file for a considerable period of time. The use of Human Resources Information Systems (HRIS) has made it possible for companies to store and retrieve files in an electronic format for people within the organization to access when needed. This eliminates thousands of files and frees up space within the office. Another benefit of HRIS is that it allows for information to be accessed in a timelier manner. Instead of HR professionals having to dig through files to gain information, it is accessible in seconds via the HRIS. Having all of the information in one place also allows for professionals to analyze data quicker and across multiple locations because the information is in a centralized location. Examples of some Human Resources Information Systems are [PeopleSoft](#), MyTime, SAP, Timeco, and JobsNavigator.

Training

Technology makes it possible for human resources professionals to train new staff members in a more efficient manner. This gives employees the ability to access onboarding and training programs from anywhere. This eliminates the need for trainers to meet with new hires face to face when completing necessary paperwork to start. Training in virtual classrooms makes it possible for the HR professionals to train a large number of employees quickly and to assess their progress through computerized testing programs. Some employers even incorporate an instructor with virtual training so that new hires are receiving the most vital training. Employees can take control of their own learning and development by engaging in training at a time and place of their choosing, helping them manage their work-life balance. Managers are able to track the training through the internet as well, which helps to reduce redundancy in training and training costs. Skype, virtual chat rooms, and interactive training sites are all resources that enable a more technological approach to training to enhance the experience for the new hire.

Human Resource Manager Job Description and Responsibilities

Human resource managers are responsible for ensuring that the overall administration, coordination, and evaluation of human resources plans and programs are realized. Therefore, their essential job responsibilities include:

- Developing and administering human resources plans and procedures that relate to company personnel
- Planning, organizing, and controlling the activities and actions of the HR department
- Contributing to the development of HR department goals, objectives, and systems

These responsibilities involve achieving the following tasks:

- Implementing and revising a company's compensation program

- Creating and revising job descriptions
- Conducting annual salary surveys
- Developing, analyzing, and updating the company's salary budget
- Developing, analyzing and updating the company's evaluation program
- Developing, revising, and recommending personnel policies and procedures
- Maintaining and revising the company's handbook on policies and procedures
- Performing benefits administration
- Maintaining affirmative action programs
- Overseeing recruitment efforts for all personnel, including writing and placing job ads
- Conducting new employee orientations and employee relations counseling
- Overseeing exit interviews
- Maintaining department records and reports
- Participating in administrative staff meetings
- Maintaining company directory and other organizational charts
- Recommending new policies, approaches, and procedures

Although in smaller organizations human resource managers may be responsible for all of the above named duties, these HR professionals in larger organizations may have more specialized duties. In these settings, these specialized managers may be referred to as compensation and benefits managers, training and development managers, and the like.

As supervisors, human resource managers are responsible for the oversight of all employees in the HR department, which includes performance management of HR employees. For example, they would be in a position to make recommendations to an organization's leadership based on analyses of worker productivity. Their value is often realized as they identify ways to maximize the value of the organization's employees and ensure all human resources are being utilized as efficiently as possible.

What it Takes to Become a Human Resource Manager?

Human resource managers possess excellent decision-making, strategic thinking, leadership, interpersonal, and ethical conduct skills. Beyond these traits, however, human resource managers must be well-educated in their field of expertise.

Human resource managers typically possess a bachelor's degree and human resources experience, although many employers prefer their human resource managers to possess a master's degree in human resource management.

Bachelor's degrees in human resources may be structured as:

- Bachelor of Science/Bachelor of Arts in Human Resource Management
- Bachelor of Science/Bachelor of Arts in Management with a concentration in HR
- Bachelor of Business Administration (BBA) with a concentration in one of the following:

- Human resources
- Organizational behavior
- Management and leadership
- Industrial relations

The U.S. Department of Labor reports that candidates who possess professional certification or a master's degree (particularly those with a concentration in HR management) likely have the best prospects to become human resource managers. Further, candidates with a solid background in policies, employment law, and human resources are also expected to enjoy more job opportunities.

As such, popular graduate degrees for human resource managers include:

- Master of Arts/Master of Science in Human Resource Management
- Master of Arts/Master of Science in Management with an HR concentration
- Master of Business Administration (MBA) with a concentration in:
 - Human Resource Management/Organizational Leadership
 - Leadership Development
 - Human Capital Development
 - Organizational Behavior
 - Labor Relations
 - Industrial Relations

Professional certification for human resource managers is also commonplace with these HR professionals most often possessing one or more of the following designations:

- Society of Human Resource Management (SHRM)
 - SHRM-CP (certified professional)
 - SHRM-SCP (senior certified professional)
- **HR Certification Institute (HRCI)**
 - Professional in Human Resources (PHR)
 - Senior Professional in Human Resources (SPHR)
 - Global Professional in Human Resources (GPHR)
 - Human Resource Management Professional (HRMP)
 - Human Resource Business Professional (HRBP)
 - California Certification for PHR and SPHR certified professionals

Human resource management policies

HR policies are continuing guidelines on the approach an organization intends to adopt in managing its people. They represent specific guidelines to HR managers on various matters concerning employment and state the intent of the organization on different aspects of Human Resource management such as recruitment, promotion, compensation, training, selections etc.^[2] They therefore serve as a reference point when human resources management practices are being developed or when decisions are being made about an organization's workforce.

A good HR policy provides generalized guidance on the approach adopted by the organization, and therefore its employees, concerning various aspects of employment. A procedure spells out precisely what action should be taken in line with the policies.

Each organization has a different set of circumstances and so develops an individual set of human resource policies. The locations an organization operates in will also dictate the content of their policies.

Computer Application and Human Resource Management

The computer application in human resource management is the managerial applications of computer use which is usually known as management information system. In case of Human Resource Management, it is known as Human Resource Information System (HRIS). Computer converts the data into meaningful information needed by the manager to make decisions, planning and control.

Today HRIS is computer based information system. Manager as a decision maker is a processor of information. He must possess the ability to obtain the information, store the information, process and retrieve the information and use it for the right decision.

ADVERTISEMENTS:

Today knowledge is increasing with the tremendous speed. There is an explosion of knowledge. Current information is very essential for right decision.

Speed and accuracy is the special feature of computer. The machine does not get bored or fatigued. It can handle any quantity of data. The speed and accuracy of computer has led to

speedy transactions and other business operations. The information is made available to management more quickly. Computer provides large and sophisticated database to the manager that can be used at appropriate time for making decisions.

Today's computer languages are user friendly that allow manager to learn enough skills in a short time ranging from a day or two to have an access to the most of their demand for immediate and ad hoc information provided data are properly collected, organized and stored in a computer. Management must insist on economic quality the quality which is cost effective. It should establish quality standards that reflect needs of the organisation. It can be easily done through "Quality Circles". They should focus their attention on programming techniques, documentations, new technology use etc. Computer is a time saver device.

Data and Information:

There is a distinction between data and information. Data are facts and figures in the form of historical records that are not used in making decisions. Information on the other hand consists of data which are retrieved and processed and used for making decisions, forecasting and argument. Processed data is information.

Decisions Support System:

Decision support system aids the manager in decision making. According to R. H. Sprague and E. D. Karlson, decision support system is, "an interactive computer based system that helps decision makers utilizes data and models to solve unstructured problems."

A decision support system can be created in which senior and experienced manager's procedures and methods of decision making can be replicated. It will help the managers immensely to arrive quickly at a decision on any problem related to human resources of the organisation.

DSS facilitates the present executive to have experts' advice at his finger tips. The system is user friendly. It provides a readymade advice to the executive. DSS for several human resources problems can be developed and kept ready. DSS helps an executive to plan for future.

Data base Management System:

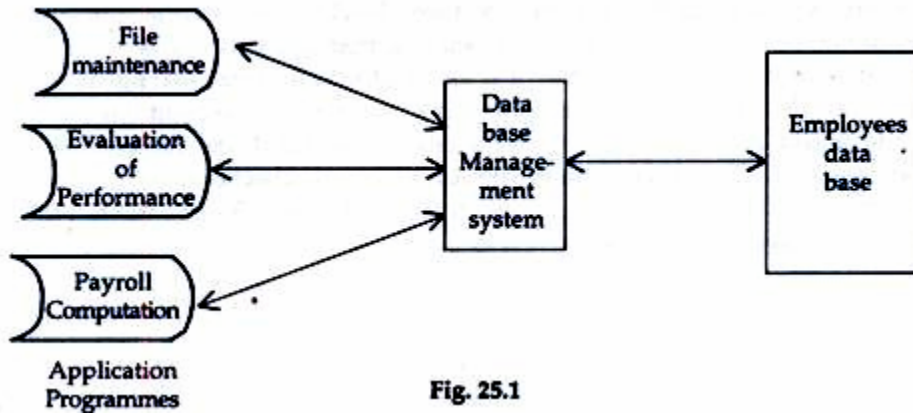
It is a collection of software for processing interrelated data. In large organisations there is an expansion in succession at the bottom structure. They face with a problem of integrating the organisations human resources information.

Their activities should be integrated. The information about their activities should be integrated. There are several software packages that are developed to integrate the data contained in a data base. Such software packages are known as database management systems.

The data base management systems are special computer programmes enabling user to create, manipulate, retrieve and maintain file data. The database management system facilitates creation, addition, deletion and modification and sorting of records.

It also helps in preparing printed reports as per required specifications. It helps in arranging the data in desired sequence. It acts as an interface between applications programme and the office files.

The Figure Given Below Is An Illustration:



Data base management system provides access to file inquiries and information, other details regarding employees, updates records, creates reports etc. It makes efficient use of computerized storage space.

Management Information System:

Management information system or MIS is the old concept. The computerized MIS is new. Executives used MIS for planning and control. Computerized MIS added new dimensions by way of increased speed and accuracy. The use of computer has made the management information system feasible. It is not necessary that management information system should be computerized. There are host of tasks that are performed perfectly by employees and executives but there are certain tasks that can be speedily and accurately performed by this electronic machine” computer.

According to Gordon B. Davis and Margrethe H. Olson management information system is, “an integrated, user machine system for providing information to support operations, management and decision making functions in an organisation. The system utilizes computer hardware and

software; manual procedures; models for analysis, planning, control and decision making; and a data base.”

MIS helps in integrating organisational information. In respect of human resources management it helps in having the integrated information in respect of human resources of the organisation.

The information can be utilized by anyone needing it for which the knowledge of computer is not essential. Simply knowledge of using it will do. MIS is a support system for various functions of management.

Organisation is a techno-economic and social system. MIS draws upon the organisation, organisation theory and management. It helps in understanding organisational structure and design, organisational change processes, motivation, decision making, organisational behaviour pattern etc.

Organisation is a system consisting several subsystems based on functional activities such as Production, Marketing, Personnel, Finance, Sales, Accounting, and Materials etc. MIS tries to bring about their integration for smooth working. Human resources are used in each system manning respective positions.

MIS helps in providing integrated information in respect of all human resources of the organisation. The information system should match managerial needs of the organisation. Computer Applications in Human Resource Management programme and the office files. The figure given below is an illustration.

Management’s Needs and Information Systems:

The information systems come to the rescue of employees and executives while performing their jobs at their workplace. The system helps them to improve their performance leading to complete job satisfaction. The information needed by the executives differ in quantity and quality according to their position and level in the organisational hierarchy.

Traditionally the management of organisation has a pyramidal shape, i.e. narrower at the top having flattened base. This organisational pyramid can be divided into three levels; top, middle and lower. Top management consists of top level managers such as managing directors, chief executive officer etc., the middle level management consists of middle level management i.e., the departmental heads and lower level of management consists of the front line supervisors, superintendents and other operational staff. For performing the works they require different types of information. The information for performance can also be divided, according to these levels because the decisions to be made differ according to the managerial hierarchy.

It is shown in the diagram given below:

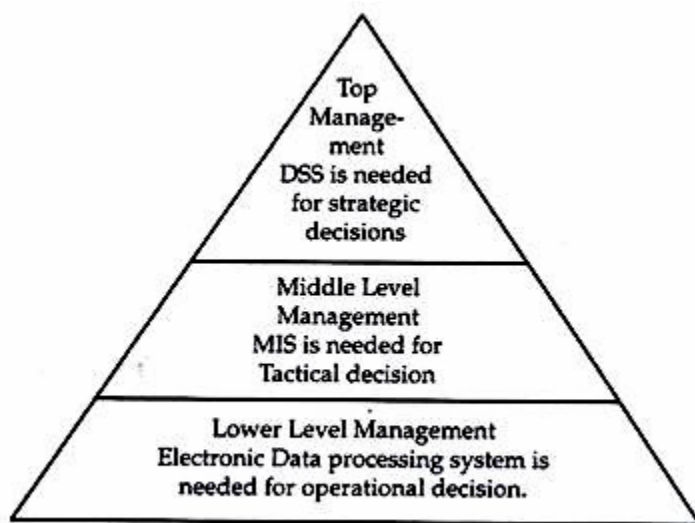


Fig. 25.3 Levels of Management in an Organisation

The top level management requires Decision Support System or DSS to frame organisational strategy in respect of various aspects of organisation. They may frame the strategy in respect of human resources of the organisation. They have to take strategic decisions requiring an interactive computer based system which is known as decision support system.

The middle level management has to make tactical decisions for which they need the data base system known as management information system or MIS. Lower level management has to make operational decisions for actual work performance, the system they require for the purpose is known as the electronic data processing system or EDP system.

The information needed by the executive depends on the technical background, decision making ability and managerial leadership style adopted nature of the corporate body structure of organisation and executive's perception of requirements of information.

Human Resource System:

Human resource is actually a subsystem of a system, the organisation. Human resource system includes acquisition of human resources, their training and development, compensation, other benefits, health and safety, job analysis, job description, job specification, performance evaluation, job evaluation, other information relating to human resources such as skill, competence, experience, their yearly increments, bonus, cost of acquiring human resources, cost of training, composing skill inventory, strategy in respect of acquisition, retention of human resources etc.

The complete information in all these respects is to be kept ready at hand. Computers aid in keeping all these information and make it available at the fingertips of human resource manager. Human resources are the part of the whole system. They are working in all functional areas of the organisation manufacturing, marketing, sales, finance, logistics, research and development, advertising, etc.

Complete information is to be stored, compiled, processed, retrieved along with the external agencies like government, dealers, wholesalers, financiers, suppliers etc. A system oriented human resource function integrates and interrelates with other functions of the organisation.

The computerized human resource system is known as human resource information system or HRIS. It is dealt with in the chapter Human Resource Planning earlier.

HRIS maintains the up to date information relating to all aspects of human resources of the organisation and works as decision support system. Its input is raw data and output is information. It is a system that acquires, manipulates, analyses, stores, retrieves and makes available the instant information in respect of human resources of the organisation. The information is finished and structured one. Some personnel's are required to work with the system. They include Systems Manager who is responsible for planning, monitoring and controlling the activities relating to computerization.

System Analyst is another personnel required in the system to study and analyze the problems and prepare solutions and programme specifications. The third personnel in the system and in the hierarchy are the Programmer. More programmers are required to prepare computer programmes based on specifications prepared by system analyst. The fourth personnel in the system who works at the lowest level in the hierarchy is the Data Entry Operator.

More such operators are required who are responsible for entering the data into computer system. This man machine interface is known as human ware or livewire. These people prepare several software's and databases and pass on the information on line by making these systems accessible. In this way eliminating waste and achieve significant improvements in data quality, thus helping the line managers to solve their human resource problems.

The computerized systems have added value to the human resource development and management giving an opportunity to emerge as power base in the organisation. Now the electronic mail, computer to computer links and videoconferencing have brought about transformation of human resource function. It has also brought down the overhead costs incurred.

The human resource management system consists of several inputs and outputs and other activities and processes working through information media. The system possesses a computerized data base management system, programme for cross checks for accuracy, modules for performing specific functions and a facility for special information to be provided on query.

Computer use in HRM:

The modern technology has brought in sea changes and transformed the organisational structure, working and culture. Computers and computer programmes have flooded into the organisations of all kinds and types giving no chance to escape from their influence. They are widely used in human resource management.

Human Resource Planning:

The vast data is required for human resource planning. Top management wants to prepare a long-term strategic planning for human resources. Human resource information system provides necessary information required for making essential projections regarding human resources requirements. The information can also be utilized for acquiring human resources, their promotion, transfer and career planning. Job analysis information helps in human resource planning.

Acquisition of Human Resources:

Acquisition of human resources is done through recruitment and selection. Human resource information system is a tool that provides a lot of help in internal posting of jobs which is done through recruitment. It is an internal source of recruitment. The complete information regarding skill, competence, knowledge, experience, training, educational qualification, age, sex etc.

available to the human resource executive through HRIS enabling him to fill up the vacant position by way of promotion or transfer.

External recruitment also made easy with the help of computerized information's maintained by the organisations by way of keeping a track record of unsolicited applicants and at times taking the help from private employment agencies who maintain databases regarding various types of human resources available in different organisations and or other persons in search of jobs.

The acquisitions of human resources by way of selection are quite lengthy and complicated procedure is adopted. All these complications are made easy by way of using computerized information. Test and scanning of applications are accurately performed through computers hence saving a lot of time and cost.

Training and Development:

In the area of training and development the computer has been used to a greater extent. There are computer assisted instructions that are widely used training techniques. Computer assisted instructions (C.A.I.) are the programmed learning methods.

Earliest in 1924 the use of rudimentary teaching machines were made but with the advent and availability of computers the programmed training is in vogue now. The computerized training system is utilized for hosts of job holders that include mechanics, clerks, pilots etc. Computer simulation of real job situation is of particular importance. It is on the job training method. It helps trainee to gain practical experience.

Under computer managed instructions the trainees' competence is assessed by the computer before start of the training. The assessment continues till the end of the training. The assessment makes the trainer to modify training contents to suit the trainee's needs.

Under computer based training, the facilities of computer aided instructions and computer managed instructions are combined together. Being comprehensive it provides many advantages to the trainee through effective learning. Computer -based training (CBT) provides immediate feedback. A commoner gets more knowledge through CBT than in classroom training. The training through CBT can be provided at the place of working or where the trainees assemble. It is cost effective.

No costs are incurred on trainer as it is the programmed-based training. There is an improvement in CBT with the addition of video which is high tech training technique and is known as interactive video training. CD-ROM is also used for executive development. It is up to the organisation to make a choice of appropriate computerized training technique depending upon the availability of funds and the type of employees and executives undergoing training.

The high tech training methods have high initial investment but once purchased it is very cost effective. The evaluation of trainees and training programme can be immediately available which is not possible under other traditional training techniques.

Computer can store the information relating to trainees, their performance and their needs for further training. Up to date information in this respect can be made available as and when required by the human resource manager or any executive for that matter.

HRIS modules can be used to record the training received and cost of training can be monitored. There is a constant need to update the skills and knowledge of the employees and executives to meet the growing needs of the organisation. The computerised training programmes fulfill these needs of the organisation.

Career and Succession Planning:

Career planning requires thorough check up of one's own preferences, abilities, skills, competence, knowledge and expertise and values and their matching with the job requirements at the higher level available in the organisation or in other organisation. This is easily and accurately done by the computer for the individual employee and executive and organisation.

The organisation can keep track of such ambitious employees and executives. Such personnel's are very conscious of their career and career path. They do not hesitate in leaving the organisation if an opportunity in their career path is denied to them.

One can say that career planning and computer applications are made for each other. The detailed inventory in respect of human resources of the organisation and the job details can be stored in a computer. Succession system is another area where computer play an important role in suggesting a suitable person to succeed a retired one at a position. This can be easily maintained for employees and executives both.

Compensation:

Compensation is yet another area where computer applications can be made. The compensation includes salary, wages and other benefits. The information required in this system is payroll and financial records. Human resource information system aids in wage and salary administration.

Several software packages are available in this respect to maintain and monitor the compensation administration. The employee gets the information relating to the salary drawn by him and compulsory deductions from the salary along with his leave records till date every month.

It saves manual labour of maintaining the large and heavy ledgers. The details regarding employees' contribution to provided fund, the interest thereon is also maintained and at regular interval the employees are handed over the details.

Performance Appraisal:

If merit or performance is rated by an individual may be superior in rank and hierarchy, there is a scope for biased attitude. Computer can provide unbiased solution to the problem. Modules are available to help in evaluating performance. There are several software's available in evaluating the performance of the employees and executives having several rating scales in critical areas of performance. The organisation can make use of the relevant scales of evaluating the performance of its employees of various grades and ranks by varying the rating scale provided by the software.

Safety and Health:

Safety and health at workplace is very essential. Healthy employees free from any disease having all the parts of body intact and safe are the assets of the organisation. The organization having such human resources should boast upon itself. It deserves credit for excellent provisions in respect of safety and health of its employees.

It is a dream away from facts. But organisation can take utmost care of its employees keeping the records of occupational diseases, injuries and make the employees aware of them from time to time and also draw attention of the employees towards hazardous chemicals and other such materials and their use.

Human resource information system can develop a software and maintain the records of various categories of occupational diseases, their dangers, how people suffer from them, medical treatment available, methods of prevention, safety measures at the workplace, the cares to be taken etc. The employees can be, through computer network at regular intervals or daily, made aware of all these and warn of the hazardous after effects. Computer in this respect can provide a healthiest system for safety and health of the human resources of the organisation. The computers aid in respect of maintaining health, cope up with stress, change in lifestyle and adopting the one that suits to his or her health, dieting etc.

