

HUMAN RESOURCE MANAGEMENT IN TOURISM

MBA (Tourism & Travel Management)

MBA 1st YEAR, PAPER –III

Lesson Writers:

Dr. G. Jyothi

MBA, M.H.R.M, M.A (Eco), PGDTTM, Ph.D.

Teaching Faculty

Dept. of Tourism & Hospitality Management
Acharya Nagarjuna University

N. Geetha Sony

M.A (Lit), MTM, (Ph.D.)

Teaching Faculty

Dept. of Tourism & Hospitality Management
Acharya Nagarjuna University

I Satyanarayana Raju

MTM, PGDTM, (Ph.D).

Assistant Professor

Department of Tourism & Hospitality Management
Adikavi Nannaya University, Rajamahendravaram

Editor:

Dr.P.Purna Chandra Rao

M.Com, M.A. (Hist), B.L, PGDTTM, M.Phil, Ph.D.

Associate Professor,

Chairman, Board of Studies

Department of Tourism & Hospitality Management
Acharya Nagarjuna University

Director

Dr. Sumanth Kumar Kunda,

M.F.Sc., Ph.D.

**CENTRE FOR DISTANCE EDUCATION
ACHARAYA NAGARJUNA UNIVERSITY
NAGARJUNA NAGAR – 522 510**

Ph: 0863-2293299, 2293356, , Cell:98482 85518

0863-2346259 (Study Material)

Website: www.anucde.com,

e-mail: anucdedirector@gmail.com

Human Resource Management in Tourism, MBA (TTM) 1st year Paper - III

First Edition : 2020

No. of Copies : 14

© Acharya Nagarjuna University

This book is exclusively prepared for the use of students of First year M.B.A (TTM) Courses, Centre for Distance Education, Acharya Nagarjuna University and this book is meant for limited circulation only.

Published by :

Prof. Sumanth Kumar Kunda,

Director

Centre for Distance Education,

Acharya Nagarjuna University

Printed at:

FOREWORD

Since its establishment in 1976, Acharya Nagarjuna University has been forging ahead in the path of progress and dynamism, offering a variety of courses and research contributions. I am extremely happy that by gaining a B++ (80-85) grade from the NAAC in the year 2003, the Acharya Nagarjuna University is offering educational opportunities at the UG, PG levels apart from research degrees to students from over 285 affiliated colleges spread over the three districts of Guntur, Krishna and Prakasam.

The University has also started the Centre for Distance Education with the aim to bring higher education within reach of all. The centre will be a great help to those who cannot join in colleges, those who cannot afford the exorbitant fees as regular students, and even housewives desirous of pursuing higher studies. With the goal of bringing education to the doorstep of all such people, Acharya Nagarjuna University has started offering B.A., and B.Com courses at the Degree level and M.A., M.Com., M.Sc., M.B.A., and L.L.M., courses at the PG level from the academic year 2003-2004 onwards.

To facilitate easier understanding by students studying through the distance mode, these self-instruction materials have been prepared by eminent and experienced teachers. The lessons have been drafted with great care and expertise in the stipulated time by these teachers. Constructive ideas and scholarly suggestions are welcome from students and teachers involved respectively. Such ideas will be incorporated for the greater efficacy of this distance mode of education. For clarification of doubts and feedback, weekly classes and contact classes will be arranged at the UG and PG levels respectively.

It is my aim that students getting higher education through the centre for Distance Education should improve their qualification, have better employment opportunities and in turn facilitate the country's progress. It is my fond desire that in the years to come, the Centre for Distance Education will go from strength to strength in the form of new courses and by catering to larger number of people. My congratulations to all the Directors, Academic Coordinators, Editors and Lesson-writers of the Centre who have helped in these endeavours.