Human Relations:

Maintaining better human relations is a problem faced by many organisations. Every organisation expects better human relations and smooth functioning. The relations between union and management should be smooth and of cooperation. The computers can help in keeping the records of negotiations between unions and management, the agreements reached between the two.

Computer network helps in reminding the executives of the agreements and agreed terms between the management and unions. Executive's personal computer can be connected to an on line information search and retrieval system human relations information network. Employees can also have the access to the system knowing fully well what their leaders agree or disagree to. This promotes complete transparency in human relations or industrial relations in the organisation.

In modern times giant corporate bodies are coming up with global network employing lacs of employees and other officials across the world. They have different points of views and demand. To maintain them efficiently and satisfy their needs, it is therefore necessary for the organisation to develop an expert system that enable to have opinion survey of the employees, their perception, and advice. Computers help in streamlining the process.

Through this network executives have at hand information and close contacts with the employees. Any problem crops up at any plant anywhere can be immediately attended and nipped it in the bud. Expert system can be developed to keep qualitative information along with quantitative one. In this way computers play a vital role in human resource management. Computers aid in facilitating smooth working and worry free environment at the plants, offices and at homes. They aid in restoring industrial peace and harmony.

UNIT – II

THE CONCEPT OF BEST-FIT EMPLOYEE

Human Resource Planning

Human Resources Planning is the planning of the pool of knowledge, expertise and creativity blended with values and attitudes of the people in the organization for the future course of action.

Human Resource Planning Needs

1. For Carrying-On Organizational Functions
2. For Filling Up Vacancies
3. For Handling Frequent Labor Turn-Over
4. For Meeting Business Expansion Needs
5. For Managing Changes
6. For Adjusting Surplus Personnel and Deficit Personnel

1. For Carrying-On Organizational Functions

In order to carry out the organizational operations, people with required eligibility, i.e. qualifications, expertise, knowledge, work experience and aptitude are needed.

2. For Filling Up Vacancies

Personnel Management should fill up the vacancies arising in the organization due to retirement, old age, death, incapacity etc.

3. For Handling Frequent Labor Turn-Over

Personnel department is supposed to initiate effective planning preparations to manage frequent labor turn-over caused by various reasons like voluntary retirements, promotions, discharges, transfers and quitting for better prospects etc.

4. For Meeting Business Expansion Needs

When business is expanded, the need for additional manpower also expands.

This need has to be fulfilled providing it with the right people to serve the purpose at the right time.

5. For Managing Changes

Organization needs to train its people to adapt to the unpredictable and imminent changes like changes in technology, tastes and preference of people, culture, subculture, demographics, geographical structures, attitudes of people, market conditions, production methods etc.

It is the result of the preparations made by the personnel department headed by the personnel manager.

6. For Adjusting Surplus Personnel and Deficit Personnel

Getting the personnel level optimal is the task of personnel manager.

Personnel manager has to maintain the equilibrium in the personnel level adjusting the surplus and deficit areas, providing the deficit areas with the required manpower from the surplus areas.

Human Resource Planning Process

1. Establishing Objectives of Human Resources Planning
2. Determining Future Organizational Structure
3. Projecting Future Manpower Requirements
4. Reviewing Human Resource
5. Job Analysis
6. Developing Human Resource Plan
7. Implementing the HR Plan.

1. Establishing Objectives of Human Resources Planning

The objective is to ensure the balancing of future human resource with future human resource requirements of the organization.

2. Determining Future Organizational Structure

For this purpose, the personnel manager has to determine what number of personnel is required and what type of personnel is required.

3. Projecting Future Manpower Requirements

On the basis of the determination of future organizational structure, the personnel manager has to project or forecast the future manpower requirements.

4. Reviewing Human Resource

- The existing workforce is verified in terms of quantity as well as in terms of quality.
- For this, some organizations prepare *,„Skills Inventory“ and some prepare *,„Organization Charts“.

5. Job Analysis

- Job Analysis is undertaken to find out the one best way of doing a job i.e. the way one which requires the least movements, consequently less time and cost.
- It helps the manager to determine how the employees should perform a task and what skillsset should be there in them for the standard performance.

6. Developing Human Resource Plan

Developing a human resource plan consists of finding out the labor sources.

7. Implementing the Human Resource Plan

- The developed plan has to be implemented without delay to serve the purpose.
- This is the execution stage of the process, which puts all the preparations made into action.

Job Analysis Meaning

- Job analysis is a procedure of describing each activity involved in a particular job in detail.
- Job analysis is the process of identifying the nature of a job (Job Description) and the qualities of the likely job holder (Job Specification).

Job Analysis Purpose

1. Helps in Planning for Manpower
2. Helps in Selection Process
3. Helps in Administering the Remuneration
4. Helps in Training and Development
5. Helps in Control
6. Helps in Framing Safety Measures

Job Analysis Process

- Job analysis is a process that involves various steps and results in job description and job specification.

1. Defining Uses of Job Analysis

- The uses of Job Analysis have to be defined.
- Recruitment and selection are examples for which Job Analysis is used.

2. Information Collection

- Relevant information is collected to ascertain various characteristics of the job.
- Various aspects on which information is collected are activities involved in the job, responsibilities associated with the job, the type of environment in which the job is performed and the requirements in the person who will perform the job.

3. Information Processing

- It involves editing and classifying information into different relevant categories.

Job Description

- Job description is a written narrative of the duties, responsibilities and prerequisites of a particular job.
- ‘Standard of Function’

Job Description Record of Facts

1. Job Identification
2. Job Summary
3. Duties Performed
4. Supervision Given and Received
5. Relation to Other Jobs
6. Machines, Tool and Materials
7. Working Conditions
8. Definitions of Unusual Terms
9. Comments that add to and clarify the above

1. Job Identification

It includes information like job title, alternative titles, department, division, plant, code number of the job etc.

2. Job Summary

It has two purposes:

1. To provide a short definition that will be useful as additional identification information when the job title is not sufficient.
2. To serve as a summary to orient the reader toward an understanding of the detailed information that follows.

3. Duties Performed

It conveys what is being done, how it is done and the purpose behind each duty.

4. Supervision Given and Received

It conveys:

1. The titles of jobs that are immediately over and under this job.
2. The degree of supervision involved, such as general direction, close supervision etc.

5. Relation to Other Jobs

It identifies vertical relationships of promotion and horizontal relationships of work flow and procedures.

6. Machines, Tools and Materials

It lists and defines each major type, giving trade names etc.

7. Working Conditions

- It is a checklist of various working conditions such as hot, cold, dry, dusty, oily, noisy etc.
- Hazardous conditions should be particularly noted.

8. Definitions of Unusual Terms

Any technical or unusual term used in the duties-performed section should be separately listed and defined. It becomes Job Glossary.

9. Comments that add to and Clarify the Listed Job-Facts

- Any comment that adds to the various job-facts and clarifies the same falls here. BT-OCMT 41 Job Specification
- Job specification is a statement of minimum acceptable qualities required in a jobholder for the effective performance of the job.
- ‘Standard of Personnel’

Job Specification Basic Contents

1. Personal Characteristics: age, sex, education, job experience, extra and co-curricular activities.

2. Physical Characteristics: height, weight, chest, vision, hearing, health, voice, poise and hand and foot coordination.

3. Psychological Characteristics: General Intelligence, emotional stability, aptitude, interest, foresight, ability to concentrate, creativity

4. Social Characteristics: Flexibility, manners, initiative, communication skills.

Forecasting Human Resource Requirement

HR Demand Forecast

- Process of estimating future quantity and quality of manpower required for an organization.
- External Factors: Competition, Laws and Regulations, Economic Climate, Changes in Technology, Social Factors
- Internal Factors: Budget Constraints, production Levels, New Products and Services, Organizational Structure and Employee Separations

Forecasting Techniques

- Managerial Judgment: Managers discuss and arrive at a figure of inflows and outflows which would cater to future labor demand.

Ratio-Trend Analysis:

Studying past ratios, i.e. number of workers Vs. volume of sales, number of inspectors to production, forecasting future ratios and adjusting for future changes in the organization

- Work-Study Technique: Applied where work-measurement is possible; example in manufacturing; planned output 20 K units, standard hours per unit 5, planned hours 100 K, productive hours per man 10, number of workers required $100\text{ K} / 10 = 10,000$
- Delphi Technique: From a group of experts the personnel needs are estimated; decision-making tool to arrive at workable consensus within time-limit, opinion of experts getting them face-to-face, experts answer questionnaires in two or more rounds, HR experts act as intermediary, anonymous summary of the experts' forecasts from the previous round sent back to the experts, process repeated till group converges towards consensus. BT-OCMT 46 HR Supply Forecast
- Process of estimating future quantity and quality of manpower available internally and externally to an organization.

- Supply Analysis
- Existing Human Resources
- Internal Sources of Supply
- External Sources of Supply

Recruitment

An Introduction

- This is the first step in the process of selection.
- Recruitment connects the two ends of giver and taker of a job.
- Giver of the job may be individuals or organizations. Taker of the job is individuals.
- "Recruitment is a process to discover the sources of manpower to meet the requirements of the staffing schedule and to employ effective measures for attracting that manpower in adequate numbers to facilitate effective selection of an efficient working force."
- "Recruitment is a process of searching for prospective employees and stimulating and encouraging them to apply for jobs in an organization."

- Recruitment is the process of searching for potential candidates and encouraging them to apply for jobs.
- The organization notifies about the job opportunity as an offer and the individuals who are interested in that offer can apply for the job.

Recruitment Process

1. Formulating the Recruitment Policy
2. Organizing the Recruitment Activities
3. Estimating Manpower Requirements
4. Determining the Sources of Recruitment
5. Adopting Recruiting Methods
6. Reviewing Recruitment Program

1. Formulating the Recruitment Policy

- Recruitment policy sets a framework for implementing the entire recruitment process.
- It gives guidelines to the decision makers to set the tactics on recruitment process.

Recruitment and Selection Policies:

Example 1. New Jobs and Job Vacancies

2. Job Description (details of the role)
3. Person Specification
4. Details for Applicant
5. Publicizing the Vacancy
6. Advertising on XYZ Website and the Internet
7. Processing Applications
8. Selecting the Interview Panel
9. Monitoring
10. Short listing
11. Arrangements for Interviews
12. Interviewing
13. Selection Tests and Presentations

14. Making a Decision after interview
15. References
16. Criminal reference checks
17. Appointment
18. Certificates of Sponsorship
19. Induction and Probation
20. Salary
21. Breaches of Policy

2. Organizing the Recruitment Activities

- Organizing the recruitment activities means centralizing those activities formally at one place to have a scientific way of conducting recruitment.
- Gaining economy in operations, reducing unnecessary workload of other managers, pooling expertise of specialists and reduces nepotism are various merits of forming a separate recruitment wing in the organization.

3. Estimating Manpower Requirements

- Future manpower requirements are estimated on the basis of the future organizational structure.

4. Determining the Sources of Recruitment

- At this stage, reliable sources to get the right people at reasonable cost are resorted.

5. Adopting Recruiting Methods

- Once the sources of recruitment are finalized, the suitable recruitment methods have to be adopted.
- There may be so many techniques for recruiting people.

6. Reviewing Recruitment Program

- It helps the personnel manager identify the weaknesses of the program and put those shortcomings right.

Sources of Recruitment

- There are two sources of Recruitment
 1. Internal Sources
 2. External Sources

I. Internal Sources

1. Promotions
2. Transfers
3. Demotions

II. External Sources

1. Advertisements
2. Educational Institutions
3. Training Centers
4. Government Employment Exchanges
5. Private Consultancies
6. Deputation
7. Employee Recommendations
8. Trade / Labor Unions
9. Gate Hiring
10. Unsolicited Applications

I. Internal Sources

- It denotes filling a job opening from within the firm.
- The advantages of using internal sources are stimulating preparation for possible transfer or promotion, increasing morale and providing more info about job candidates through analysis of work histories within the organization.

1. Promotions Internal Sources

- Promotion is the act of moving an employee up the organizational hierarchy, usually leading to an increase in responsibility and status and a better remuneration package.

2. Transfers Internal Sources

- Transfer means a lateral movement of an employee in the hierarchy of position with the same pay and status.
- It may be either organization-initiated or employeeinitiated.

3. Demotions Internal Sources

- Demotion is a downward movement of an employee in the organizational hierarchy with lower status and lower salary.
- It is a punishment for incompetence or mistakes of serious nature on the part of an employee

II External Sources

- It denotes filling a job-opening from outside sources of organization.
- External sources are sought for expansion and for positions whose specifications cannot be met by present personnel.

1. Advertisements External Sources

- Potential candidates can be searched and encouraged to apply for jobs by placing advertisements in different kinds of media.

2. Educational Institutions External Sources

- Schools, colleges, technical institutions etc play a major role as external sources for recruitment.

3. Training Centers External Sources

- Centers providing special training in developing particular skills are an external source for recruitment.

4. Government Employment Exchanges External Sources

- The employment seekers get themselves registered with government employment exchanges.
- Employers approach government employment exchanges for sourcing manpower.

5. Private Consultancies External Sources

- Private Consultancies provide employers with tremendous sources of manpower and they charge fee for their services.

6. Deputation External Sources

- People working in one organization are deputed in another belonging to the same organization.
- Such people are given choice either to return to their original organization after a certain time or to opt for the present organization.

7. Employee Recommendations External Sources

- Present employees are a source of potential applicants who can be recommended by the present employees.

8. Trade / Labor Unions External Sources

- Trade unions or labor unions are , sometimes, asked to make recommendations for employment of people as a matter of goodwill and cooperation.

9. Gate Hiring External Sources

- Gate hiring, a source of man power supply, is done by exhibiting the available vacancies at the gate of the organization and attract the interested applicants for applying for the job.

10. Unsolicited Applications External Sources

- Unsolicited applications are received from casual applicants who visit the organization heedlessly.

- This source can be developed through provision of attractive employment office facilities and prompt and courteous replies to unsolicited letters.

Recruitment Methods

1. Mobile Recruiters

2. Advertising

3. Professional Organizations

4. Non Professional Sources

1. Mobile Recruiters Recruitment Methods

- Mobile recruiters move from place to place to reach different sources searching for manpower and motivating them to apply for jobs.

2. Advertising Recruitment Methods

- Advertising is one of the most popular methods for recruiters for searching for and encouraging the potential candidates to apply for jobs.

3. Professional Organizations Recruitment Methods

- Using professional organizations for recruitment is a widely used method especially for recruiting middle and higher level executives.

4. Non Professional Sources Recruitment Methods

- Non professional methods like unsolicited applications, employee recommendations, gate hiring etc are also used for recruitment.

Selection Process

- The objective of selection process is to solicit maximum information about the candidates to ascertain their suitability for employment.

- It involves a number of steps.

1. Screening of Applications
2. Preliminary Interview
3. Application Blank
4. Check of References
5. Psychological Tests
6. Employment Interview
7. Approval by the Supervisor
8. Physical Examination
9. Final Interview
10. Induction

1. Screening of Applications Selection Process

- The application forms filled in by the candidates carry relevant information about the applicant like personal bio-data, experience, education etc.
- The info available from the application is used to screen the applicants who are found to be qualified for the consideration of the employment.

2. Preliminary Interview Selection Process

- It is an initial interview which is quite short and has the objective of eliminating the obviously unqualified.

3. Application Blank Selection Process

- Application Blank is a well-drafted columnar form used to elicit maximum info about the candidate. Transformation of Application Blank . You can ask whether the applicant has a legal right to work in the (country),
- But you cannot ask whether one is a nativeborn citizen.
- You can ask if the applicant is between 18 and 70 years of age,
- But you cannot ask how old one is. Transformation of Application Blank . You can ask for the applicant's place of residence,
- But you cannot ask for one's birthplace.
- You can ask what languages the applicant speaks and writes,
- But you cannot ask how this ability was obtained. Transformation of Application Blank . You can ask for educational background,

- But you cannot ask for the religious affiliation of the schools in which it might be obtained. You can ask if the applicant has ever been convicted of a crime that is related to the job,
- But you cannot ask if he or she has ever been arrested. Transformation of Application Blank . You can ask if the applicant has any physical or mental impairment that would interfere with job performance,
- But you cannot ask for a listing of all disabilities or treatments for various diseases. You can ask about willingness to work the firm's required work schedule,
- But you cannot ask about willingness to work any particular religious holiday.
- It is to obtain info about the past behavior of applicants and to verify the accuracy of info given on the application blank.

4. Check of References

The references are the names of referees from whom more info about the candidates can be solicited.

- Referees may be previous employers, educational institutions from where the candidate received education, eminent personalities who are aware of the candidate's conduct and ability.
- Such info may be about character, working, ability, behavior etc.

5. Psychological Tests Selection Process

- Psychological test measures selected psychological factors of applicants which are representative sample of human behavior and utilizes that measurement to predict future behavior.
- The factors measured are ability to reason, capacity for learning, temperament and specific aptitudes etc.

6. Employment Interview Selection Process

- It is an oral examination of candidates for employment.
- It is the most common method of both obtaining info from job-seekers and decision making on their suitability or otherwise.

7. Approval by the Supervisor Selection Process

- This is an interview stage conducted by the supervisor.
- Why an interview for approval by the supervisor?
- Two reasons:

1. The organizational relationships often require that the supervisor be given the right to pass upon personnel; otherwise he or she cannot be held accountable for their performance.

2. It is better to have an appraisal by both the staff employment interviewer and the supervisor who is better acquainted with the actual job conditions and the type of personnel at present in the department.

8. Physical Examination Selection Process

- Physical examination is conducted to find the major physical problems which may affect effective discharge of duties.
- It matches an applicant's physical capabilities to job requirements.

Objectives of Physical Examination Selection Process

1. To ascertain the applicant's physical capabilities.
2. To protect the organization against unwarranted claims under workers' compensation law.
3. To prevent communicable diseases from entering the organization.

9. Final Interview Selection Process

- Final interview is conducted for finalizing the selection of the applicant.
- Here the approval of the appropriate authority about the selection is given.
- Here the applicant is asked to sign the contract of employment and is given the appointment order.

10. Induction Selection Process

- Induction is the formal process of acclimatizing a new comer to an organization.

Induction includes the following

1. Introduction to the organization by a senior manager
2. Guided tour of the work place
3. Introduction to co-workers and managers
4. Explanation of health and safety procedures
5. Completion of employment documentation for payroll, pensions etc.
6. Discussion with personnel specialists on employment policies and procedures (appraisal, grievance, equal opportunities etc), employment benefits, salary schedules, probationary period, holidays, expectations and requirements of the job, immediate training needs etc.

Training

- The term training refers to the acquisition of knowledge, skills, and competencies as a result of the teaching of vocational or practical skills and knowledge that relate to specific useful competencies.

Benefits of Training

- Increased job satisfaction and morale among employees
- Increased employee motivation
- Increased efficiencies in processes, resulting in financial gain
- Increased capacity to adopt new technologies and methods
- Increased innovation in strategies and products
- Reduced employee turnover
- Risk management, e.g., training about sexual harassment, diversity training

Executive Development

- Executive development is the whole of activities aimed at developing the skills and competencies of those that (will) have executive positions in organizations.

Executive Development Programs

• On-The-Job Training

1. Coaching
2. Job Rotation
3. Participation in Boards / Committees-Deliberations

• Off-The-Job Training

1. Case Study
2. Role Playing
3. In Basket Method
4. Management Game
5. Sensitivity Training
6. Simulation
7. Conferences
8. Lectures
9. Seminar
10. Group Discussion
11. Program Instruction

On-The-Job Techniques

- To improve managers' on-the-job behavior
- On-the-job training takes place in a normal working situation, using the actual tools, equipment, documents or materials that trainees will use when fully trained.

On-The-Job Training

- Coaching
- Job Rotation
- Participation in Boards / Committees-Deliberations.

Coaching

- The superior plays the role of a guide and instructor.
- The coach sets mutually agreed upon goals, tells the trainee what he wants to get done, suggests how it may be done, follow up suggestions and corrects errors.
- Learning by Doing
- Executive Coaching involves a coaching professional working with a client to reach a specific goal in their professional development.
- The specific areas of coaching may include
 1. Career transition
 2. Interpersonal and professional communication
 3. Performance management
 4. Organizational effectiveness
 5. Managing career and personal changes
 6. Developing executive presence
 7. Enhancing strategic thinking
 8. Dealing effectively with conflict and
 9. Building an effective team within an organization.

Job Rotation

- Job rotation is a management technique that assigns trainees to various jobs and departments over a period of a few years.
- 6 to 24 months

- Emphasis on diversified instead of specialized skills and knowledge.
- To impart overall knowledge and familiarity with different sectional jobs. (Accounts from entering entries into journal till finalization)
- It also includes moving people between line and staff positions.

Participation in Boards / Committees-Deliberations

- Juniors are assigned to Board or Committees by the chief executive to participate in deliberations.
- Juniors get an opportunity to share in managerial decision making to learn by watching others and to delve into specific organizational problems.

Off-the-Job Techniques

- Off-the-job training takes place away from normal work situations — implying that the employee does not count as a directly productive worker while such training takes place.
- Off-the-job training has the advantage that it allows people to get away from work and concentrate more thoroughly on the training itself.

1. Case Study
2. Role Playing
3. In Basket Method
4. Management Game
5. Sensitivity Training
6. Simulation
7. Conferences
8. Lectures
9. Seminar
10. Group Discussion
11. Program Instruction

1. Case Study

- Case study method presents a trainee with a written description of an organizational problem.
- The person then analyzes the case, diagnoses the problem and presents his or her findings and solutions in discussion with other trainees.
- Aircraft

2. Role Playing

- Role-playing refers to the changing of one's behavior to assume a role
- Role-playing may also refer to role training where persons rehearse situations in preparation for a future performance and to improve their abilities within a role.
- Hiring, firing, discussing a grievance procedure, conducting a post appraisal interview, disciplining a subordinate, a salesman making a representation to a customer etc.

3. In-Basket Method

- Each team of the trainees is given a file of correspondence bearing on a functional area of management.
- Each individual studies the file and makes his own recommendations on the situation.
- The observations of each individual member are compared and conclusions on different functional areas reached; and these are put down in the form of a report.

4. Management Game

- It is a classroom exercise, in which teams of students compete against each other to achieve common objective.
- The game is designed to be a close representation of real life conditions.
- The trainees are asked to make decisions about production, cost, research and development, etc., for an organization. Since they are often divided into teams as competing companies, experience is obtained in team work.
- E.g. yacht making

5. Sensitivity Training

- The members, under this method, sit around a table and discuss. The members freely discuss and criticize the behavior of each other thereby giving a feed back positive or negative.
- Sensitivity Training is a form of training that claims to make people more aware of their own prejudices, and more sensitive to others.
- It is a group psychotherapy
- It gives the managers increased awareness of their own behavior and how others perceive them. (e.g. IAS Interview)
- A T-group meeting does not have an explicit agenda, structure or express goal.
- Under the guidance of a facilitator, the participants are encouraged to share with the group their emotional reactions (such as, for example, anger, fear, warmth or envy) which arise in response to their fellow participants' actions and statements.

- The emphasis is on sharing emotions, as opposed to judgments or conclusions.
- In this way, T-group participants can learn how their words and actions trigger emotional responses in the people they communicate with.

6. Simulation

- Simulation is the imitation of some real thing, state of affairs, or process.
- The act of simulating something generally entails representing certain key characteristics or behaviors of a selected physical or abstract system.
- This usually occurs when it is prohibitively expensive or simply too dangerous to allow trainees to use the real equipment in the real world.
- In such situations they will spend time learning valuable lessons in a "safe" virtual environment. Often the convenience is to permit mistakes during training for a safety-critical system.

Socialization

- Socialization is a process by which an individual becomes integrated into a social group by adopting its values and attitudes.
- Socialization refers to the process of learning one's culture and how to live within it.
- socialization ensures both the ordered running of society and individual freedom, because the individual submits to the values of society and in doing so, acquires a personal interest in obeying social rules
- Socialization mainly occurs early in life, when a child learns the values of society by responding to parental approval or discipline, and by imitating parents' behavior.

Socialization Benefits

- To co-exist with other people
- To become a well-adjusted member of society
- To become a well-accepted member of society
- To maintain social order

Human Resource Forecasting:

Human resource forecasting is the process by which an organization estimates its future human resource needs. Forecasting Human Resource human human Forecasting resource resource demands supplies

Human resource forecasting may be categorized into three based on the time frame, as:

- ♣ Short range forecasting (0 – 2 years),
- ♣ Intermediate range forecasting (2 – 5 years), and
- ♣ Long range forecasting (beyond 5 years).

Y Zero-base forecasting:

♣ A method for estimating future employment needs using the organization's current level of employment as the starting point.

Y Bottom – up approach:

♣ A forecasting method beginning with the lowest organizational units and progressing upward through an organization ultimately to provide an aggregate forecast of employment needs.

Y Simulation:

♣ A technique for experimenting with a real – world situation by means of a mathematical model that represents the actual situation.

- What would happen if we put 10 percent of the present workforce on overtime?
- What would happen if the plant utilized two shifts? Three shifts?

Y An estimate of the number and kinds of employees an organization will need at future dates to realize its stated objectives.

Y Managerial Judgment:

♣ Under this method, managers decide the number of employees required future operations based on their past experience.

Y Statistical techniques include:

♣ Regression analysis, Ratio-trend analysis and econometric models

Y Work study techniques:

♣ Under this method, total production & activities in term of clear units are estimated in a year.
♣ Then man-hours required to produce each unit is calculated.

♣ Later, the required number of employees is calculated. Y The future supply of human resources is to obtain the data and information about the present human resources inventory.

♣ Existing Inventory: The data relating to present human resources inventory in terms of human resources components, number, designation-wise and department-wise should be obtained.

Y Outsourcing: Most of the org., started to plan for outsourcing human resources rather than HRP in order to

- ♣ Reduce the cost of human resources
- ♣ Avoid the difficulties in human resources mgt., &
- ♣ Reduce the negative implications of overstaffing.

Introducing the new employee who is designated as a probationer to the job, job location, surroundings, organization, organizational surroundings and various employees is the final step of employment process. Y “Induction is the process of receiving and welcoming an employee when he first joins a company and giving him the basic information he needs to settle down quickly and happily and start work”. Y To create a favorable impression Y To reduce anxiety and hazing Y To develop realistic job expectations Y To reduce start-up costs Y To save time and effort Y To improve new worker productivity Y To reduce turnover Y To reduce conflict Y To strengthen organization culture Y General orientation (by the staff of the HR department) Y Specific orientation (by the job supervisor) & Y Follow-up orientation (by either the HR department or the supervisor)

The Socialisation Process

The term Socialisation means the process by which we learn acceptable cultural beliefs and behaviour.

There are a number of different stages in which each we all go through during our early life, which sociologists claim determines our behaviour and traits as individuals for the rest of our lives. This important process begins with ‘Primary Socialisation’.

Primary Socialisation starts from the minute a baby is born and carries on developing up until the age of 3 years old. During this primary stage we tiny individuals learn everything that isn’t thought to be innate, from our parents or guardians. Therefore walking, moving and basic reflexes, talking, chewing/swallowing food, holding items and some emotions such as laughter and crying are all considered to be learnt during this period. Sociologists believe this is the most crucial stage in a human beings life where the care given has to be strongly built upon trust and consistent tender loving care. These are classed as the vital factors of what a child needs and thrives on in their first three years of life.

If for some reason the child lacks the attention, love and affection from their primary caregivers, evidence and research has shown that the individual child who has suffered from the deprivation will behave extremely differently from those that have had continuous TLC from day one. Findings of Feral Children suggest strong proof of this and have led sociologist to believe it to be almost certainly true. Cases such as ‘Oxana Malaya’ a child from Ukraine, who was raised by dogs from the young age of 3 years old, due to both of her alcoholic/drug abuse parents who simply just gave up caring for her. Oxana was found by the authorities in 1991 when she was just 8 years old. Evidence shows her behaviour and mannerisms were remarkably similar to a dogs.

Oxana would walk on all fours; crouch like a wild dog, bark and growl at people who came close to her and would sniff her food before she ate it. Not only did Oxana not behave normally and showed practically no social or language skills, she also failed to understand that when shown a mirror, that it was her own reflection she saw. This particular case gave sociologist’s and

psychologist's proof that children who had not been taught efficiently the way we humans live and behave, would not only lack in social and emotional skills, but could almost be moulded and brought up by anything that showed love and care for it. The most likely reasons Oxana copied the behaviour and mannerisms of the dogs were because they showed her affection, gave her their full attention and were not aggressive towards her. This proves that literally anything can be learnt and imitated by children who are at a young age and that are given the correct sense of love and care.

As the Oxana Malaya case proved that children can in fact be brought up by animals and showed that the child would copy any behaviour and mannerisms shown to them at a young age, cases like Genie Wiley also proved that children with no communication with any sources of life, would also behave dramatically different.

Genie Wiley (real name Susan) was completely deprived of any source of life from when she was born up until she was 13 years old, which was when authorities in Los Angeles found her in 1970. Her father considered her to be retarded from a young age and decided to keep Genie away from the world. He locked her away in a dark room in their house in Los Angeles and shut out all sources of lights, including natural day light which was blocked out by blinds at Genie's window. During the day she would be tied to a potty chair which was in her room along with her cot which she would also be tied to during the night. Nothing else was given for Genie in her room and no one would ever go in to see or speak to her, unless she was being spoon fed purified food by her mother a few times a day.

Genie's mother never told anyone about what was happening to Genie throughout the whole of Genie's life purely because she was so terrified of her husband and what he might have done to her or Genie. However the day she got the courage and fled the house with Genie, officials were stunned by what they saw. She was still in diapers, couldn't walk very well and when she did she had no posture and would limp with her crippled and distorted arms up by her chest, she had what officials say 'the build of a 7 year old' were she was so undernourished and undeveloped, she had extreme light sensitivity with her eyes due to the day light she had never seen, and was not able to say a thing. This again proved that a child without any primary care given from birth will have no social skills and very poor physical mobility skills.

The ways in which sociologists observe a feral child's behaviour and socialisation capability is noted firstly by the child's level of substantial communication with others, therefore speech and basic language skills and also body language. Secondly the levels of empathy felt by the child, will the child understand others emotions and know how to react when faced with them. And lastly their self-awareness, will the child be able to recognize it is them when looking at a mirror.

After Primary Socialisation comes the 'Secondary Socialisation' stage. This usually happens roughly from when the child is aged 3+. It's believed this is the period where we learn behaviour from our friends, our school (this is called an 'Agent of Socialisation', an institute from which we learn behaviour and how to behave correctly), the media – tv programmes, books, religion etc.

By this time, Sociologists believe our basic skills and understanding of emotions should have pretty much developed and as we get older we begin 'Anticipatory Socialisation' which allows

us to imagine ourselves in a particular role before we actually get there. For example, teenagers begin to picture themselves in certain career sectors e.g. Medicine or Law.

However for feral children, this stage tends to not develop as well and 'Re-socialisation' becomes more of a priority. This term means the need or requirement to learn new ways of life for different roles in society. For example, Feral Children need to understand the basics of life, and simple tasks need to be learnt. They struggle to re-socialise because they have never learnt to empathise, talk or trust anyone. They find it hard to understand others behaviour if they have never encountered it before and as they have no self-awareness, they do not understand right from wrong.

In conclusion, the Socialisation Process tells us that without love, care, comfort and stability we as individuals will certainly be affected. Mainly in positive ways if these have factors have been given well but if abuse has occurred, it will definitely affect the child in a bad way and have negative effects. This suggests the Primary Stage really is the most crucial period in a person's life.

TRAINING AND EXECUTIVE DEVELOPMENT

Training and Development

Human resource management regards **training and development** as a function concerned with organizational activity aimed at bettering 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". The field has gone by several names, including "Human Resource Development", "Human Capital Development" and "Learning and Development".

History

The name of the discipline has been debated, with the Chartered Institute of Personnel and Development in 2000 arguing that "human resource development" is too evocative of the master-slave relationship between employer and employee for those who refer to their employees as "partners" or "associates" to feel comfortable with. Eventually, the CIPD settled upon "learning and development", although that was itself not free from problems, "learning" being an over-general and ambiguous name, and most organizations referring to it as "training and development".

Practice

Training and development encompasses three main activities: training, education, and development.

- **Training:** This activity is both focused upon, and evaluated against, the job that an individual currently holds.
- **Education:** This activity focuses upon the jobs that an individual may potentially hold in the future, and is evaluated against those jobs.
- **Development:** This activity focuses upon the activities that the organization employing the individual, or that the individual is part of, may partake in the future, and is almost impossible to evaluate.

The "stakeholders" in training and development are categorized into several classes. The sponsors of training and development are senior managers. The clients of training and development are business planners. Line managers are responsible for coaching, resources, and performance. The participants are those who actually undergo the processes. The facilitators are Human Resource Management staff. And the providers are specialists in the field. Each of these groups has its own agenda and motivations, which sometimes conflict with the agendas and motivations of the others.

The conflicts that are the best part of career consequences are those that take place between employees and their bosses. The number one reason people leave their jobs is conflict with their

bosses. And yet, as author, workplace relationship authority, and executive coach, Dr. John Hoover points out, "Tempting as it is, nobody ever enhanced his or her career by making the boss look stupid." Training an employee to get along well with authority and with people who entertain diverse points of view is one of the best guarantees of long-term success. Talent, knowledge, and skill alone won't compensate for a sour relationship with a superior, peer, or customer.

Many training and development approaches available for organisations are proposed including: on-the-job training, mentoring, apprenticeship, simulation, web-based learning, instructor-led classroom training, programmed self-instruction, case studies/role playing, systematic job rotations and transfers etc.

Typical roles in the field include executive and supervisory/management development, new-employee orientation, professional-skills training, technical/job training, customer-service training, sales-and-marketing training, and health-and-safety training. Job titles may include vice-president of organizational effectiveness, training manager or director, management development specialist, blended-learning designer, training-needs analyst, chief learning officer, and individual career-development advisor.

Talent development is the process of changing an organization, its employees, its stakeholders, and groups of people within it, using planned and unplanned learning, in order to achieve and maintain a competitive advantage for the organization. Rothwell notes that the name may well be a term in search of a meaning, like so much in management, and suggests that it be thought of as selective attention paid to the top 10% of employees, either by potential or performance.

While talent development is reserved for the top management it is becoming increasingly clear that career development is necessary for the retention of any employee, no matter what their level in the company. Research has shown that some type of career path is necessary for job satisfaction and hence job retention. Perhaps organizations need to include this area in their overview of employee satisfaction.

The term talent development is becoming increasingly popular in several organizations, as companies are now moving from the traditional term training and development. Talent development encompasses a variety of components such as training, career development, career management, and organizational development, and training and development. It is expected that during the 21st century more companies will begin to use more integrated terms such as talent development.

Benefits

Training is crucial for organizational development and its success which is indeed fruitful to both employers and employees of an organization. Here are some important benefits of training and development

- **Increased productivity**
- **Less supervision**
- **Job satisfaction**
- **Skills Development**

Why you need high-impact employee training and development.

Good training and development programs help you retain the right people and grow profits. As the battle for top talent becomes more competitive, employee training and development programs are more important than ever. Hiring top talent takes time and money, and how you engage and develop that talent from the time they are first onboarded impacts retention and business growth. For example, Great Place to Work® found that employee development, more than any other area, was identified by the 2014 100 Best Companies as a top area of focus.

According to China Gorman, CEO at Great Place to Work, “As companies grow and the war for talent intensifies, it is increasingly important that training and development programs are not only competitive, but are supporting the organization on its defined strategic path.” And it’s not just about retention. Employee training and development programs directly impact your bottom line.

In their [Predictions for 2015](#), Bersin by Deloitte said, “Organizations with high-impact learning delivered profit growth three times greater than their competitors. Why is this? Simply put—if you can keep your employees current and skilled, you can evolve and perform better than your competitors.”

How do you create high-impact employee training?

High-impact training and development programs don’t just happen. Instead, they’re the result of a careful [planning and alignment process](#). The following steps can help you translate business objectives into a tailored training plan.

1. **Identify Business Impact:** Design and develop your training to meet the company’s overall goals. Keeping business goals in focus ensures training and development [makes a measurable impact](#).
2. **Analyze Skill Gaps:** How are your employees’ behaviors helping meet the business goal? By finding out what the gaps are between employees’ current and ideal skills, you can better pinpoint what your specific learning objectives should be. Categorize these learning objectives into these three groups, and have activities in your training plan that target all three.
 - Motivation: How can you help learners understand why they need to change their behaviors? By working with employee motivations—for example, pinpointing a purpose—you’re more likely to change behavior over the long term.
 - Skills Mastery: What do your learners need to be able to do on the job? These behaviors will have the most impact on performance.
 - Critical Thinking: What must your learners know to perform their jobs well? Distinguish critical knowledge from nice-to-know info to identify what content should be in the course, and what should be in optional resources.
3. **Layer Training Methods:** The most effective training programs use layered, sustainable learning activities to create performance improvement over time. A layered approach makes sure your program targets the most essential employee, customer, and business needs, while training the right people at the right time in the right way. A layered approach is the best of all worlds because it blends learning experiences and [training methods](#) that maximize the benefits of your time.

4. **Evaluate Effectiveness and Sustain Gains:** Employees' need for training and support doesn't end when they get back to work. In fact, continued support is required to ensure that initial training sticks. Measurable learning objectives are the foundation for you to evaluate an initiative's impact.



Advantages and benefits of high-impact employee training

Top companies invest in training programs because they know the investment pays off in individual and organizational benefits. Here are a few examples.

Organization

- Profit growth
- Reduced employee turnover
- Deeper talent succession pipelines

Individual

- Increased employee motivation
- Improved engagement
- Improved speed to competency and productivity

Companies who are creating effective employee development and training programs

A Layered Model Designed for Sales Success

Avigilon's sales team is composed largely of independent contractors. For the company to grow, these employees need to understand Avigilon's complex line of HD cameras and security systems, and how they benefit potential clients. After a thorough needs analysis, the company determined that a multi-stage development program was necessary to meet their company sales objectives and ensure their sales team was knowledgeable and comfortable with their full product line. This layered approach is helping Avigilon create and maintain a sales team that has the product knowledge and sales skills necessary to achieve the company's future growth projections.

Building a Sustainable Talent Pipeline

Leaders at Brunswick recognized that their existing management talent pipeline wouldn't support their growth plans. The company determined that the difference between effective and ineffective managers could be as much as \$50,000 in operating costs per facility each year. Challenges the company faced in developing an effective training program included a geographically diverse audience, a relatively small learner population, and disjointed employee hire dates. To meet these needs, the company developed a 6-week program that includes learner-driven content, virtual instructor-led options, semi-annual conferences, and on-the-job projects.

Identification of Training Needs (Methods)

Individual Training Needs Identification

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

Group Level Training Needs Identification

1. Organizational Goals and Objectives

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

Benefits of Training Needs Identification

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

Methods of Training

On the Job Trainings:

These methods are generally applied on the workplace while employees is actually working. Following are the on-the-job methods.

Advantages of On-the-Job Training:

It is directly in the context of job

It is often informal

It is most effective because it is learning by experience

It is least expensive

Trainees are highly motivated

It is free from artificial classroom situations

Disadvantages of On-the-Job Training:

Trainer may not be experienced enough to train

It is not systematically organized

Poorly conducted programs may create safety hazards

On the Job Training Methods

1. **Job Rotation:** In this method, usually employees are put on different jobs turn by turn where they learn all sorts of jobs of various departments. The objective is to give a comprehensive awareness about the jobs of different departments. Advantage – employee gets to know how his own and other departments also function. Interdepartmental coordination can be improved, instills team spirit. Disadvantage – It may become too much for an employee to learn. It is not focused on employees own job responsibilities. Employees basic talents may remain under utilized.
2. **Job Coaching:** An experienced employee can give a verbal presentation to explain the nitty-gritty's of the job.
3. **Job Instruction:** It may consist an instruction or directions to perform a particular task or a function. It may be in the form of orders or steps to perform a task.
4. **Apprenticeships:** Generally fresh graduates are put under the experienced employee to learn the functions of job.
5. **Internships and Assistantships:** An intern or an assistants are recruited to perform a specific time-bound jobs or projects during their education. It may consist a part of their educational courses.

Off the Job Trainings:

These are used away from work places while employees are not working like classroom trainings, seminars etc. Following are the off-the-job methods;

Advantages of Off-the-Job Training:

Trainers are usually experienced enough to train

It is systematically organized

Efficiently created programs may add lot of value

Disadvantages of Off-the-Job Training:

It is not directly in the context of job

It is often formal

It is not based on experience

It is least expensive

Trainees may not be highly motivated

It is more artificial in nature

Off the Job Training Methods

1. **Classroom Lectures:** It is a verbal lecture presentation by an instructor to a large audience. Advantage – It can be used for large groups. Cost per trainee is low. Disadvantages – Low popularity. It is not learning by practice. It is One-way communication. No authentic feedback mechanism. Likely to boredom.
2. **Audio-Visual:** It can be done using Films, Televisions, Video, and Presentations etc. Advantages – Wide range of realistic examples, quality control possible. Disadvantages – One-way communication, No feedback mechanism. No flexibility for different audience.
3. **Simulation:** creating a reallife situation for decision-making and understanding the actual job conditions give it. Following are some of the simulation methods of trainings
4. **Case Studies:** It is a written description of an actual situation and trainer is supposed to analyze and give his conclusions in writing. The cases are generally based on actual organizational situations. It is an ideal method to promote decision-making abilities within the constraints of limited data.
5. **Role Plays:** Here trainees assume the part of the specific personalities in a case study and enact it in front of the audience. It is more emotional orientation and improves interpersonal relationships. Attitudinal change is another result. These are generally used in MDP.
6. **Sensitivity Trainings:** This is more from the point of view of behavioral assessment, under different circumstances how an individual will behave himself and towards others. There is no preplanned agenda and it is instant. Advantages – increased ability to empathize, listening skills, openness, tolerance, and conflict resolution skills. Disadvantage – Participants may resort to their old habits after the training.
7. **Programmed Instructions:** Provided in the form of blocks either in book or a teaching machine using questions and Feedbacks without the intervention of trainer. Advantages – Self paced, trainees can progress at their own speed, strong motivation for repeat learning, material is structured and self-contained. Disadvantages – Scope for learning is less; cost of books, manuals or machinery is expensive.
8. **Computer Aided Instructions:** It is extension of PI method, by using computers. Advantages – Provides accountabilities, modifiable to technological innovations, flexible to time. Disadvantages – High cost

Barriers to Effective Training:

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

How To Make Training Effective?