*Prof. P. Rajasekhar
Vice-Chancellor
Acharya Nagarjuna University*

Syllabus

Unit – I

Human Resource Management: Meaning of HRM, Significance, Functions, Policies, organization structure and strategy in Tourism – HR Manager – Evolution of HR Practices in India

Unit – II

Human Resource Planning (HRP) : Objectives, Process – Job Analysis – Job description and Job specification – Recruitment – Selection process – Induction and placement

Unit – III

Training and Development – Importance, Types, Methods, Difference between training and Development – Career Planning and Career Development in Tourism – Succession Planning

Unit – IV

Performance Appraisal – Process, Methods of Performance Appraisal in Tourism – Wage & Salary Administration – Objectives and Principles, Factors influencing the Wage and Salary Administration – Employee Empowerment

Unit – V

Employee Welfare & Job Satisfaction: Types of welfare Measures – Quality of Work life, Work Life Balance – Social Security Measures – Job Satisfaction, Factors influencing Job Satisfaction – Employee Morale – Morale Vs. Productivity.

References

1. Mirza & Saiyaddin, Human Resorce Management, Tata McGraw Hill, 2002.
2. Aswathappa, K. Human Resource and Personnel Management, Tata McGraw Hill, New Delhi, 2nd Edition, 2001.
3. De Cenzo, DA & Robbins S.P., Human Resource Management, 5th edition, New York, John Wiley, 1994.
4. Guy, Madhava & Mattock J. The NEW International Manager, London, Kogan Page, 1993.

CONTENTS

Lesson No.	TITLE OF THE LESSON	Page Nos.
Lesson – 1	HUMAN RESOURCE MANAGEMENT: AN OVERVIEW	1.1 - 1.13
Lesson – 2	FUNCTIONS OF HRM	2.1 – 2.15
Lesson – 3	HR POLICIES	3.1 – 3.14
Lesson – 4	HUMAN RESOURCE PLANNING	4.1 – 4.12
Lesson – 5	JOB ANALYSIS	5.1 -5.18
Lesson – 6	RECRUITMENT	6.1 – 6.17
Lesson – 7	SELECTION, PLACEMENT AND INDUCTION	7.1 – 7.17
Lesson – 8	TRAINING AND DEVELOPMENT	8.1 – 8.11
Lesson – 9	TRAINING IN AN ORGANIZATION	9.1 – 9.11
Lesson – 10	CAREER PLANNING IN TOURISM AND CAREER DEVELOPMENT	10.1- 10.12
Lesson – 11	PERFORMANCE APPRASIAL	11.1 – 11.9
Lesson – 12	WAGE AND SALARY ADMINISTRATION	12.1 – 12.7
Lesson – 13	EMPLOYEE EMPOWERMENT	13.1 – 13.6
Lesson – 14	EMPLOYEE WELFARE AND JOB SATISFACTION	14.1 – 14.5
Lesson – 15	QUALITY OF WORK LIFE & WORKLIFE BALANCE	15.1 – 15.10
Lesson – 16	SOCIAL SECURITY MEASURES & JOB SATISFACTION	16.1 – 16.6
Lesson – 17	EMPLOYEE MORALE & MORALE VS. PRODUCTIVITY	17.1 – 17.5

Lesson – 1

HUMAN RESOURCE MANAGEMENT: AN OVERVIEW

OBJECTIVES

After studying this lesson, you should be able to :

- ❖ Explain the meaning of Human Resource Management
- ❖ Understand the objectives of Human Resource Management
- ❖ Elucidate the significance of HRM
- ❖ Human Resource Management in travel and tourism

STRUCTURE

- 1.1 Introduction
- 1.2 Definition of HRM
- 1.3 Evolution of HRM
- 1.4 Features of HRM
- 1.5 Significance of HRM
- 1.6 Objectives of HRM
- 1.7 Scope of HRM
- 1.8 Human Resource Management in Travel and Tourism
- 1.9 Summary
- 1.10 Keywords
- 1.11 Self assessment questions
- 1.12 Further readings

1.1 INTRODUCTION

Human Resource Management is concerned with the human beings in an organization. “The management of man” is a very important and challenging job because of the dynamic nature of the people. No two people are similar in mental abilities, tacticians, sentiments, and behaviours; they differ widely also as a group and are subject to many varied influences. People at work comprise a large number of individual of different sex, age, socio-religious group and different educational or literacy standards. These individuals in the workplace exhibit not only similar behaviour patterns and characteristics to a certain degree but they also show much dissimilarity. People are responsive, they feel, think and act

therefore they can't be operated like a machine or shifted and altered like template in a room layout. They therefore need a tactful handing by management personnel. Thus, the people make or mar an organisation. The management must, therefore, be aware not only of the organisational but also of the employee and self-needs. Recognizing the importance of the human resources, Southern Travels in its work culture policy expressed that it knows that employees are the key to building loyal relationships with their guests and are integral part to the success of their Brand.

It is this human resource which is of paramount importance in the success of any organisation because most of the problems in organisational settings are human and social rather than physical, technical or economic. Failure to recognise this fact causes immense loss to the nation, enterprise and to the individual. In the words of Olivary Sheldon, "No industry can be rendered efficient so long as the basic fact remains unrecognised that it is principally human. It is not a mass of machines and technical processes but a body of men. It is not a complex of matter, but a complex of humanity. It fulfils its function not by virtue of some impersonal force, but by human energy."

1.2 DEFINITION OF HUMAN RESOURCE MANAGEMENT

(Subba Rao 2014, Ram Kumar Balyan and Suman Balyan 2015, Sheetal Kejriwal et al. 2015)

Human resource management is concerned with the "people" dimension in management. In simple sense, human resource management means employing people, developing their resources, utilising, maintaining and compensating their services in tune with the job and organisational requirements.

According to Leon C. Megginson, the term human resources (HR) can be thought of as "the total knowledge, skills, creative abilities, talents and aptitudes of an organisation's workforce, as well as the value, attitudes and beliefs of the individuals involved."

According to Pulapa Subba Rao, human resources management (HRM) is managing (planning, organising, directing and controlling) the functions of employing, developing, compensating and utilising human resources, resulting in the creation and development of human and industrial relations which would shape the future policies and practices of human resource management, with a view to contribute proportionately (due to them) to the organisational, individual and social goals. Michael J. Jucius defined Personnel Management as "the field of management which has to do with planning, organising, directing and

controlling the functions of procuring, developing, maintaining and utilising a labour force, such that the — (a) Objectives for which the company is established are attained economically and effectively, (b) Objectives of all levels of personnel are served to the highest possible degree, and (c) Objectives of society are duly considered and served.”

According to Edwin B. Flippo (2007), Human Resource Management is- “the planning, organization, directing and controlling of the procurement, development, compensation, integration, maintenance and re-production of human resources to the end that individual, organizational and societal objectives are accomplished”.

According to Arm Strong (1999), HRM has been defined as a strategic and coherent approach to the management of an organization’s most valued assets –the people working there who individually and collectively contribute to the achievement of its goals.

According to David A. DeCenzo and Stephen P. Robbins, HRM as a process consists of four functions as given below.

- (i) Acquisition includes estimating demand and supply of labour, recruitment, selection and socialisation of employees.
- (ii) Development has three dimensions, i.e., training, development and career development.
- (iii) Motivation should consider needs of each individual and includes both financial and nonfinancial benefits.
- (iv) Maintenance function is concerned with providing working conditions that employees believe are necessary to maintain their commitment to the organisation.

1.3 EVOLUTION OF HRM (Priyadarshini et al. 2018)

The evolution of the concept of Human Resource Management is given below:

1. Period before Industrial Revolution

The society was primarily an agriculture economy with limited production. Number of specialized crafts was limited and was usually carried out within a village or community with apprentices assisting the master craftsmen. Communication channel were limited.

2. Period of industrial revolution (1750 to 1850)

Industrial revolution marked the conversion of economy from agriculture based to industry based. Modernization and increased means of communication gave way to industrial setup. A department was set up to look into workers wages, welfare

and other related issues. This led to emergence of personnel management with the major task as: i) Worker's wages and salaries. ii) Worker's record maintenance. iii) Worker's housing facilities and health care.

An important event in industrial revolution was growth of Labour Union (1790) – The works working in the industries or factories were subjected to long working hours and very less wages. With growing unrest, workers across the world started protest and this led to the establishment of Labour unions. To deal with labor issues at one end and management at the other Personnel Management department had to be capable of politics and diplomacy, thus the industrial relation department emerged.

3. Post Industrial Revolution

The term Human resource Management saw a major evolution after 1850. Various studies were released and many experiments were conducted during this period which gave HRM altogether a new meaning and importance.