1. Management Commitment
2. Training & Business Strategies Integration
3. Comprehensive and Systematic Approach
4. Continuous and Ongoing approach

5. Promoting Learning as Fundamental Value
6. Creations of effective training evaluation system

Executive Development Programme: Concept, Objectives and Methods!

Concepts and objectives:

While drawing a distinction between training and development, we introduced, in brief, the concept of development. Based on that concept, we can now elaborate it in more detail. The term ‘development’ implies overall development in a person. Accordingly, executive development means not only improvement in job performance, but also improvement in knowledge, personality, attitude, behaviourism of an executive, etc.

It means that executive development focuses more on the executive’s personal growth. Thus, executive development consists of all the means that improve his/her performance and behaviour. Executive development helps understand cause and effect relationship, synthesizes from experience, visualizes relationships or thinks logically. That is why some behavioural scientists suggest that the executive development is predominantly an educational process rather than a training process.

We can derive these as follows:

- 1, Executive development, being a predominantly educational process, is a continuous and life-long process. It is not like training as a one-shot programme but an on-going continuous programme throughout the career of an executive or manager.
2. Like any kind of learning, executive development is based on the assumption that there always exists a gap between what an executive performs and what he/she can. Executive development harnesses this untapped potential.

Objectives of Executive Development:

The main objectives of any programme of executive development are to:

1. Improve the performance of managers at all levels.
2. Identify the persons in the organisation with the required potential and prepare them for higher positions in future.
3. Ensure availability of required number of executives / managers succession who can take over in case of contingencies as and when these arise in future.
4. Prevent obsolescence of executives by exposing them to the latest concepts and techniques in their respective areas of specialisation.
5. Replace elderly executives who have risen from the ranks by highly competent and academically qualified professionals.
6. Improve the thought processes and analytical abilities.
7. Provide opportunities to executives to fulfill their career aspirations.
8. Understand the problems of human relations and improve human relation skills.

A Dasgupta has given the level-wise objectives of the executive/ management development as follows:

(a) Top Management:

1. To improve thought processes and analytical ability in order to uncover and examine problems and take decisions in the best interests of the country and organisation;
2. To broaden the outlook of the executive in regard to his role, position and responsibilities in the organisation and outside;
3. To think through problems this may confront die organisation now or in the future;

4. To understand economic, technical and institutional forces in order to solve business problems; and

5. To acquire knowledge about the problems of human relations.

(b) Middle Line Management:

1. To establish a clear picture of executive functions and responsibilities;

2. To bring about an awareness of the broad aspects of management problems, and an acquaintance with and appreciation of interdepartmental relations.

3. To develop the ability to analyse problems and to take appropriate action;

4. To develop familiarity with the managerial use of financial accounting, psychology, business statistics;

5. To Inculcate knowledge of human motivation and human relationships; and

6. To develop responsible leadership.

(c) Middle Functional Executives and Specialists:

1. To increase knowledge of business fractions and operations in specific fields in marketing production, finance, personnel;

2. To increase proficiency in management techniques such as work study, inventory control, operations research, quality control;

3. To stimulate creative thinking in order to improve methods and procedures;

4. To understand the functions performed in a company;

5. To understand industrial relations problems; and
6. To develop the ability to analyse problems in one's area or functions.

Importance of executive development:

Executives, or say, managers manage/run organisations. It is managers who plan, organise, direct and control the resources and activities in every organisation. An organisation is like a vehicle of which managers are drivers. Without competent managers, other valuable resources such as men, material, machine, money, technology and others remain of not much significance for the organisation. Thus, managers are a vital cog in the success of any organisation. That's why executive/ management development has become indispensable to modern organisations.

The importance of executive development is appreciated in more orderly manner in the succeeding paragraphs:

1. Change in organisations has become sine quo non with rapid changes in the total environment. A manager, therefore, requires to be imparted training to abreast of and cope with on-going changes in his / her organisation. Otherwise, the manager becomes obsolete. In this context, Dale Yoder views that "without training, the executives lose their punch and drive and they die on the vine. Training and development are the only ways of overcoming the executive dropouts".
2. With the recognition that managers are made not born, there has been noticeable shift from owner managed to professionally managed enterprises, even in family business houses like Tata. That is also indicated by the lavish expenditure incurred on executive training by most of the enterprises these days.
3. Given the knowledge era, labour management relations are becoming increasingly complex. In such situation, managers not only need job skills but also behavioural skills in union

negotiations, collective bargaining, grievance redressal, etc. These skills are learned through training and development programmes.

4. The nature and number of problems change along with increase in the size and structure of enterprise from small to large. This underlines the need for developing managerial skills to handle the problems of big, giant and complex organisations.

Inaugurating the Tata Management Training Centre at Pune in 1965, Mr. J.R.D Tata extolled the importance of management training in these words.

“Trained managers are vital to the economic development of the country... This business of executive development has been one of the most crucial, essential end, at the same time, one of the most difficult elements in providing continuity and efficient management”.

As regards the importance of management development, the renowned behavioural scientist Peter Drucker opines that, “an institution that cannot produce its own managers will die. From an overall point of view, the ability of an institution to produce managers is more important than its ability to produce goods efficiently and cheaply”. In short, the importance of executive/ management development in an organisation can best be put as: anything minus management development in an organisation mounts to nothing.

The process:

Like any learning programme, executive development also involves a process consisting certain steps. Though sequencing these various steps in a chronological order is difficult, behavioural scientists have tried to list and sequence them in six steps as shown in figure as follows:

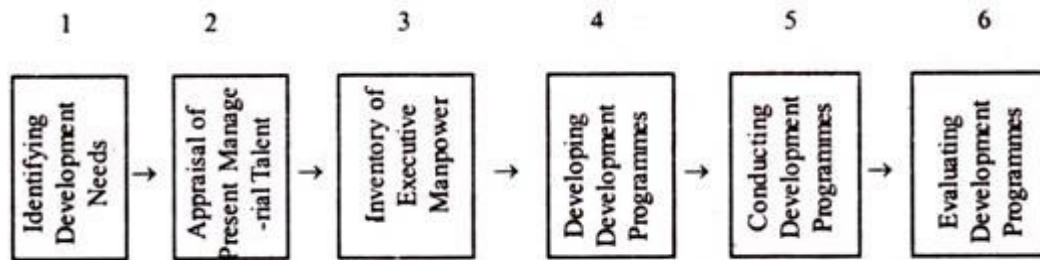


Fig. 11.1: Executive Development Process

These steps, also called the components of the executive development programme, have been-discussed in the succeeding paragraphs.

Identifying Development Needs:

Once the launching of an executive development programme (EDP) is decided, its implementation begins with identifying the developmental needs of the organisation concern. For this, first of all, the present and future developmental needs for executives/ managers ascertained by identifying how many and what type of executives will be required in the organisation at present and in future.

This needs to be seen in the context of organisational as well as individual, i.e. manager needs. While organisational needs may be identified by making organisational analysis in terms of organisation's growth plan, strategies, competitive environment, etc., individual needs to be identified by the individual career planning and appraisal.

Appraisal of Present Managerial Talent:

The second step is an appraisal of the present managerial talent for the organisation. For this purpose, a qualitative assessment of the existing executives/managers in the organisation is made. Then, the performance of every executive is compared with the standard expected of him.

Inventory of Executive Manpower:

Based on information gathered from human resource planning, an inventory is prepared to have complete information about each executive in each position. Information on the executive's age,

education, experience, health record, psychological test results, performance appraisal data, etc. is collected and the same is maintained on cards and replacement tables.

An analysis of such inventory shows the strengths and also discloses the deficiencies and weaknesses of the executives in certain functions relative to the future needs of the concern organisation. From this executive inventory, we can begin the fourth step involved in the executive development process.

Developing Development Programmes:

Having delineated strengths and weaknesses of each executive, the development programmes are tailored to fill in the deficiencies of executives. Such tailor-made programmes of development focus on individual needs such as skill development, changing attitudes, and knowledge acquisition.

Conducting Development Programmes:

At this stage, the manager actually participates in development programmes. It is worth mentioning that no single development programme can be adequate for all managers. The reason is that each manager has a unique set of physical, intellectual and emotional characteristics.

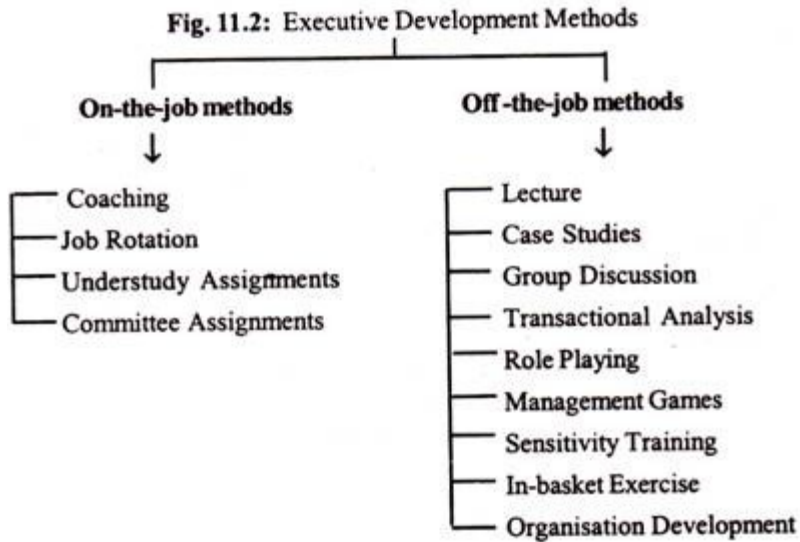
As such, there can be different development programmes to uniquely suit to the needs of an executive/ manager. These development programmes may be on-the-job or off-the-job programmes organised either by the organisation itself or by some outside agencies.

Evaluating Development Programmes:

Just as with employee training programme, executive development programme is evaluated to see changes in behaviour and executive performance. Evaluation of programme enables to appraise programme's effectiveness, highlight its weaknesses and aids to determine whether the development should be continued or how it can be improved.

Methods:

Since no single development programme can be adequate for managers, it is undertaken in a variety of methods. Various methods/ techniques of executive/management development may be classified into two broad categories as shown in the following figure 11.2.



Compensation plans

The next aspect of HRM is to develop compensation plans that will help in the recruitment and retention of employees. This is the topic of this chapter.

Figure 6.1



The goal of a compensation plan is not only to attract people, but to retain them. Most of us, no matter how much we like our jobs, would not do them without a compensation package. When we think of compensation, often we think of only our paycheck, but compensation in terms of HRM is much broader. A compensation package can include pay, health-care benefits, and other benefits such as 401(k) plans, which will all be discussed in this chapter. Before we discuss specifics, you should be aware of courses and certifications that can be earned through the WorldatWork Society of Certified Professionals, specifically related to compensation (other certifications will be discussed in their respective chapters).

WorldatWork offers several certifications in the area of compensation:

- Certified Compensation Professional (CCP)
- Certified Benefits Professional (CBP)
- Certified Sales Compensation Professional (CSCP)
- Certified Executive Compensation Professional (CECP)

These certifications involve taking a multiple-choice exam online or at one of the WorldatWork testing locations. The exams test for knowledge, experience, and skills in each of the compensation certification areas and can be a valuable asset to you when applying for HR positions.

The certifications are based on many of the aspects of this chapter, including understanding the goals of compensation packages for employees, which is our focus for this section.

First, the compensation package should be positive enough to attract the best people for the job. An organization that does not pay as well as others within the same industry will likely not be able to attract the best candidates, resulting in a poorer overall company performance.

Once the best employees and talent come to work for your organization, you want the compensation to be competitive enough to motivate people to stay with your organization. Although we know that compensation packages are not the only thing that motivates people, compensation is a key component.

Third, compensation can be used to improve morale, motivation, and satisfaction among employees. If employees are not satisfied, this can result not only in higher turnover but also in poor quality of work for those employees who do stay. A proper compensation plan can also increase loyalty in the organization.

Pay systems can also be used to reward individual or team performance and encourage employees to work at their own peak performance. In fact, in the 2011 list of the Best Companies to Work For by *Fortune* magazine, all the companies who topped the list (SAS and Boston Consulting Group, for example) had satisfied employees—not only with their pay, but their entire benefits package¹.

With an appropriate pay system, companies find that customer service is better because employees are happier. In addition, having fairly compensated, motivated employees not

only adds to the bottom line of the organization but also facilitates organizational growth and expansion. Motivated employees can also save the company money indirectly, by not taking sick days when the employee isn't really sick, and companies with good pay packages find fewer disability claims as well.

So far, our focus on HRM has been a strategic focus, and the same should be true for development of compensation packages. Before the package is developed for employees, it's key to understand the role compensation plays in the bottom line of the organization. For example, in 2010, the US military spent 22 percent of its budget on personnel salaries². One-fifth of the total budget—or more—is not uncommon for most US organizations, depending on the industry. As a result, it is easy to see why the compensation plan should be an important aspect of the overall HRM strategic plan.

The next few sections will detail the aspects of creating the right compensation packages: for your organization, including legal considerations.

- A compensation package is an important part of the overall strategic HRM plan, since much of the company budget is for employee compensation.
- A *compensation package* can include salary, bonuses, health-care plans, and a variety of other types of compensation.
- The goals of compensation are to attract people to work for your organization and to retain people who are already working in the organization.
- Compensation is also used to motivate employees to work at their peak performance and improve morale.
- Employees who are fairly compensated tend to provide better customer service, which can result in organizational growth and development.

UNIT - IV

SUSTAINING EMPLOYEE INTEREST

What is Reward System in HRM?

The achievement and benefit received by employees for their job performance in an organization are known as reward. Employees join the organization within certain expectation of reward. Some may be expecting for better salary and wages i.e., economic rewards while other may be seeking for facilities like accommodation, transportation, health, safety and other benefits as reward. Thus, economic and non-economic benefits provided by organization to employees for their job performance regardless of their expectation is known as reward. Employees must be communicated about the reward provision in an advance.

Types of Rewards in HRM:

Rewards can be anything in the form of pay, benefits, facility and or status paid by organization to employees that motivates employees for the best performance. Rewards can be classified on the various bases. Some of them are discussed as below:

1. Classification on the basis of feelings:

i. Intrinsic reward:

The reward linked with the internal satisfaction of an employee for their best performance perceived from their side is known as intrinsic reward. This reward is experienced by an employee himself/herself perceived from the result of their job performance. This reward is not related to what an organization provides to an employee. This type of reward can't be seen or touched. This achievement oriented reward. Employees feel pleasure for this type of reward. Job satisfaction, sense of achievement, considering oneself as an important member of an organization in some of the outcomes of this reward. Following types of job responsibility realizes intrinsic reward to the employees:

- Interesting job
- Challenging job
- Job autonomy
- Career development opportunity
- Participation in decision making
- Job enrichment
- Job rotation
- Flexible working hour
- Shorter working hour

ii. Extrinsic reward:

Reward received by an employee from an external source is known as extrinsic reward. Salary, wages, bonus, facilities, recognition, praise, medal, certificate of appreciation, promotion etc. provided by an organization for job performances are the examples of extrinsic reward. This reward has a physical appearance and can be touched, felt and seen by an employee. Since, this type of reward affects many employees, special attention should be provided while making the provisions for the extrinsic reward. This type of reward must be transparent, fair, and performance based.

2. On the basis of Economic value:

i. Financial reward:

If the employees are financially rewarded for their performance, it is known as financial reward. Financial reward is related to the enhancement of employee's financial well being. It helps to fulfill the basic and other requirement of employees. Therefore, it is also known as the most important and effective tool for motivation. It includes:

- Salary and wages,
- Bonus, commission, grade,
- Paid leave,
- Pension, gratuity, insurance facility,
- Accommodation, transportation, communication allowance
- Profit sharing
- Participation on company's share

ii. Non -Financial reward:

Rewards which are not related to financial matter is known as non financial reward. Financial reward doesn't always motivate the employees. This reward is not related with the economic well being. An organization has to make an appropriate combination of financial and non financial reward. Non financial rewards include:

- Favorable work environment
- Standard and well facilitated workplace.
- Attractive position.
- Responsibility of choice.
- Work autonomy
- Job security
- Well furnished furniture and equipment
- Personal assistant
- Lunch time and rest hour
- Teamwork, peer group
- Sufficient leave

- Extracurricular and sports opportunity
- Praise and recognition from senior

3. On the basis of evaluation:

i. Performance based reward:

Reward which is based on the job performance is known as performance based reward. Under this provision, high producing employees will be rewarded highly and low producing employees will be rewarded at low level. Likewise, employees producing higher quality will receive high level of reward and employees producing lower level of quality will receive lower level of reward. It is not just distributed because of being associated of spending more time in an organization. It is paid for the outstanding performance or remarkable contribution made by an employee. Performance based reward are as under:

1. Piece rate system:

Reward which is based upon the produced unit is known as piece rate system. Under this method, rate is fixed in advance. Various types of piecework pay plans are in practice.

2. Additional wages:

Minimum work standard (unit) and the rate of reward is priory fixed to be paid for an employee. Employees who produce above the predetermined minimum level of output will be paid additionally. For example, if an employee is to produce 100 units in a day for which \$5 per unit is fixed and suppose if she produces 120 units in a day then, she receives . \$100 extra for extra unit production. This will motivate other employees also to produce higher level of output. However, this may deteriorate the quality and optimal utilization of resources.

3. Commission:

Under this types of reward, specified commission is paid to the employees. This type of reward is generally related to sales figure. For example, if sales commission is 2% then employees will receive \$2000 for the sales of \$100,000.

4. Bonus:

If an organization distributes certain percentage of profit to an employee, the lump sum pay paid in addition is the regular pay as an incentive for performance, it is known as a bonus. For example if 10 % of bonus amount of \$5000 will be distributed to each of the employees.

ii. Membership based reward:

This type of reward is indifferent to the level of performance and position of employee. In fact, this types of reward is paid for being a member of organization. This reward is based on the policy, rules and procedure of the organization.

- Equal salary and allowance
- Equal growth rate in salary and allowance.
- Equal distribution of bonus and profit.
- Opportunity of promotion
- Grade provision based on seniority
- Salary and wages based on working hour
- Praise and recognition provided to a group or a team, etc.

Membership based rewards are of two types. This can be:

- Employees receive rewards in groups like all employees of the same level receiving salary,
- Reward as same growth rate in the salary, bonus distribution, opportunity of promotion or reward being received by a specific person on the basis of qualification, experience, expertise, seniority or other features.

Qualities of Effective Reward System in HRM:

Rewards motivate employees and make positive towards the organization. But, if it not effective, it may affect adversely to the employees and organization. Ineffective reward system reduces the performance of employees and the hampers in the productivity of organization. Following qualities are to be considered in making the reward system more effective.

1. Performance based:

Reward must be based on the performance. Better performer must receive better reward than the average and poor performer. Performance based reward system will motivate the employees to perform better.

2. Transparent and predictive:

Reward system must be management. Employees must be familiar with the reward system and the reward must be distributed transparently. Reward system must be predictive. Employees should be able to calculate and predict their reward in an advance. Employees become enthusiastic and motivated if they are aware about the type, size and quality of reward. Transparent reward system also fulfills the self esteem and recognition.

3. Cost Effective:

Reward must have the quality of balancing the cost benefit ratio. The reward received by the employee should not exceed the benefit received by the organization. Over costing reward causes the organization in loss position and the existence of the organization may be challenging. The concept of making employees happy through the expensive reward is wrong.

4. Need based:

The reward system must match with the need or requirement of the employees. If reward system doesn't meet the need of employees, it will not motivate the employees to perform better in the future. This will only create economic burden to the organization. For example, if an employee has physiological need, economic benefit may be an appropriate reward for him/her. Similarly, if an employee has self esteem need, providing recognition and appreciation may be appropriate reward to her/him.

5. Unbiased:

Reward must be unbiased and fair. Employees identical to their job performance should be rewarded equally. Biased reward system will create conflict in the organization. For this, regular job performance must be evaluated and based upon it, the reward system must be enacted.

6. Competitive:

Reward system must be competitive to other organization's provision. Reward must be revised timely. Reward management must be enough to earn the living standard. It should be able to accommodate the change in life style. In the absence of competitiveness, employees may leave the organization and join the other organization. Good reward system will attract and retain the competent employees.

What is Motivation in HRM?

Motivation is defined as the act of inspiring the employees to work or not to work hard to attain the predetermined goal. It is the state of activating the person to do something better. Motivation directs the acts and behaviors of person which drives the people to act with full effort to achieve goals.

Therefore, motivation can be defined as goal directed behavior. It is the activity that creates willingness and desire to do work successfully. Motivation acts a catalyst in order to achieve the goal.

Motivation to the employees is thus a managerial task to encourage and inspire to pay their cent percent effort to their job responsibility. This is based on the philosophy that until and unless employees are motivated, management cannot expect excellent performance from the employees.

The term motivation has been derived from the work motive, which means urge to do or not to do something. Motivation is the psychological process of creating willingness to work and cooperate for the achievement of organizational goals. Hence, motivation is an inner state that energizes, activates and directs behavior towards achieving organizational goals. So, motivation always helps the people to work effectively and efficiently to achieve the goal.

Motivation can be understood as a noun and a verb. As a noun the word motive means an objective and as a verb it means moving into actions. Therefore, motivation is a force that makes a man move to the desired direction to fulfill objectives.

For our purpose, motivation is the task of stimulating the efforts at rest to attain certain predetermined goals. Motivation strikes or drives the persons to continue their action more

competently and confidently that they are directed towards their milestone. Motivation plays vital role to make the work done by other as they are doing their own work. Motivation is a complex process because the drives should be activated psychologically. Motivation encourages employees in different ways like working harder, showing positive attitude towards the job and organization and show the self directed behavior to attain goals.

Process of Motivation in HRM:

Motivation takes certain steps as it is psychological process. When people are properly motivated, they can do the things amazingly. The motivational process determines what people want to be motivated.

1. Unsatisfied Needs and Motives:

The motivation process starts from the unsatisfied needs. Human is motivated in order to satisfy their unsatisfied needs. These needs strike psychologically or cause tension within an individual. Therefore, to release from tension, each human being need to fulfill the unsatisfied needs. To satisfy the unsatisfied needs, human being directs efforts to action.

2. Tension:

When needs are created, they bring remarkable changes in the behavior of person. Such changes in behavior are tension. The tension can be physical or psychological stress or pressure. Such stress or pressure gives moral support to people to concentrate their efforts. Environment can determine the rate or strength of tension. If the environment is favorable to the person, they feel low tension but isf the environment is not in favor of person, they feel higher stress.

3. Action:

Action is an to change the plan into real sense. An individual engages in an action to satisfy needs and motives so as to reduce the level of stress. To implement the plan into action, the best alternative is selected from among many alternatives which can be believed that helps to satisfy needs.

4. Goal achievement:

The state of getting or satisfying the required needs of people is the goal achievement. Goals can be achieved through proper use of resources. For this, people concentrate their efforts to implement their plans. Only motivated employees can help to achieve individual and organizational goal in an anticipated manners. Opportunity goals and incentives play vital role in achieving the organizational goals. They shape the size and quality of goal achievement.

5. Feedback:

Feedback is the response regarding the outcome of motivation. The outcome can be positive or negative. It indicates how well the goal is accomplished. Once existing needs and motives are satisfied, it ultimately creates new unsatisfied needs and motives. Thus, it is an ongoing process.

Features of Motivation in HRM:

1. Psychological process:

Motivation is psychological process which concerns with satisfying needs. Needs, motives and drives are leading forces to motivate individual. For positively directed, intense and positive motivation, individual must be convinced mentally.

2. Complex and unpredictable:

Motivation is a complex process as different persons may have different needs to satisfy. Managers need to understand their needs individually which is one of the complex tasks. It is very difficult to understand the level of motivation as persons may not reflect or show the actual motivation in their actions. Managers very hardly can predict the impact of motivational techniques in the employees. So, motivation is complex and unpredictable process.

3. Continuous process:

Motivation should be continuous as the employee cannot be motivated continuously for the long time with same effort. As the cause of motivation is the unsatisfied need of persons. If these needs will be fulfilled, managers must be able to create new and higher level of needs in them. Same technique cannot be effective forever, therefore managers need to search the new techniques for motivation. Thus, motivation is never ending process.

4. Whole individual:

Motivation should be concerned with total parts of the body. This means employees should be motivated physically and psychologically. Motivation in only one part of the body cannot be effective.

5. Goal oriented:

Motivation is goal oriented process. Each motivational activities and efforts caused by motivation are focused in order to attain goals. Such goals can be individual group and organizational goals.

6. Behaviour oriented:

Main motive of the motivation is to change the behaviour of the person. Motivation aims to energize and activate the passive efforts and will power of employees. Motivational techniques convince employees that their unsatisfied needs can be fulfilled if they change their inactive behaviour to active and unfavourable behaviour to favourable.

7. Pervasiveness:

Motivation is pervasive function as it is essential to each individual working at any level of responsibilities. This is equally important to the employees working in any types of organization all over the world.

8. External influence:

Motivation can be influenced by external factors very easily. Environment can be favorable or not to the person to attain the individual goals. Environment provides the opportunities to the employees. It can further be influenced by ability of person, self confident, types of motivational techniques expected rewards of motivation, etc.

9. Different classification:

Motivation can be classified or defined in different ways. It can be internal or external on the basis of source of motivation as self induced or externally created. It can be classified as positive or negative motivation on the basis of whether reward is used to motivate or punishment. It can further be classified into financial nor non financial motivation on the basis of motivational source whether it is monetary or non monetary.

Importance of Motivation in HRM:

Motivation is essential to every organization as it is the source of employee's effort. Level of motivation of employees ensures the materialization of individual and organizational goals. Importance of motivation can further be justified with following points.

1. Increased productivity:

Motivation increases the productivity of the employees. It utilizes the ability, potentiality and efficiency of the employees. Once the employees are motivated, they do the work whole heartedly. And ultimately increases the productivity of the employees and organization.

2. Develops positive attitude:

The motivated employees always develop positive attitude towards the organization and the positivity brings good result. Therefore, to develop positive attitude towards the organization, the organization must do the activities which can motivate the employees. The demotivated employees develop negative attitude towards the organization and they are not actively involved in realizing the organizational goal. So, to develop positive attitude motivation is a must.

3. Utilizes the resources:

Motivation helps in utilizing the resources. The motivated employees never let the resources go for wastage. They utilize the resources in optimum. They always work hard for the betterment of the organizational development and try to give maximum satisfaction from the minimum resources.

4. Stops absenteeism and turnover:

When the employees are motivated, they are much satisfied with the organization. Because of this, there is low absenteeism and turnover. They stay in the organization for the longer time. When organizations do not do any activities for motivation, then there is high turnover and absenteeism. The high absenteeism and turnover create problems which do not help in realizing the goal of an organization.

5. Creates willingness:

Motivation creates willingness amongst the employees to do the work honestly. It creates willingness by giving different financial and non financial incentives. In the hope of getting incentives the employees do the work effectively and efficiently. So, to create willingness, employees must be motivated.

6. Materializes organizational goal:

Every organization get involved in formulating the plan and every plan has an objective. To fulfill the objective or to realize the objective, employees must be motivated. The motivated employees do work effectively in order to realize the goal.

7. Facilitates organizational change:

Change is a must for organizational and personal development. Through motivation one can bring change in the resistivity to change behavior of the employees. This help in accepting the organizational change. Therefore, motivation is important to accept the organizational change.

Types of motivation:

1. Positive or negative motivation:

If the motivation is classified on the basis of rewards or punishment used to motivate employees, it can be classified into positive or negative motivation. In practice, maximum organizations emphasize negative motivation which becomes temporary and critical to organization in many cases. Positive motivation becomes permanent and makes employees loyal towards organization. But, it is necessary to balance positive and negative motivation to create the optimal results.

a. Positive Motivation:

If the motivation is based on incentives and reward for better performance, it is known as positive motivation. Bonus, rewards, promotion, recognition, challenging responsibilities,

participation at decision making, etc. are used to motivate under positive motivation. This method is also called 'carrot approach' as employees get rewards for every better result. Positive motivation creates self motivation and it becomes long lasting. Employees themselves put extra effort. They become more creative cooperative with each other for the common objective. Employees work with dedication in a hope to fulfill their need. Since it is human nature that fulfillment of one level of needs which creates rise of next level needs. Positive motivation reduces the absenteeism rate and labor turnover. Employees get praise and recognition under this type of motivation. Positive motivation may be financial and non financial.

b. Negative motivation:

If the motivation is created on the basis of fear and punishment, it is known as negative motivation. In negative motivation, warning, salary deduction, suspension, penalty, holding grades, demotion, firing from job, etc. techniques are frequently used. Creating a compulsion situation to employees perform a job is known as negative motivation. This method does not consider about the like or dislike of employees. Employees perform their job with fear and punishment. Negative motivation makes the employees negative towards organization and leadership. Since employees are negatively motivated, the rate of absenteeism, employee's turnover rate become high whereas the performance becomes slow and low quality. It is temporary nature and it provides loss to the organization in long run.

2. Internal and external motivation:

If the motivation is classified on the basis of self induced or externally created motivation, it can be classified in to internal or external motivation. Internal motivation is created by heart of the employees whereas external motivation is created by external means of motivation like better salary or facilities. Organizations should balance the internal and external motivation as they can balance their financial position.

a. Internal motivation:

If any person is satisfied by his/her performance, it provides motivation for additional work. The motivation raised by the satisfaction of own performance is known as internal motivation. Opportunity to work in a preferred area, challenging and important job responsibilities, work autonomy, quality of work life, participation in management, management by objective, job enrichment, effective job appraisal, etc. serve as an source for internal motivation. It makes employees more productive and creative. Since, it is raised from inner state of mind; it cannot be easily influenced by general external reasons.

b. External motivation:

If a person is motivated by the praise or recognition, rewards or other financial benefits and non financial facilities given by organization for his/her job performance, the motivation is known as external motivation. Generally, employees with lower level needs are motivated by this type of motivation. Since, their priorities are economic benefit, financial reward, increment in salary, wages and allowances; they can be motivated with external means of motivation. This methods

as maximum people demand for it. External motivation is temporary as compared to internal motivation. Employees motivated by external techniques are motivated until they are continued with motivational factors. Once they are stopped, they will be dissatisfied and hence the motivation stops.

3. Financial and non financial motivation:

If the motivation is classified on the basis of financial means provided to the employees, it can be classified into financial and non financial motivation. Financial means of motivation increases the economic burden whereas maximum employees can be guided by financial needs. Thus, appropriate proportion of financial and non financial means of motivation has to be maintained.

a. Financial motivation:

If economic or financial factors are mobilized for motivating the employees, then the motivation is known as financial motivation. Reasonable or sufficient remuneration, regular payments of salary and facilities, equitable wage, lawful bonus, competitive and equitable reward, paid holiday, paying festival allowances, paying for overtime etc. are some common means of financial motivation. Mostly, employees are motivated through financial motivation. As stated above, financial motivation increases the financial burden to the organization but this is most essential to fulfill the basic needs of employees as well as to ensure their financial security.

b. Non Financial motivation:

If non financial benefits are applied for employee motivation, it is known as non financial motivation. Motivating employees through the participating in decision making, providing authority, job autonomy, systematic and regular performance appraisal system, timely promotion, allocating challenging job, acknowledging employees work, providing opportunities for career development, training and development opportunities, providing educational leave, etc. are some common examples of non financial motivation. Non financial motivational means focus to the equality, justice and career opportunity.

4. Group and individual motivation:

If the motivation is classified on the basis of motivation focus to only an employee or group of employees at a time, it can be classified into group or individual motivation. Group motivation provides the benefits to a group of employees whereas the individual motivation motivates to a particular employee.

a. Group Motivation:

If the motivational sources motivate to large number of employees at a same time, the motivation is known as group motivation. Rewarding the whole department, distributing bonus to all employees, providing collective responsibility, arranging picnic or tour or entertaining programs to all employees, etc. are some common examples of group motivation. Group motivation provides same motivation means to all employees and facilitates to all the group members.

Efficient managers try to motivate large number of employees from the same source. Group motivation reduces individual differences and feeling of biasness. This means group motivation is one of the tools to provide the group justice and satisfaction. Thus, for the overall organizational effectiveness and productivity, it is better to emphasize on group motivation.

b. Individual Motivation:

If only an employee is motivated at a time by single means of motivation, then the motivation is known as individual motivation. It cannot satisfy other employees while motivating one employee i.e., only the employee gets the benefits of means of motivation. Rewarding the best employees on the basis of performance appraisal, rewarding or providing economic benefits to only one employee etc. are some common examples of the individual motivation.

Emerging Issues in Motivation in HRM

With change in business environment, globalization has created more opportunities to employees. Free flow of labor forces has created challenges to the managers regarding what can motivate employees so that their retention can be secured. Managers need to settle various issues related with motivation. Some of them are discussed below:

1. Motivating professionals

Because of globalization, business environment is being more volatile in which the role of professionals is increasing. Professionals are well paid and get well physical environment which are dislike blue collar employees. They are result oriented and concern more in their profession than to their employers. They are motivated intrinsically. So, job content satisfiers like challenging job, support for job accomplishment, opportunity, recognition, autonomy, growth, etc. are required to motivate them. Salary, working conditions, promotions, facilities, etc. cannot motivate them.

2. Growing contingent workers

Globalization and frequent change in technology have pressured the organization for downsizing, merger and acquisition. Jobs of employees are changing frequently and many employees are losing their job. Markets of many renowned companies are also being collapsed. In such situations, organizations are interested in employing temporary employees in contract, part time or daily wages basis. In many cases, percentage of individuals wishing to work in part time basis is also increasing as they do not want to lose any opportunity as being permanent employee in one organization. Such employees are less committed to organization and their performance. Managers are facing challenge of improving commitment of such temporary workforce. Temporary workforce can be classified into voluntarily temporary workforce can be motivated easily but involuntarily temporary workforce cannot be motivated easily. For such employees, managers need to offer training opportunities, provide variable pay plan on the basis of their skills and performance.

3. Motivating and Diversified workforce

Every organizations nowadays are composed of heterogeneity i.e. diversification of employees. Diversification in terms of gender, ethnicity, immigration, age, socio-economic background, physical conditions etc. are being more challenging to managers to motivate. They possess diversified needs and hence diversified reward systems or motivation techniques are required to plan which is almost impossible in the organization. To motivate employees in such design, managers need to redesign the work schedules, compensation plans or benefits, physical work setting, etc.

4. Motivating low skilled service workers

Workers with low academic qualification and skills are called low skilled service workers. They are normally paid low and have low chance of career growth. Therefore turnover rate of such employees is high. Managers need to pay special attention for motivating such employees. To motivate such employees, flexible work schedule, recruiting persons who have low financial needs, increasing pay, improving human relations in the work place, making job more interesting, etc. can be beneficial.

5. Motivating people doing highly repetitive tasks

Assembly line workers, court report translators, security guards, gate keepers, etc. have to accomplish highly repetitive tasks which are most boring. Thus, employees working for such responsibility do not have good job satisfaction. They need to be motivated through high pay, frequent work breaks, opportunities of socialization with colleagues, supportive supervision, etc.

Motivation and Performance:

Motivation is the process of inspiring, encouraging and stimulating employees for their maximum effort to get improved performance. This is the common understanding that motivated employees subordinate their objectives to attain the organizational goals. Such employees get job satisfaction in attaining the organizational goals. Different researchers found that performance level of motivated employees is obtained to be more than those of demotivated or less motivated. Motivation is most important for low absenteeism, low wastage and greater employee maintenance. Motivated employees are considered as the pillar of organizational success. Performance in simple sense is the job outcomes of employees. Generally, performance is understood as doing the job in expected level effectively and efficiently. Decreasing wastage of raw materials, reducing production time, improving quality of work done, etc. indicates the greater performance. Higher performance indicates the greater efficiency and effectiveness. Effectiveness is related to the degree of goal accomplishment whereas efficiency is the greater output in comparison to the input. Efficiency is related with cost of production. Efficiency and effectiveness together indicate the productivity. Thus, performance is related with productivity of

the organization. Business performance is the indicator of the business success for any organization. Business performance measurement elements consist of innovation, rate of new product development, customer satisfaction, customer retention, operating cost reduction and market growth.

Motivated employees perform their activities with greater effectiveness and efficiency. Effectiveness and efficiency are the indicator of performance and hence motivation and performance are related. They have positive relation i.e., greater the employee motivation, higher will be their performance. Here, higher or improved performance increases the job satisfaction of employees which increases the motivation. This indicates that there is mutual relationship between performance and motivation.

But motivation itself cannot increase the job performance of employee. Along with the motivation, ability of the employees is equally important. Motivation without employee's ability may create the employee's frustration. This means to increase the performance of employees, they must be motivated within their ability of doing job. Following relationship then, can be established in between performance and motivation.

Job performance = Ability x Motivation

From this relation, we can conclude that performance of employee is the product of ability of employees and motivation to them. Managers need to find out ability of employees and initiate appropriate motivation techniques. They need to balance the motivation and employees ability to attain the goals.

Theories of motivation

Human resources managers perform key functions to help sustain business operations. They outline policies that are imperative in facilitating employer-employee relations. Their main task is to successfully motivate employees to meet a company's financial goals while still maintaining its principles. Many theories seek to explain how motivation works in attaining the best results from workers.

Abraham Maslow's Hierarchy of Needs Theory

Maslow's theory explains that an individual is motivated according to the level of needs, and he will progress depending on how well these needs are addressed at each level. Needs at a basic level include security, social needs, psychological needs and favorable working conditions. The needs are addressed by ensuring there is security at the workplace and workers are friendly and respectful. Companies also should allow bathroom breaks and refreshment breaks and reasonable working hours to avoid extreme exhaustion. Needs at a higher level such as self-actualization and self-esteem can be handled by providing challenging projects and offering rewards such as promotions and benefits.

Herzberg's Two-Factor Theory

The Two-Factor theory argues that that there are two factors that motivate workers: hygiene and satisfiers. These factors are not determinants of success, but their absence results in

underperformance. Hygiene factors in this case refer to job security, salary, organizational policies and working conditions. Satisfiers, also known as motivators, include growth opportunities, responsibility and recognition. A human resources manager needs to do research to find out what workers really need and then make necessary improvements to increase performance. For example, creation of a non-smoking section or involving employees in development plans and decisions of a company helps them feel recognized and appreciated.

McClelland's Acquired Needs Theory

The Acquired Needs theory recognizes that each individual prioritizes needs differently and that some needs are not hereditary but acquired in life. A high achiever for example, has a need for achievement and power; this means that his preferred workplace environment might differ from the average worker. A high achiever is driven by responsibility, a degree of risk and feedback of his performance. He wants to know whether he is improving. A team player has a need for affiliation; he desires a friendly, social and conflict-free and cooperative environment, rather than competitive work situation.

Alderfer's ERG Theory

Alderfer's ERG (existence, relatedness and growth) theory is built on Maslow's theory. However, it groups an individual's needs into three: existence, relatedness and growth needs. The needs are material and deal with an individual's physical and social needs that cover interpersonal relationships and development needs that involve a person's development and psychological growth.

Career Management

It is the combination of structured planning and the active management choice of one's own professional career.

"Lifelong, self-monitored process of career planning that involves choosing and setting personal goals, and formulating strategies for achieving them".

Career management as a process for enabling employees to better understand and develop their career skills and interests, and to use these skills and interests most effectively both within the company and after they leave the firm.

Benefits to the organisation

Well-planned and executed career programmes will benefit both the organisation and the employees in a number of ways. These include the following:

- **Staffing inventories.** Effective career management will help ensure a continuous supply of professional, technical and managerial talent so that future organisational goals may be achieved.
- **Staffing from within.** Because of the many potential advantages of promotion from within, most organisations like to promote employees when positions become available. But recruitment from within requires a strong career management programme to guarantee that employees can perform effectively in their new jobs. Promoting employees

before they are ready to assume their new jobs will result in unsatisfactory performance, as predicted by the Peter Principle.

Peter Principle:

Observation that in an hierarchy people tend to rise to "their level of incompetence." Thus, as people are promoted, they become progressively less-effective because good performance in one job does not guaranty similar performance in another. Named after the Canadian researcher Dr. Laurence J. Peter (1910-90) who popularized this observation in his 1969 book 'The Peter Principle.'

- **Solving staffing problems.** Certain staffing problems may be remedied through effective career management. First, a high rate of employee turnover may be caused, at least in part, by a feeling that little opportunity exists within the organisation. Second, recruiting new employees may be easier if applicants realise that the company develops its employees and provides career opportunities.
- **Satisfying employee needs.** The current generation of employees are very different from those of generations past. Higher levels of education have raised career expectations. And many workers hold their employers responsible for providing opportunities so that those expectations may be realised.
- **Enhanced motivation.** Because progression along the career path is directly related to job performance, an employee is likely to be motivated to perform at peak levels so that career goals may be accomplished.
- **Employment equity.** Guidelines demand fair and equitable recruiting, selection and placement policies and the elimination of discriminatory practices concerning promotions and career mobility- Many affirmative action programmes contain formal provisions to enhance the career mobility of women and other formerly excluded groups, including the development of career paths and the design of formal T&D activities.

Mentoring:

Mentoring is a partnership between two people which supports personal and/or professional development between a less experienced individual, called a mentee, and a more experienced individual known as a mentor. Over the course of your career, you may have many mentors and mentees. These relationships may last years, months, weeks or days.

Mentoring may come in bits and pieces as needed by the mentee; or it may be that a mentor and mentee choose to have a standing, weekly meeting time where they discuss a variety of topics. It depends upon what works best for both people.

An individual may seek a mentor for a variety of reasons:

- To learn a new technical skill
- To learn or develop a competency
- To develop leadership or management skills

- To assist in career transitions such as: new roles, changing jobs, or different organization structure

This guide will step you through the mentoring process. A successful mentor/mentee engagement begins with purposeful planning and ensuring both parties are engaged in the learning goals and relationship.

LEARNING INTEREST	EXAMPLE	POSSIBLE LEARNING GOALS
Strengthening financial skills.	I want to provide useful financial and statistical information such as financial reports, performance reports and metrics analysis. This skill would better help me quantify the worth of my ideas. Where do I start?	<p>Identify gaps in financial knowledge base</p> <p>Identify gaps in use of financial software tools</p> <p>Observe interactions in departmental budget meetings and project-setting meetings to assess appropriate level of information to present</p>
Managing conflict in the workplace	I work with competitive people who argue their points (professionally) and often get what they want. I back down on my opinions almost immediately because I want to avoid the stress I feel about conflict, but I've lost out on assignments I've wanted because of this behavior. How do I change?	<p>Observe "conflict" that is effective and you perceive as respectful and translate it into a process</p> <p>Obtain knowledge about conflict management skills</p> <p>Involve yourself in a project or task that promises to put you in situations of conflict</p>
Seeking a Leadership Position	I would like to become a Director in the next few years. I have seen others promoted into these roles. What do I need to do to get noticed?	<p>Gain an understanding of the organizational political landscape</p> <p>Identify skill gaps that may be preventing upward movement</p> <p>Develop a proposal for</p>

Assimilating into my new role

I finally got a job that is aligned with my degree and I want to perform well. Fund-raising is one part of the job that I have not done before. What should I do to get up and running fast?

promotion conversation

Secure basic information on approach, tools and metrics

Observe others as they engage with prospective donors

Identify a particular donor and create a script for your request

I. Establishing Learning Goals

II. Identifying Potential Mentors

III. Approaching a Mentor

IV. Understanding Roles

V. Tips for Mentees

VI. Ending Engagement

VII. Learning More about Mentoring

I. Establishing Learning Goals

The first step in the process is for the mentee to establish their particular learning goals. Sometimes these goals emerge through feedback on a performance appraisal or development plan. And sometimes goals emerge as a result of the mentee having a realistic vision of where they want to be in their career a few years in the future. The following tool provides some examples of learning goals individuals may be seeking.

II. Identifying a potential mentor

Once you have identified your learning goals, it will be easier to select a mentor. There are several ways you can go about finding one.

- **Internal to the university:** The university has an abundance of talented staff. Do some research to see who has expertise in your area of interest. Make a point of regularly reviewing the university home page, Know and The Daily Texan to stay on top of current events and people involved in those events.
- **External to the university:** If your preference is to have a mentor outside of the university, you can use the web and contact relevant professional organizations to find potential mentors. And, consider doing an Advanced People Search on LinkedIn. For example, maybe you think that someone from your undergraduate alma mater might be more inclined to enter into a mentoring relationship with you. You would type in your

university and a title that your potential mentor may have such as Human Resource Director or Vice-President of Marketing, etc., and then focus the search on your zip code or city.

- **Networking:** Take advantage of networking activities. Networking involves using the people you know and people they know to help with a search for a mentor. Let people know that you are looking for a mentor, and articulate the type of mentor that would work well for you. Consider seeking the assistance of someone who knows a lot of people or knows the person you wish to have mentor you. Find out from them the best way to connect with the potential mentor or even ask them to help with the initial introduction.

III. Approaching a potential mentor

Once you have found a couple of prospective mentors, you will need to engage with them and eventually make your request for their attention. Some quick DOs and one DON'T to consider:

DO:

- Have an initial, get-to-know-you discussion(s) with a potential mentor before asking them to commit to you. Meet to ask advice on one or two items, show who you are, have a good sense of who they are and then ask.
- Communicate why you would like them to be your mentor by explaining what you respect about them. For example, “I value that you are able to hold a senior position at (company) and also find time to actively volunteer for (name of a non-profit organization).” Whatever you say must be genuine and demonstrate that you have really thought about why they are the one for you.
- Share where you want to go in life and in your career and why their experience and advice will help you. Show passion and potential.
- Communicate what type of mentoring relationship you want. Discuss the type of advice or feedback you hope to receive and how often you'd like to interact (once a month, once a quarter, ad-hoc, etc.). If your mentor suggests something different, consider adapting – after all, some of this person's attention will be better than none.

DON'T:

- Take a “no” personally. People are busy and the chemistry might be off. Go to the next person on your list.

VI. Understanding Roles

If we think of a mentoring relationship as a project, the mentee is the project manager. It is primarily their job to establish learning objectives, keep on task and timeline and evaluate the

quality of the relationship. As with any relationship, both parties have a role to play. Some of those responsibilities include:

Mentor Responsibilities	Mentee Responsibilities
Act as a role model	Keep commitments you make with your mentor
Help identify skill gaps and challenge the mentee	Take the initiative in the relationship
Provide safe risk-taking environment	Be open to receiving feedback and coaching
Encourage exploration of ideas and risk taking in learning	Take responsibility for your own professional growth and development
Serve as a source of information and resources	Seek challenging assignments
Refrain from seeing yourself as one who must know all. Instead, ask questions, facilitate mentee's thinking.	Renegotiate the mentoring relationship when your needs change
Hold mentee accountable	
Be aware of signals indicating it may be time to end the relationship	

V. Tips for Mentees

There are several ways a mentee can assist their mentor in building a productive relationship:

- Be willing and able to let your mentor know what you need.
- Be clear with your needs; don't beat around the bush--your mentor's time is valuable.
- Feel comfortable with your mentor.
- Trust your mentor and be willing to be open with him or her.
- Be ready and willing to develop and change yourself.

Additionally, you can help your mentor be a sounding board and a person who leads you to solve your own problems. As you begin working together, you might say something to set the tone for your exchanges with your mentor, such as:

"I have a situation going on in my department that I'd like to talk with you about. I have some ideas of actions to take that might be helpful and I am hoping that you will listen to my ideas and then ask me some questions to help me settle on the best first step to take. How does that sound?"

As a mentee, strive to be self-aware. Try exploring what words and mannerisms trigger your defenses. Emotional reactions, like feeling a need to protect yourself, may derail your ability to

listen for understanding and to receive feedback. Over the course of the next few weeks, pay attention to conversations you have and what is going on in you gut. When you feel a reaction that you equate with defensiveness, or anger or embarrassment, etc., ask yourself:

- What did I hear or observe that triggered it?
- Is it the context of the phrase that bothers me?
- Is it the tone in which the phrase was said?
- What did this situation remind me of?

Once you've identified the stumbling blocks for you, you can work on desensitizing yourself and eventually those words or terms or tones lose their power to distract you from receiving feedback. If you would like assistance in exploring how to move past some of the stumbling blocks, you might consider enlisting the free, confidential services of the counselors at the university's [Employee Assistance Program](#).

Most mentors feel their time mentoring is well spent when they see they are helping a mentee achieve their goals and that they are making a difference in an aspect of someone's life. Given this, mentees will want to express genuine thanks to their mentors along with specific examples of what the mentor did that was helpful.

VI. Ending Engagement

Be vigilant in regularly assessing how the mentoring relationship is working. There will come a time when the mentor/mentee partnership will no longer be productive for the mentor, mentee, or both. For some, discussions may begin feeling more like idle chatter rather than purposeful conversation. For others, the goals and objectives of the mentee may simply have been met. Mentors and mentees often stay in touch after the actual partnership ends and their relationship evolves into something different; an end doesn't have to mean the two of you will no longer interact. Some suggestions for closing out a partnership:

- Talk about what you are noticing that makes you think the partnership is at a transition point.
- If the mentee has learned what he or she has wanted, express that and celebrate.
- Even if not all objectives have been met for one reason or another, find some positives of the mentoring relationship to highlight. What has each person gained or learned? Give examples.
- Be direct, tactful, caring, but assert your desire to either change the dynamics of the relationship or end it.
- Tie up loose ends if there are any.

Some key points on Mentoring

- Mentoring focus on attitude development
- Conducted for management-level employees
- Mentoring is done by someone inside the company
- It is one-to-one interaction
- It helps in identifying weaknesses and focus on the area that needs improvement

Responsibilities of a Mentor

- The responsibilities of all mentors:
 - Assist the employee in developing talents.
 - Maintain objectivity and balance.
 - Allow the employee to grow and become more independent.
 - Foster a sense of risk-taking and independence.
 - Balance the responsibilities you take on for the employee.
- The additional responsibilities of mentors in a formal program:
 - Listen to and acknowledge the employee without undermining the role of the manager.
 - Encourage the employee to resolve problems directly with the manager.

Tips on Mentoring

- For all mentors:
 - Let the employee learn from you.
 - Whenever possible, give encouragement.
 - Point out alternatives.
 - Remember that mentoring also takes place in phone calls, e-mail, etc.
- For mentors in a formal program:
 - Introduce the employee to people who would be helpful.
 - Keep your program administrator informed, and seek assistance when needed.
 - At the end, allow the employee to keep in touch.

Objectives of a Mentoring Program

- To retain and advance talented employees.
- To retain and advance women and minorities.
- To give mentors satisfaction and a rewarding experience.
- To open up new channels of communication, information, and education.
- To demonstrate that the organization invests in people and encourages opportunity for a diverse workforce.
- Non-goal: The program is not intended for sponsoring anyone for a particular position in the organisation.

UNIT - V

PERFORMANCE EVALUATION AND CONTROL PROCESS

PERFORMANCE APPRAISAL

- Performance appraisal is a method of evaluating the behaviour of employees in the work spot, normally including both the quantitative and qualitative aspects of job performance.
- Performance here refers to the degree of accomplishment of the tasks that make up an individual's job.
- It indicates how well an individual is fulfilling the job demands. Important Features of Performance Appraisal
- Performance appraisal is the systematic description of an employee's job-relevant strength and weaknesses.
- The basic purpose is to find out how well the employee is performing the job and establish a plan of improvement.
- Appraisals are arranged periodically according to a definite plan.
- Performance appraisal is a continuous process in every large scale organization. Need for Performance Appraisal
- Provide information about the performance ranks. Decision regarding salary fixation, confirmation, promotion, transfer and demotion are taken based on performance.
- Provide feedback information about the level of achievement and behaviour of the subordinate. This information helps to review the performance of the subordinate, rectifying performance deficiencies and to set new standard of work, if necessary.
- Provide information which helps to counsel the subordinate. Purpose of Performance Appraisal
- To create and maintain a satisfactory level of performance.
- To help the superiors to have a proper understanding about their subordinates.
- To contribute to the employee growth and development through training, self and management development programmes.

▪ To facilitate fair and equitable compensation based on performance. Content of Performance Appraisal (Content to be Appraised for an officer's Job)

▪ Regularity of Attendance.

▪ Ability to work with others.

▪ Leadership styles & abilities.

▪ Initiative.

▪ Technical skill.

▪ Technical ability/knowledge.

▪ Creative skills.

▪ Area of interest.

▪ Area of suitability.

▪ Judgement skills.

▪ Integrity.

▪ Capability for assuming responsibility.

▪ Level of acceptance by subordinates.

▪ Honesty and sincerity.

▪ Knowledge of systems and procedures.

▪ Quality of suggestions offered for improvement. Appraisers 360o Performance Appraisal

▪ The appraiser may be any person who has thorough knowledge about the job content, contents to be appraised, standards of contents and who observes the employee while performing a job.

▪ The appraiser should prepare to be capable of determining what is more important and what is relatively less important. Appraisers

▪ He should prepare reports and make judgements without bias.

▪ Typical appraisers are: Supervisors ?Peers ?Subordinates ?Employees themselves ?Users of service and ?consultants

- Performance appraisal by all these parties is called “360 Performance Appraisal.” When to Appraise?
- Informal appraisals are conducted whenever the supervisor or personnel managers feel it necessary. However, systematic appraisals are conducted on a regular basis, say for example, every six months or annually.

METHODS OF PERFORMANCE APPRAISAL

- Traditional Methods
 - Modern Methods
 - Graphic Rating Scales
 - Behaviourally Anchored Rating Scales
 - Ranking Method
 - Assessment Centre Paired Comparison Method
 - Human Resources Accounting Forced Distribution Method
 - Management by Objectives Checklist Methods
 - Behaviour Observation Scales
- ♣ Simple Checklist Psychological Appraisal
 - ♣ Weighted Checklist Results Method
 - ♣ Critical Incident Method Productivity Measures Essay or Free Form Appraisal Balance Scorecard Group Appraisal Confidential Reports Managerial Appraisal

Harold Koontz has developed a concept of managerial appraisal i.e., appraising managers as managers. According to this concept, the managers attain organizational objectives by performing the basic managerial functions, viz.,

- Planning,
- Organizing,
- Leading,
- Motivating,
- Staffing, and,
- Controlling.

Uses of Performance Appraisal

- Organisational planning based on potentialities of its human resources.
- Human resources planning based on weakness, strengths and potentialities of human resources.
- Organizational effectiveness through performance improvement.
- Fixation and re-fixation of salary, allowances, incentives and benefits.
- Career planning and development and movement of employees. Problems of Performance Appraisal

The major problems in performance appraisal are:

- Rating Biases (it includes):
 - Halo Effect
 - The error of central tendency
 - The leniency and strictness biases
 - Personal prejudice and
 - The recency effect
- Most part of the appraisal is based on subjectivity.
- Some superiors completed appraisal reports within a few minutes.
- The situation was unpleasant in the feedback interview.
- Negative ratings affect interpersonal relations and industrial relations system.

Recent Developments

- Change in the Approach to Performance Management.
- Emphasis on Documentation.
- Computer-based Performance Management.
- Collaborative Performance Management.
- Customized Performance Management System.

Appraisal Interview

- The Appraisal (Feedback) Interview is a discussion between the supervisor and the employee concerning the employee's past performance and how that performance can be improved in the future. Purposes of the Interview
 - Encouraging present behaviour.
 - Explaining what is expected of employees.
 - Communicating results of salary or promotion decisions.
 - Planning for future performance improvement.

- Improving supervisor – subordinate relationships.

Types of Appraisal Interview

- Tell and sell approach: The supervisor acts as judge and jury and needs to persuade the ratee to change his/her behaviour in a prescribed way.
- Tell and listen approach: During the first part of the interview the employee's strong and weak areas of performance are addressed; during the second part the focus falls on the employee's feelings about the appraisal.
- Problem – solving approach: The supervisor acts as helper and facilitator and discusses the problems, needs, innovations, dissatisfactions, etc. PROMOTION, TRANSFER & DEMOTION
- As a part of career management, companies move the employees from one level to the another level and from one job to the another job within the company.

Designing a Performance Appraisal System

There are a number of things to consider before designing or revising an existing performance appraisal system. Some researchers suggest that the performance appraisal system is perhaps one of the most important parts of the organization (Lawrie, 1990), while others suggest that performance appraisal systems are ultimately flawed (Derven, 1990), making them worthless. For the purpose of this chapter, let's assume we can create a performance appraisal system that will provide value to the organization and the employee. When designing this process, we should recognize that any process has its limitations, but if we plan it correctly, we can minimize some of these.

The first step in the process is to determine how often performance appraisals should be given. Please keep in mind that managers should constantly be giving feedback to employees, and this process is a more formal way of doing so. Some organizations choose to give performance evaluations once per year, while others give them twice per year, or more. The advantage to giving an evaluation twice per year, of course, is more feedback and opportunity for employee development. The downside is the time it takes for the manager to write the evaluation and discuss it with the employee. If done well, it could take several hours for just one employee. Depending on your organization's structure, you may choose one or the other. For example, if most of your managers have five or ten people to manage (this is called span of control), it might be worthwhile to give performance evaluations more than once per year, since the time cost isn't high. If most of your managers have twenty or more employees, it may not be feasible to perform this process more than once per year. To determine costs of your performance evaluations, see Table "Estimating the Costs of Performance Evaluations". Asking for feedback from managers and employees is also a good way to determine how often performance evaluations should be given.

Table : Estimating the Costs of Performance Evaluations

Narrow Span of Control	
Average span of control	8
Average time to complete one written review	1 hour
Average time to discuss with employee	1 hour
Administrative time to set up meetings with employees	1/2 hour

$8 \text{ employees} \times 2 \text{ hours per employee} + 1/2 \text{ hour administrative time to set up times to meet with employees} = 16.5 \text{ hours of time for one manager to complete all performance reviews}$

Wider Span of Control	
Average span of control	25
Average time to complete one written review	1 hour
Average time to discuss with employee	1 hour
Administrative time to set up meetings with employees	1 hour

$25 \text{ employees} \times 2 \text{ hours per employee} + 1 \text{ hour administrative time to set up times to meet with employees} = 51 \text{ hours}$

Once you have the number of hours it takes, you can multiply that by your manager's hourly pay to get an estimated cost to the organization

$16 \text{ hours} \times \$50 \text{ per hour} = \$850$

$51 \text{ hours} \times \$50 \text{ per hour} = \$2550$

Should pay increases be tied to performance evaluations? This might be the second consideration before development of a performance evaluation process. There is research that shows employees have a greater acceptance of performance reviews if the review is linked to rewards (Bannister & Balkin, 1990).

The third consideration should include goal setting. In other words, what goals does the organization hope to achieve with the performance appraisal process?

Once the frequency, rewards, and goals have been determined, it is time to begin to formalize the process. First, we will need to develop the actual forms that will be used to evaluate each job within the organization. Every performance evaluation should be directly tied with that employee's job description.

Determining who should evaluate the performance of the employee is the next decision. It could be their direct manager (most common method), subordinates, customers or clients, self, and/or peers. Table "Advantages and Disadvantages of Each Source for Performance Evaluations" shows some of the advantages and disadvantages for each source of information for performance evaluations. Ultimately, using a variety of sources might garner the best results.

A 360-degree performance appraisal method is a way to appraise performance by using several sources to measure the employee's effectiveness. Organizations must be careful when using peer-reviewed information. For example, in the *Mathewson v. Aloha Airlines* case, peer evaluations were found to be retaliatory against a pilot who had crossed picket lines during the pilot's union strike against a different airline.

Management of this process can be time-consuming for the HR professional. That's why there are many software programs available to help administer and assess 360 review feedback. Halogen 360, for example, is used by Princess Cruises and media companies such as MSNBC (Halogen Software, 2011). This type of software allows the HR professional to set criteria and easily send links to customers, peers, or managers, who provide the information requested. Then the data are gathered and a report is automatically generated, which an employee can use for quick feedback. Other similar types of software include Carbon360 and Argos.

Performance Appraisal System Errors

Before we begin to develop our performance review process, it is important to note some of the errors that can occur during this process. First, halo effects can occur when the source or the rater feels one aspect of the performance is high and therefore rates all areas high. A mistake in rating can also occur when we compare one employee to another, as opposed to the job description's standards. Sometimes halo effects will occur because the rater is uncomfortable rating someone low on a performance assessment item. Of course, when this occurs, it makes the performance evaluation less valuable for employee development. Proper training on how to manage a performance appraisal interview is a good way to avoid this.

Validity issues are the extent to which the tool measures the relevant aspects of performance. The aspects of performance should be based on the key skills and responsibilities of the job, and these should be reviewed often to make sure they are still applicable to the job analysis and description.

Reliability refers to how consistent the same measuring tool works throughout the organization (or job title). When we look at reliability in performance appraisals, we ask ourselves if two raters were to rate an employee, how close would the ratings be? If the ratings would be far apart from one another, the method may have reliability issues. To prevent this kind of issue, we can make sure that performance standards are written in a way that will make them measurable. For example, instead of "increase sales" as a performance standard, we may want to say, "increase

sales by 10 percent from last year.” This performance standard is easily measured and allows us to ensure the accuracy of our performance methods.

Acceptability refers to how well members of the organization, manager and employees, accept the performance evaluation tool as a valid measure of performance. For example, let’s assume the current measurement tools of Blewett Gravel, Inc. are in place and show validity for each job function. However, managers don’t think the tool is useful because they take too much time. As a result, they spend minimal time on the evaluation. This could mean the current process is flawed because of acceptability error.

Another consideration is the specificity, which tells employees the job expectations and how they can be met. If they are not specific enough, the tool is not useful to the employee for development or to the manager to ensure the employee is meeting expectations. Finally, after we have developed our process, we need to create a time line and educate managers and employees on the process. This can be done through formal training and communicated through company blogs or e-mails. According to Robert Kent (Kent, 2011), teaching people how to receive benefit from the feedback they receive can be an important part of the process as well.

Performance Appraisal Legal Considerations

The legality of performance appraisals was questioned in 1973 in *Brito v. Zia*, in which an employee was terminated based on a subjective performance evaluation. Following this important case, employers began to rethink their performance evaluation system and the legality of it.

The Civil Service Reform Act of 1978 set new standards for performance evaluation. Although these standards related only to public sector employees, the Reform Act began an important trend toward making certain performance evaluations were legal.

The Reform Act created the following criteria for performance appraisals in government agencies:

1. All agencies were required to create performance review systems.
2. Appraisal systems would encourage employee participation in establishing the performance standards they will be rated against.
3. The critical elements of the job must be in writing.
4. Employees must be advised of the critical elements when hired.
5. The system must be based exclusively on the actual performance and critical elements of the job. They cannot be based on a curve, for example.
6. They must be conducted and recorded at least once per year.
7. Training must be offered for all persons giving performance evaluations.
8. The appraisals must provide information that can be used for decision making, such as pay decisions and promotion decisions.

Early performance appraisal research can provide us a good example as to why we should be concerned with the legality of the performance appraisal process (Field & Holley, 1982).

Holley and Field analyzed sixty-six legal cases that involved discrimination and performance evaluation. Of the cases, defendants won thirty-five of the cases.

The authors of the study determined that the cases that were won by the defendant had similar characteristics:

1. Appraisers were given written instructions on how to complete the appraisal for employees.
2. Job analysis was used to develop the performance measures of the evaluation.
3. The focus of the appraisal was actual behaviors instead of personality traits.
4. Upper management reviewed the ratings before the performance appraisal interview was conducted.

This tells us that the following considerations should be met when developing our performance appraisal process:

1. Performance standards should be developed using the job analysis and should change as the job changes.
2. Provide the employees with a copy of the evaluation when they begin working for the organization, and even consider having the employees sign off, saying they have received it.
3. All raters and appraisers should be trained.
4. When rating, examples of observable behavior (rather than personality characteristics) should be given.
5. A formal process should be developed in the event an employee disagrees with a performance review.

Table: Advantages and Disadvantages of Each Source for Performance Evaluations

Source	Advantages	Disadvantages
Manager/Supervisor	Usually has extensive knowledge of the employee's performance and abilities	Bias
	Favoritism	
Self	Self-analysis can help with employee growth	In the employee's interest to inflate his or her own ratings
Peer	Works well when the supervisor doesn't always directly observe the employee	Relationships can create bias in the review
	Can bring a different perspective, since peers know the job well	If evaluations are tied to pay, this can put both the employee and the peer in an awkward situation
	If confidential, may create mistrust within the organization	
Customer/Client	Customers often have the best view of employee behavior	Can be expensive to obtain this feedback
	Can enhance long-term relationships with the customer by asking for feedback	Possible bias
Subordinate	Data garnered can include how well the manager treats employees	Possible retaliation if results are not favourable

Source	Advantages	Disadvantages
	Can determine if employees feel there is favoritism within their department	Rating inflation
	Subordinates may not understand the “big picture” and rate low as a result	
	Can be used as a self-development tool for managers	If confidential, may create mistrust within the organization
	If nothing changes despite the evaluation, could create motivational issues among employees	

CONTROL PROCESS

- Controlling is the process by which management assures that actual activities conform to planned activities.
- Controlling is the managerial process for measuring progress toward planned performance and, when required, taking corrective actions.

Importance of Control

- Adapting to changing conditions
- Minimizing mistakes and errors
- Coping with organizational complexity
- Minimizing costs

CONTROL PROCESS:

1. Establish standards
2. Measure performance
3. Compare performance & standards

4. Evaluate performance & take action Change the standards Correct the deviation

Maintain the status quo Requirements of Effective Control System

- Timeliness
- Accuracy
- Objective and comprehensiveness
- Economically realistic
- Organizationally realistic
- Focused on strategic control points
- Coordinated with the organizational workflow
- Prescriptive and operational
- Accepted by organizational members
- Flexibility

Forms of Control Process

In order to keep focus on a specific set of goals for different departments/units of an organization, the controlling process is divided into three main forms. Those forms are strategic, tactical, and operational. All of the three forms are precisely elaborated below.

1. Strategic Control

The strategic control covers critical sectors of an organization and involves maintaining and monitoring of such critical organizational environmental factors that possess direct influence and may affect the capabilities of strategic plans. Besides, examining possible effects that are output of strategic actions and making sure that strategic plans are implemented as planned also lay under strategic control. Typically, strategic control can be termed as a body of top-level managers who must analyze and check whether core competencies are maintained and developed.

2. Tactical Control

The main concentration in the tactical control stays on examining the implementation of tactical plans at the medium level or department level along with monitoring related results and taking appropriate and firm actions when required. Usually, tactical control is the concern of middle managers, but sometimes when things go out of control, then top-level managers get involved. While on the other hand, the control involves weekly and monthly reporting cycles and department-level objectives as well.

3. Operational Control

The operating control focuses on positive implementation of operating plans, managing daily results and making correct decision as well as taking certain appropriate actions when needed. It comes under the responsibilities of low-level managers and thus it becomes the control with day to day process. The primary concern of the control is on individual schedules, budgets, rules and particular outcomes. In order to keep the control in an effective and smoothly working condition, it is necessary to keep the control and above mentioned forms of control in accordance with one another.

The Control Process

Controlling is the main structure of the entire organization, so hopefully, the control process must be as strict as possible. The primary process that is used for controlling covers a few major steps that are defined below.

01- It is necessary for any organization to determine the areas to be controlled. Besides, it is also illogical to control every aspect of the organization. Simply, controlling every major aspect would be enough and before controlling it, the managers should determine the areas. Major areas to control are those that were considered as organizational objectives and goals while performing planning process.

02- The next step of the control process is to develop organizational standards for employees in order to evaluate performance and behaviors of the employees. Standard spell out particular criteria for evaluating above mentioned factors. There are three main purposes served by the standards development that are related to the employee's behavior. At first, standards help employees recognize their basic job responsibilities and expected work as well as how their performance will be evaluated. Second, Standards help to detect job difficulties that are associated with personal limitations. Third, standards facilitate reduce the negative effects due to goal incongruence.

03- The third step of the control process is to make a firm decision regarding when and how to measure the performance on the basis of prepared standards. To measure the performance, Management by Objective is a well known approach. Many top organizations use a combination of qualitative and quantitative approaches to measure performance. At last, the period of the performance depends on three main factors such as the importance of the goal, often possible change in the situation and difficulty to solve certain problems.

04- This step of the control process involves the comparison of the performance with the standards. There are two approaches used for this purpose, i.e. Management by Exception and 360-degree feedback system. Besides, most of the managers compare performance and standards by using personal observations.

Importance of Control:

1. Guides the Management in Achieving Pre-determined Goals:

The continuous flow of information about projects keeps the long range of planning on the right track. It helps in taking corrective actions in future if the performance is not up to the mark.

2. Ensures Effective Use of Scarce and Valuable Resources:

The control system helps in improving organizational efficiency. Various control devices act as motivators to managers. The performance of every person is regularly monitored and any deficiency if present is corrected at the earliest. Controls put psychological pressure on persons in the organization. On the other hand control also enables management to decide whether employees are doing right things.

3. Facilitates Coordination:

Control helps in coordination of activities through unity of action. Every manager will try to coordinate the activities of his subordinates in order to achieve departmental goals. Similarly the chief executive also coordinates the functioning of various departments. The control acts as a check on the performance and proper results are achieved only when activities are coordinated.

4. Leads to Delegation and Decentralization of Authority:

A decision about follow-up action is also facilitated. Control makes delegation easier/better. Decentralization of authority is necessary in big enterprises. The management cannot delegate authority without ensuring proper control. The targets or goals of various departments are used as a control technique. Various control techniques like budgeting, cost control; pre action approvals etc. allow decentralization without losing control over activities.

5. Spares Top Management to Concentrate on Policy Making:

For control processes management's attention is not required every now and then. The management by exception enables top management to concentrate on policy formulation.

Concept of Control:

The term control has different connotations depending upon the context of the use of the term. In manufacturing it refers to a Device or mechanism installed or instituted to guide or regulates the activities or operation of an apparatus, machine, person, or system; in law it refers to controlling interest and in management as an authority to order and manage the workings and management of an entity.

Importance of Control:

1. Guides the Management in Achieving Pre-determined Goals:

The continuous flow of information about projects keeps the long range of planning on the right track. It helps in taking corrective actions in future if the performance is not up to the mark.

2. Ensures Effective Use of Scarce and Valuable Resources:

The control system helps in improving organizational efficiency. Various control devices act as motivators to managers. The performance of every person is regularly monitored and any deficiency if present is corrected at the earliest. Controls put psychological pressure on persons in the organization. On the other hand control also enables management to decide whether employees are doing right things.

3. Facilitates Coordination:

Control helps in coordination of activities through unity of action. Every manager will try to coordinate the activities of his subordinates in order to achieve departmental goals. Similarly the chief executive also coordinates the functioning of various departments. The control acts as a check on the performance and proper results are achieved only when activities are coordinated.

4. Leads to Delegation and Decentralization of Authority:

A decision about follow-up action is also facilitated. Control makes delegation easier/better. Decentralization of authority is necessary in big enterprises. The management cannot delegate authority without ensuring proper control. The targets or goals of various departments are used as a control technique. Various control techniques like budgeting, cost control; pre action approvals etc. allow decentralization without losing control over activities.

5. Spares Top Management to Concentrate on Policy Making:

For control processes management's attention is not required every now and then. The management by exception enables top management to concentrate on policy formulation.

Why do people Oppose Control?

Many people are averse to the concept of control for the following reasons:

(i) New, more "organic" forms of organizations (self-organizing organizations, self-managed teams, network organizations, etc.) allow organizations to be more responsive and adaptable in today's rapidly changing world. These forms also cultivate empowerment among employees, much more than the hierarchical, rigidly structured organizations of the past.

(ii) Many people assert that as the nature of organizations has changed so must the nature of management control. Some people go so far as to claim that management shouldn't exercise any form of control whatsoever.

They claim that management should exist to support employee's efforts to be fully productive members of organizations and communities – therefore, any form of control is completely counterproductive to management and employees.

(iii) Some people even react strongly against the phrase “management control”. The word itself has a negative connotation, e.g., it can sound dominating, coercive and heavy-handed. It seems that writers of management literature now prefer use of the term “coordinating” rather than “controlling”.

(iv) People also oppose controls as they are thought of decreasing autonomy, stifling creativity, threatening security, and perpetuating oppression. This may lead to change in expertise and power structure, and social structure in the organisation.

Types of Control:

Controls can be numerous in kind. These may be classified on the basis of (a) timing, (b) designing systems, (c) management levels, and (d) Responsibility

On the basis of timing:

Control can focus on events before, during, or after a process. For example, a local automobile dealer can focus on activities before, during, or after sales of new cars. Such controls may be respectively called as Preventive, Detective, and Corrective.

On this basis the control may be:

(i) Feed forward Control

(ii) Concurrent Control

(iii) Feedback Control

1. Feed forward Control:

The objective of feed forward control or preliminary control is to anticipate the likely problems and to exercise control even before the activity has started or problem has occurred or been reported. It is future directed. This kind of control is very popular in airlines. They go in for preventive maintenance activities to detect and prevent structural damage, which may result in disaster. These controls are evident in the selection and hiring of new employees. It helps in taking action beforehand. In case of feedback control, one relies on historical data, which will come after the activity has been performed. This means information is late and the rectification is not possible. One can make correction only for future activities. That means whatever wrong has been done is done, and it cannot be undone. Though, future-directed control is largely disregarded in practice, because managers have been excessively dependent on accounting and statistical data for the purpose of control. In the absence of any means of looking forward, reference to history is considered better than no reference at all. However, the concept of feed forwarding has been applied now and then. One common way managers have practised it is through careful and repeated forecasts using the latest available information, comparing what is desired with the forecasts, and introducing program changes so that forecasts can be made more promising.

2. Concurrent Control:

Concurrent control monitors ongoing employee activity to ensure consistency with quality standards takes place while an activity is on or in progress. It involves the regulation of ongoing activities that are part of transformation process to ensure that they conform to organizational standards. The technique of direct supervision is the best-known form of concurrent control.

Concurrent control is designed to ensure that employees' activities produce the correct results and to correct the problems, if any, before they become costly.

In case of computer typing, if the spelling is wrong or construction is incorrect, the programme immediately alerts the user. Many manufacturing operations include devices that measure whether the items being produced meet quality standards. Since concurrent control involves regulating ongoing tasks, it requires a complete understanding of the specific tasks involved and their relationship to the desired and product. Concurrent control sometimes is called steering, screening or yes-no control, because it often involves checkpoints at which decisions are made about whether to continue progress, take corrective action, or stop work altogether on products or services.

3. Feedback Control:

The control takes place after the job is over. Corrective action is taken after analysing variances with the planned standards at the end of the activity. It is also known as 'post action control', because feedback control is exercised after the event has taken place. Such control is used when feed forward or concurrent is not possible or very costly; or when exact processes involved in performing a work is difficult to specify in advance. The twin advantages of feedback control are that meaningful information is received with regard to planning efforts, and feedback control enhances employee motivation.

On the basis of designing Control Systems:

Three approaches may be followed while designing control systems, viz., Market Control, Bureaucratic Control, and Clan Control. However, most organisations do not depend only on just one of them.

1. Market Control:

Control is based upon market mechanisms of competitive activities in terms of price and market share. Different divisions are converted into profit centres and their performance is evaluated by segmental top line (turnover), bottom line (profit) and the market share.

Using market control will mean that the managers in future will allocate resources or create departments or other activities in line with the market forces.

2. Bureaucratic Control:

Bureaucratic control focuses on authority, rule and regulations, procedures and policies. Most of the public sector units in India go in for bureaucratic control. If they do not go by the rulebook, the legislative committees and the ministries under whom they work will reprimand them. In a hospital no medicine can be used unless the prescription is there and it is recorded in the issue register, even if the patient may die in between.

3. Clan Control:

The control systems are designed in a way that give way to shared vision, shared values, norms, traditions and beliefs, etc., part of the organisational culture. It is not based upon hierarchical mechanisms, but work-related and performance measures. This kind of control is most suitable for the organisations which use team style of work groups and where technology changes very fast.

On the basis of Levels:

People at different level have different planning responsibilities, so do they undertake controlling. On the basis of levels controls, can be categorised as Operational, Structural, Tactical, and Strategic.

1. Operational Control:

Its focus remains upon the processes used by the organisation for transforming the inputs (resources) into outputs (products/services). Operational controls are used at the lower

management. It is exercised almost every day. Quality control, financial controls are part of operational controls.

2. Structural Control:

Are the different elements of organisation structure serving their intended aims? Is there overstaffing? Is the ratio of staff to line increasing? Necessary action is to be undertaken. Two important forms of structural control can be bureaucratic control and clan control, about which we have already talked. Structural control is exercised by top and middle management.

3. Tactical Control:

Since tactical control deals with the departmental objectives, the controls are largely exercised by middle management levels.

4. Strategic Control:

Strategic controls are early warning systems. Strategic control is the process to determine whether the effectiveness of a corporate, business and functional strategies are successful in helping organisations to meet its goals. Strategic controls are exercised by top level management.

On the basis of Responsibility:

Who has the responsibility of controlling? The responsibility may rest with the person executing the things or with the supervisor or manager. This way control may be internal and external. Internal control permits highly motivated people to exercise self-discipline. External control means that the thread of control is in the hands of supervisor or manager and control is exercised through formal systems.

Requirements of Effective Control System:

A control system is not an automatic phenomenon but deliberately created. Though different organisations may design their control systems according to their unique and special

characteristics or conditions, yet in designing a good and effective control system the following basic requirements must be kept in view:

1. Focus on Objectives and Needs:

The effective control system should emphasise on attainment of organizational objectives. It should function in harmony with the needs of the enterprise. For example, the personnel department may use feed forward control for recruiting a new employee, and concurrent control for training. At the shop level, control has to be easy, but more sophisticated and broad ranging controls may be developed for higher level managers. Thus, controls should be tailored to plans and positions.

2. Immediate Warning and Timely Action:

Rapid reporting of variations is at the core of control. An ideal control system could detect, not create bottlenecks and report significant deviation as promptly as possible so that necessary corrective action may be taken well in time. This needs an efficient system of appraisal and timely flow of information.

3. Indicative, Suggestive as well as corrective:

Controls should not only be able to point to the deviations, but they should also suggest corrective action that is supposed to check the recurrence of variations or problems in future. Control is justified only if indicated or experienced deviations from plans are corrected through appropriate planning, organizing, staffing and directing. Control should also lead to making valuable forecasts to the managers so that they become aware of the problems likely to confront them in the future.

4. Understandable, Objective, and Economical:

Controls should be simple and easy to understand, standards of performance are quantified to appear unbiased, and specific tools and techniques should be comprehensive, understandable, and economical for the managers.

They must know all the details and critical points in the control device as well as its usefulness. If developed and complex statistical and mathematical techniques are adopted, then proper training has to be imparted to managers. Standards should be determined based on facts and participation. Effective control systems must answer questions such as, “How much does it cost?” “What will it save?” or “What are the returns on the investment?” The benefits of controls should outweigh the costs. Expensive and elaborate control systems will not suit, for example to small enterprise.

5. Focus on Functions and Factors:

Control should emphasise the functions, such as production, marketing, finance, human resources, etc and focus on four factors – quality, quantity, timely use and costs. Not one, but multiple controls should be adopted.

6. Strategic Points Control:

Control should be selective and concentrate on key result areas of the company. Every detail or thing cannot and is not to be controlled in order to save time, cost and effort. Certain strategic, critical or vital points must be identified along with the expectations at those points where failures cannot be tolerated and appropriate control devices should be designed and imposed at those stages. Controls are applied where failure cannot be tolerated or where costs cannot exceed a certain amount. The critical points include all the areas of an organization’s operations that directly affect the success of its key operations.

7. Flexibility:

Control must not become ends in themselves. It must be environment friendly and be able to make modifications or revisions necessitated by the rapidly changing and complex business environment. Flexibility in control system is generally achieved by the use of alternative plans or flexible budgets.

8. Attention to Human Factor:

Excess control causes corruption. It should not arouse negative reactions but positive feelings among people through focus on work, not on people. The aim of control should be to create self-control and creativity among members through enmeshing it in the organisational culture.

Employee involvement in the design of controls can increase acceptance.

9. Suitability:

Controls have to be consistent with the organization structure, where the responsibility for action lies, position, competence, and needs of the individuals who have to interpret the control measures and exercise control. The higher the quality of managers and their subordinates, the less will be the need for indirect controls.

Control Techniques:

Many techniques have been developed to control the activities in management. The list is very long, and it is difficult to describe them all.

Some of the important techniques are:

Financial Control: Finance is related with mobilization of funds and their utilization and the return on them. Financial control is exercised through the following:

1. Financial Statements:

Income statement (telling about expenses, segmental incomes, overall income and expenses, and the net profit/loss), and Balance Sheet (shows the net worth at a single point of time and the extent to which the debt or equity finance the assets)

2. Financial Audits:

Financial audits, either internal or external are conducted to ensure that the financial management is done in line with the generally accepted policies, procedures, laws, and ethical guidelines. Audits may be internal (by Organisation's own staff), external (statutory audit by chartered accountants), and management audit (by experts).

3. Ratio Analysis:

Ratio analysis monitors liquidity, profitability, debt, and activity related aspects.

4. Budgetary Controls:

Budgetary control is the process of constructing budgets, comparing actual performance with the budget one and revising budgets or activities in the light of changed conditions. Budgetary control is as such not related only to finance area, but all functional areas do take help of budgetary control. Budgets help not only in planning but also help to keep a tab on overall spending. Budgeting may be top-down (managers prepare the budget and ask subordinates to use); bottom-up (figures come from lower levels and adjusted at upper levels); zero-based (justifying allocation of funds on the basis of activities or goals); and flexible budgeting (varying standards and varying allocations).

5. Break-even Analysis:

It is a tool of profit planning and deals with cost-volume-profit relationships.

6. Accounting:

Accounting includes responsibility accounting, cost accounting, standard cost approach, direct costing, and marginal costing.

Marketing Control:

In the field of marketing, to see that customer gets right product at the right price at the right place and through right communication, the control is exercised through the following:

Market Research:

It is to assess customers' needs, expectations and the delivery; and the competitive scenario.

Test Marketing:

To assess consumer acceptance of a new product, a small-scale marketing is done. HUL uses Chennai for most of its test marketing.

Marketing Statistics:

Marketing managers control through marketing ratios and other statistics.

Human resource control:

Human resource control is required to have a check on the quality of new personnel and also to monitor performances of existing employees so as to determine firm's overall effectiveness. Goal setting, instituting policies and procedures to guide them are to help them. Common controls include performance appraisals, disciplinary programmes, observations, and development assessments.

Information Control:

All organizations have confidential and sensitive information to be kept secret. How to control access to computer databases is very important. This has become a key contemporary issue in

control. Organizations keep a watch on employee's computer usage in general and internet in particular.

Production Control:

To ensure quality production in right quantity at right time economically production controls are required. Two of the important techniques include: Inventory control (ABC Analysis, Economic Order Quantity, Just-in time inventory control), and quality control (through inspection, statistical quality control).

Project Control:

Network analysis is most suitable for the projects which are not routine in minimizing cost and completing project well in time. Network analysis makes use of two techniques – Programme Evaluation and Review Technique (PERT), and Critical Path Method (CPM).

GRIEVANCES

Grievance Procedure:

According to Michael J. Jucions define Grievance as, “Any discontent or dissatisfaction whether exposed or not whether valid or not arising out anything connected with the company which an employee thinks, believes or even feels to be unfair, unjust or inequitable”.

Causes of Grievances:

The causes of employee grievances include:

- Demands for individual wage adjustments;
- Complaints about the incentive system;
- Complaints about the job classifications;
- Complaints against a particular foreman;
- Promotion;
- Violation of contracts relating to collective bargaining;
- Improper job assignment;
- Transfer from another department or another shift.

Steps in Grievance Procedure Stage 4 Complaint to Union Stage 3 Complaint to Divisional Head Stage 2 Complaint to Department Head Stage 1 Complaint to Section Head Grievance Resolved
Grievance Resolved Grievance Resolved

Grievance Handling:

Definition, Features Causes, and Effects

Introduction and Definition of Grievance:

A grievance is any dissatisfaction or feeling of injustice having connection with one's employment situation which is brought to the attention of management. Speaking broadly, a grievance is any dissatisfaction that adversely affects organizational relations and productivity. To understand what a grievance is, it is necessary to distinguish between dissatisfaction, complaint, and grievance.

1. Dissatisfaction is anything that disturbs an employee, whether or not the unrest is expressed in words.
2. Complaint is a spoken or written dissatisfaction brought to the attention of the supervisor or the shop steward.
3. Grievance is a complaint that has been formally presented to a management representative or to a union official.

According to Michael Jucious, 'grievance is any discontent or dissatisfaction whether expressed or not, whether valid or not, arising out of anything connected with the company which an employee thinks, believes or even feels to be unfair, unjust or inequitable'.

In short, grievance is a state of dissatisfaction, expressed or unexpressed, written or unwritten, justified or unjustified, having connection with employment situation.

Features of Grievance:

1. A grievance refers to any form of discontent or dissatisfaction with any aspect of the organization.
2. The dissatisfaction must arise out of employment and not due to personal or family problems.
3. The discontent can arise out of real or imaginary reasons. When employees feel that injustice has been done to them, they have a grievance. The reason for such a feeling may be valid or invalid, legitimate or irrational, justifiable or ridiculous.
4. The discontent may be voiced or unvoiced, but it must find expression in some form. However, discontent per se is not a grievance. Initially, the employee may complain orally or in writing. If this is not looked into promptly, the employee feels a sense of lack of justice. Now, the discontent grows and takes the shape of a grievance.
5. Broadly speaking, thus, a grievance is traceable to be perceived as non-fulfillment of one's expectations from the organization.

Causes of Grievances:

Grievances may occur due to a number of reasons:

1. Economic:

Employees may demand for individual wage adjustments. They may feel that they are paid less when compared to others. For example, late bonus, payments, adjustments to overtime pay, perceived inequalities in treatment, claims for equal pay, and appeals against performance-related pay awards.

2. Work environment:

It may be undesirable or unsatisfactory conditions of work. For example, light, space, heat, or poor physical conditions of workplace, defective tools and equipment, poor quality of material, unfair rules, and lack of recognition.

3. Supervision:

It may be objections to the general methods of supervision related to the attitudes of the supervisor towards the employee such as perceived notions of bias, favouritism, nepotism, caste affiliations and regional feelings.

4. Organizational change:

Any change in the organizational policies can result in grievances. For example, the implementation of revised company policies or new working practices.

5. Employee relations:

Employees are unable to adjust with their colleagues, suffer from feelings of neglect and victimization and become an object of ridicule and humiliation, or other inter- employee disputes.

6. Miscellaneous:

These may be issues relating to certain violations in respect of promotions, safety methods, transfer, disciplinary rules, fines, granting leaves, medical facilities, etc.

Effects of Grievance:

Grievances, if not identified and redressed, may adversely affect workers, managers, and the organization.

The effects are the following:

1. On the production:

- a. Low quality of production
- b. Low productivity
- c. Increase in the wastage of material, spoilage/leakage of machinery
- d. Increase in the cost of production per unit

2. On the employees:

- a. Increase in the rate of absenteeism and turnover
- b. Reduction in the level of commitment, sincerity and punctuality
- c. Increase in the incidence of accidents
- d. Reduction in the level of employee morale.

3. On the managers:

- a. Strained superior-subordinate relations.
- b. Increase in the degree of supervision and control.
- c. Increase in indiscipline cases
- d. Increase in unrest and thereby machinery to maintain industrial peace

Need for a Formal Procedure to Handle Grievances:

A grievance handling system serves as an outlet for employee frustrations, discontents, and gripes like a pressure release valve on a steam boiler. Employees do not have to keep their frustrations bottled up until eventually discontent causes explosion.

The existence of an effective grievance procedure reduces the need of arbitrary action by supervisors because supervisors know that the employees are able to protect such behavior and make protests to be heard by higher management. The very fact that employees have a right to be heard and are actually heard helps to improve morale. In view of all these, every organization should have a clear-cut procedure for grievance handling.

Important MBA HR terms

Absolute ratings

A rating method where the rater assigns a specific value on a fixed scale to the behaviour or performance of an individual instead of assigning ratings based on comparisons between other individuals.

Affirmative action

Also: Positive discrimination.

Carried out on behalf of women and disadvantaged groups and members of such groups are placed in dominant positions.

Appraisal

See Performance planning.

Attrition

A term used to describe voluntary and involuntary terminations, deaths, and employee retirements that result in a reduction to the employer's physical workforce.

Autocratic leadership

Leader determines policy of the organization, instructs members what to do/make, subjective in approach, aloof and impersonal.

Balanced Scorecard

A popular strategic management concept developed in the early 1990's by Drs . Robert Kaplan and David Norton, the balanced scorecard is a management and measurement system which enables organizations to clarify their vision and strategy and translate them into action. The goal of the balanced scorecard is to tie business performance to organizational strategy by measuring

results in four areas: financial performance, customer knowledge, internal business processes, and learning and growth.

Behaviourally anchored rating scale (BARS)

An appraisal that requires raters list important dimensions of a particular job and collect information regarding the critical behaviours that distinguish between successful and unsuccessful performance. These critical behaviours are then categorized and appointed a numerical value which is used as the basis for rating performance.

Behavioural based interview

An interview technique which focuses on a candidate's past experiences, behaviours, knowledge, skills and abilities by asking the candidate to provide specific examples of when they have demonstrated certain behaviours or skills as a means of predicting future behaviour and performance.

Behavioural competency

The behaviour of the employee which is the subject of measurement and appraisal in terms of whether or not the behaviours shown by an employee are those identified by job analysis/competency profiling as those contributing to team and/or organizational success.

Benchmarking

A technique using quantitative or qualitative data to make comparisons between different organizations or different sections of the organizations.

Bereavement leave

Paid days off following the death of an employee's spouse, parent, child grandparent or in-law so that the employee may attend funeral proceedings, etc.

Branding

The process of identifying and differentiating an organization's products, processes or services from another organization by giving it a name, phrase or other mark.

Broadbanding

A pay structure that consolidates a large number of narrower pay grades into fewer broad bands with wider salary ranges.

Bumping

The practice of allowing more senior level employees whose positions have been slotted for elimination or downsizing the option of accepting an alternative position within the organization, for which they may be qualified to perform and which is currently occupied by another employee with less seniority.

Change management

The deliberate effort of an organization to anticipate change and to manage its introduction, implementation, and consequences.

Clean Slate

The Criminal Records (Clean Slate) Act 2004 establishes a clean slate scheme to limit the effect of an individual's convictions in most circumstances (subject to certain exceptions set out in Section 19) if the individual satisfies the relevant eligibility criteria.

Coaching

A one-to-one process between a manager and subordinate, whereby the former will 'train' the latter. See also Mentoring.

Collective Bargaining

The process by which [an] employer[s] will negotiate employment contracts with [a] union[s].

Competency-based pay

Competency based pay is a compensation system that recognizes employees for the depth, breadth, and types of skills they obtain and apply in their work. Also known as skill based and knowledge based pay.

Competencies 'an underlying characteristic of a person' 'motive, trait, skill, aspect of one's self-image or social role, or a body of knowledge'.

Competitive advantage 'People are the source of competitive advantage'. Other systems in an organization can be copied but not the people in the organization.

Confidentiality agreement

An agreement restricting an employee from disclosing confidential or proprietary information.

Constructive dismissal

1. Coercion by threats to act or promises to refrain and includes a resignation given as an alternative to be dismissed.

2. A breach of duty by the employer leading a worker to resign.

Contingent workers

Employees who may be: casual labor, part-timers, freelancers, subcontractors, independent professionals and consultants.

Contract for services

An agreement with an independent contractor.

Contract of service

An employment agreement.

Core competencies

The skills, knowledge and abilities which employees must possess in order to successfully perform job functions which are essential to business operations.

Core Labor Force

A small group of permanent workers, for example, strategists, planners.

Corporate mission

The aims and objectives of an organization.

Cost leadership

A strategy of becoming the lowest-cost producer in its industry.

Cyclical unemployment

A form of unemployment – rises in times of economic recession and falls in times of prosperity. Now shows signs of being able to withstand increased prosperity.

Decision Tree Model

One of the Contingency theories of leadership – developed by Vroom and Yetton (1973).

Deregulation

The removal of entities such as financial markets, road and transport from governmental control.

Distance Learning

The process of delivering educational or instructional programs to locations away from a classroom or site to another location by varying technology such as video or audio-conferencing, computers, web-based applications or other multimedia communications.

Disciplinary procedure

A procedure carried out in the workplace in the event of an employee committing some act contrary to terms of the employment agreement. If the act is regarded as Gross Misconduct this may lead to Summary Dismissal.

Discrimination

The favoring of one group of people to the detriment of others.

Distributive bargaining

Related to the process of Negotiation. Known also as Competitive bargaining – The parties are concerned with their respective shares of the benefits available and compete and conflict with each other until one side wins an increased share at the expense of the other.

Dual Labor Markets

Organizations will operate with a small Core Labor Force and a Peripheral Labor Force

Due diligence

A critical component of mergers and acquisitions, it is the process by investigation and evaluation is conducted to examine the details of a particular investment or purchase by obtaining sufficient and accurate information or documents which may influence the outcome of the transaction.

Emotional Intelligence

Describes the mental ability an individual possess enabling him/her to be sensitive and understanding to the emotions of others as well as being able to manage their own emotions and impulses.

Employee Relations

A broad term used to refer to the general management and planning of activities related to developing, maintaining, and improving employee relationships by communicating with employees, processing grievances/disputes, etc.

Employee retention

Organizational policies and practices designed to meet the diverse needs of employees, and create an environment that encourages employees to remain employed.

Empowerment

The process of enabling or authorizing an individual to think, behave, take action, and control work and decision-making in autonomous ways.

Equity theory

Based on the notion that people are motivated by a desire for fairness, that is, to be treated fairly and will compare their own efforts and the rewards of others in the organization with a view to judging the fairness of their treatment.

Exit Interview

An interview between a member of staff of the organization that an employee is leaving to ascertain the reasons for the employee leaving the organization. Should not be carried out by employee's immediate superior. Used for possible changes.

Fixed Term Employment

An employee and an employer may agree that the employment of the employee will end at the close of a specified date or period or on the occurrence of a specified event or at the conclusion of a specified project.

Forced Ranking

Forced ranking systems direct managers to evaluate their employees' performance against other

employees, rather than the more common (and often grade inflated) measure of evaluating performance against pre-determined standards. The result of such a process is often brutally blunt: The top 20 percent of performers are amply rewarded, and the bottom 10 percent are shown the door.

Freedom of association

The right to belong to a union. As protected by the Human Rights Act 1993.

Functional job analysis

The preparation required for the construction of a job description. It is necessary to collect data on the job to be advertised.

Goal Setting

The process of setting and assigning a set of specific and attainable goals to be met by an individual, group or organization.

Good faith bargaining

A duty under Section 4 of the Employment Relations Act 2000 to conduct negotiations where two parties meet and confer at reasonable times with open minds and the intention of reaching an agreement.

Grievance

A complaint brought by one party to an employment contract against another party.

Group dynamics

The social manner in which people interact with each other within a group.

Gross misconduct

An act committed by any personnel likely to lead to Summary Dismissal. Examples may be:

HR Audit

A method by which human resources effectiveness can be assessed. Can be carried out internally or HR audit systems are available.

Hawthorne Effect

A term produced as a result of an experiment conducted by Elton Mayo whereby he concluded that expressing concern for employees and treating them in a manner which fulfills their basic human needs and wants will ultimately result in better performance.

Hierarchy of needs

A psychology theory ascribed to Abraham H. Maslow in which he proposed that people will constantly seek to have their basic needs (sleep, food, water, shelter, etc.) fulfilled and that such needs ultimately determine behavior

Human Capital

The collective knowledge, skills and abilities of an organization's employees.

Incentive pay

Additional compensation used to motivate and to reward employees for exceeding performance or productivity goals.

Independent contractor

A person who works for him/herself but has a contract for services with another person/organization.

Individual employment agreement

The legal relationship between an employee and employer. See Part 6 of the Employment Relations Act 2000

Induction

The process of introducing a new employee into the organization.

Industrial relations

The study of theories and practices in the workplace relationship.

Intangible rewards

Non-monetary re-enforcers such as praise given to an employee in recognition of a job well done, or a particular achievement.

ISO 9000

Developed by the International organization for Standardization (ISO), it is a set of standards for quality management systems that is accepted around the world. organizations that conform to these standards can receive ISO 9000 certification. The standard intended for quality management system assessment and registration is ISO 9001. The standards apply uniformly to organizations of any size or description.

Job analysis

The preparatory stage for writing job descriptions.

Job Description

A written description of a job which includes information regarding the general nature of the work to be performed, specific responsibilities and duties, and the employee characteristics required to perform the job.

Job evaluation

Used for compensation planning purposes, it is the process of comparing a job with other jobs in an organization to determine an appropriate pay rate for the job.

KPI's'

Knowledge, Skills and Abilities' – Key Performance Indicators. Tasks that have been agreed between an employee and line manager/HR with an expectation that they will be completed satisfactorily in the time agreed or as an ongoing task.

KSAs

Knowledge, skills and abilities – the personal attributes that a person has to have to perform the job requirements.

Labour Market

A geographical or occupational area in which factors of supply and demand interact.

Labour force participation

A rate at which the number of people in the labor force is divided by the number of people of working age x 100.

Leadership Development

Formal and informal training and professional development programs designed for all management and executive level employees to assist them in developing the leadership skills and styles required to deal with a variety of situations.

Legislation

Law emanating from Parliament in the form of Acts.

LIFO

In the event of a redundancy situation occurring, the system of 'last in first out' is regarded as the most equitable method of choosing those who should be made redundant.

Lump sum payment

A fixed negotiated payment which is not typically included in an employee's annual salary. Often times given in lieu of pay increases.

Matrix organization

An organizational structure where employees report to more than one manager or supervisor.

Mediation Services

The process of intervention by a specialist in an employment dispute. Provided under the Employment Relations Act 2000.

Mentoring

A one-to-one process between an outside trainer and an employee, whereby the former will 'train' the latter. See also Coaching.

Minimum wages

The lowest level of earnings of employees set by Government.

Mission Statement

A statement illustrating who the company is, what the company does, and where the company is headed.

Motivation

The reason(s) why a person works at a particular job and for a particular organization. Subject to various theories relating to the way they do things.

Motivational theories

An attempt to explain how people are motivated, in the form of work behavior and performance.

Myers-Briggs Type Indicator

A psychological test used to assess an individual's personality type.

Negotiation

The process of discussion with a view to mutual settlement usually by the means of a conference.

Nepotism

Favoritism shown to relatives by individuals in a position of authority such as CEO's, managers or supervisors.

Observation interview

The process of observing employees while performing their respective jobs or tasks used to collect data regarding specific jobs or tasks.

Onboarding

A relatively new term, it is more far reaching than historical orientation programs. It links new employees with team members very early in the employment process and continuing after the traditional orientation program ends.

OSH

Occupational health and safety – the law relating to the health and safety of personnel at work.

Organizational Culture

A pattern that emerges from the interlocking system of the beliefs, values and Behavioral expectations of all the members of an organization.

Orientation

The introduction of employees to their jobs, co-workers, and the organization by providing them

with information regarding such items as policies, procedures, company history, goals, culture, and work rules. Similar to Induction.

Outplacement

A benefit offered by the employer to displaced employees which may consist of such services as job counseling, training, and job-finding assistance.

Outsourcing

A contractual agreement between an employer and an external third party provider whereby the employer transfers responsibility and management for certain HR, benefit or training related functions or services to the external provider.

Pareto chart

A bar graph used to rank in order of importance information such as causes or reasons for specific problems so that measures for process improvement can be established.

Peer appraisal

A performance appraisal strategy whereby an employee is reviewed by his/her peers who have sufficient opportunity to examine the individual's job performance.

Performance Management

This is a process of identifying, evaluating and developing the work performance of employees in an organization, in order that organizational objectives are more effectively achieved and understood by employees.

Performance Improvement

Performance Improvement Plan when you have identified a performance problem and are looking for ways to improve the performance of an employee. The Performance Improvement Plan plays an integral role in correcting performance discrepancies. It is a tool to monitor and measure the deficient work products, processes and/or behaviors of a particular employee in an effort to improve performance or modify behavior.

Performance planning

A total approach to managing people and performance. Involving setting performance aims and expectations for the organization, departments and individuals employees.

Personal grievance

A complaint brought by one party to an employment contract against another party. See Part 9 of the Employment Relations Act 2000.

Probationary Arrangements

Where the parties to an employment agreement agree as part of the agreement that an employee will serve a period of probation or trial after the commencement of the employment. See Section 66 Employment Relations Act 2000

Quality management

The process or system of ensuring that a product or service should do what the user needs or wants and has a right to expect. There are five dimensions to quality, design, conformance, availability, safety and field use.

Random Testing

Drug and alcohol tests administered by an employer which selects employees to be tested on a random basis.

Recruitment

The process of bringing into an organization personnel who will possess the appropriate education, qualifications, skills and experience for the post offered.

Redundancy

The act of dismissing an employee when that employee is surplus to the requirements of the organization.

Replacement charts

A summarization in visual form the numbers of incumbents in each job or family of jobs, the number of current vacancies per job and the projected future vacancies. See Succession planning.

Request for proposal (RFP)

A document an organization sends to a vendor inviting the vendor to submit a bid for a product or, service.

Restrictive covenant

A contract clause requiring executives or other highly skilled employees to refrain from seeking and obtaining employment with competitor organizations in a specific geographical region and for a specified period of time.

Return on investment (ROI)

A ratio of the benefit or profit derived from a specific investment compared to the cost of the investment itself.

Right to manage

The 'right' of management to make decisions and to run an organization without interference from external or internal forces.

Risk management

The use of insurance and other strategies in an effort to minimize an organization's exposure to liability in the event a loss or injury occurs.

Strategic HRM

The process of aligning human resources more closely to the strategic and operating objectives of the organization.

Strategic Planning

The process of identifying an organization's long-term goals and objectives and then determining the best approach for achieving those goals and objectives.

Succession planning

Involving identifying a potential candidate to replace core individual employees either known to be leaving the firm at some point in the future and/or whose sudden departure would pose a risk to the operation of the firm.

Summary dismissal

The act of dismissing personnel immediately, usually because the person has committed some act of Gross Misconduct.

Suspension

A form of disciplinary action resulting in an employee being sent home without pay for a specified period of time.

Talent Management

Talent Management, often times referred to as Human Capital Management, is the process recruiting, managing, assessing, developing and maintaining an organization's most important resource—it's people!

Tangible rewards

Rewards which can be physically touched or held (i.e. a gift certificate, gifts in the form of merchandise, or a savings bond.)

360-degree feedback

An appraisal process whereby an individual is rated on their performance by people who know something about their work. This can include direct reports, peers, managers, customers or clients; in fact anybody who is credible to the individual and is familiar with their work can be included in the feedback process. The individual usually completes a self-assessment exercise on their performance, which is also used in the process.

Total Remuneration

The complete pay package awarded employees on an annual basis, including all forms of money, benefits, services, and in-kind payments.

Training and development

A process dealing primarily with transferring or obtaining knowledge, attitudes and skills needed to carry out a specific activity or task.

Training Needs Analysis

A method of analyzing how employee skill deficits can be addressed through current or future training and professional development programs, as well as determining the types of training/development programs required, and how to prioritize training/development.

Turnover

Describes changes in the work force resulting from voluntary or involuntary resignations.

Unions

Groups of workers who have formed incorporated associations relating to the type of work that they perform.

Unjustifiable dismissal

The act of terminating an employee's employment agreement for a reason that the Employment Relations Authority or Employment Court regards as unjustifiable.

Wage curve

Depicts pay rates currently being paid for each job within a pay grade in relation with the rankings awarded to each job during the job evaluation process.

Wage drift

The gap between the Collective Agreement rate and the rate actually paid. Evidence of geographical variations in wage levels.

Whistle blower

Whistle blower protection is contained in the Protected Disclosures Act 2000. The Act provides protection to employees against retaliation for reporting illegal acts of employers. An employer may not rightfully retaliate in any way, such as discharging, demoting, suspending or harassing the whistle blower. Employer retaliation of any kind may result in the whistle blower bringing a personal grievance against the employer.

Work-life Balance

Having a measure of control over when, where and how an individual works, leading to their being able to enjoy an optimal quality of life. Work-life balance is achieved when an individual's right to a fulfilled life inside and outside paid work is accepted and respected as the norm, to the mutual benefit of the individual, business and society.

Dr. S.A. SIRAJUDEEN, M.A., M.B.A., M.Phil., Ph.D
Associate Professor and HEAD,
PG and Research Department of Management Studies,
JJ COLLEGE OF ARTS AND SCIENCE (Autonomous),
Pudukottai – 622 422.

Mobile: 9442248515

Dr. O.M. HAJA MOHIDEEN, M.COM., M.B.A., B.Ed., M.Phil., Ph.D
Associate Professor and HEAD,
Research Adviser,
PG and Research Department of Business Administration,
KADIR MOHIDEEN COLLEGE,
Adirampattinam.