A brief overview of major theories release during this period is given below:

(a) **Frederick W. Taylor** gave **principles of scientific management** (1857 to 1911) led to the evolution of scientific human resource management approach which was involved in: i) Worker's training ii) Maintaining wage uniformity iii) Focus on attaining better productivity.

(b) **Hawthorne studies, conducted by Elton Mayo & Fritz Roethlisberger** (1927 to 1940) – Observations and findings of Hawthorne experiment shifted the focus of Human resource from increasing worker's productivity to increasing worker's efficiency through greater work satisfaction.

(c) **Douglas McGregor Theory X and Theory Y (1960)** and **Abraham Maslow's Hierarchy of needs (1954)** – These studies and observations led to the transition from the administrative and passive Personnel Management approach to a more dynamic Human Resource Management approach which considered workers as a valuable resource. As a result of these principles and studies, Human resource management became increasingly line management function, linked to core business operations.

4. Strategic Human Resource Management Approach

With increase in technology and knowledge base industries and as a result of global competition, Human Resource Management is assuming more critical role today. Its major accomplishment is aligning individual goals and objectives with

corporate goals and objectives. Strategic HRM focuses on actions that differentiate the organization from its competitors and aims to make long term impact on the success of organization.

1.4 FEATURES OF HUMAN RESOURCE MANAGEMENT

(Krishnamoorthy and Viswanathan, 2019)

1. Management of people:HRM is concerned with management of all categories of employees, i.e., unionized and non-unionized people in an organisation. It applies to employees working in all types of organisations including Government and private sector. Further, it is applicable to all levels of management, i.e., from top level to lower level of management.

2. Concerned with the ‘people’ dimension in management: It deals with human resource and is concerned with employees both as individuals as well as a group. HRM is responsible for ensuring that all employees work together as a team for achievement of the goals of the organisation.

3. Manpower planning: HR should take the organisation forward and therefore, it has to consider the present and future manpower requirements based on the business plan of the organisation.

4. Integral part of the general management function: Human resources management involves all managerial decisions, policies and practices that influence human resources directly. HR is responsible for selecting the right person for the right job and develop an organisation culture that contributes to professional well-being of employees.

5. Employee Development: Development of human resources is needed by an organisation if it wants to succeed in the fast changing business environment. The competency of human resources can be enhanced by training and development.

6. Continuous process: The organisation is composed of people who come from different walks of life and who are different in their outlook and understanding. Therefore, personnel problems continue to exist and HR has to play a major role in solving these problems. Recruitment, selection, training and replacement of employees are continuous activities especially in a growing organisation.

7. Co-operation of the people: Effective use of materials, machines, equipment and money requires co-operation of all employees in the organisation. Technical competence will not be

sufficient if subordinates do not co-operate. Winning the co-operation of employees is one of the major challenges faced by management.

8. Employee motivation: The primary task of the management is that of maintaining an organisation that functions willingly and effectively. Performance depends upon (a) ability to work and (b) willingness to work, i.e., motivation. HR aims at motivating employees so that they become dynamic contributors to the organisational goals.

9. Long-term benefits: HRM aims to provide long-term benefits to employees, organisation and the society. Example: Career growth and financial benefits to employees, growth and development of the organisation and welfare of the society.

10. Multidisciplinary approach: HRM makes use of various disciplines like psychology, sociology, philosophy, and economics for improving individual, group and organisational effectiveness.

1.5 SIGNIFICANCE OF HRM

(Subba Rao, 2014, Sheetal Kejriwal et al. 2015, Krishnamoorthy & Viswanathan, 2019)

Human resources play a crucial role in the development process of modern economics. Arthur Lewis observed, “there are great differences in development between countries which seem to have roughly equal resources, so it is necessary to enquire into the difference in human behaviour.”

a. Human Resources in the Nation’s Well-being:

A nation with abundance of physical resources will not benefit itself unless human resources make use of them. In fact, human resources with right attitude are solely responsible for making use of national resources and for the transformation of traditional economies into the modern industrial and knowledge economies. Countries with low literacy rate are poor as qualified resources are less as compared to developed countries. One of the major cause of a country remaining poor is improper utilization of available resources. Whereas, a countries with high literacy rate are such as there is ample amount of qualified & talented resources. As a result, it can be commented that available human resources should be utilized & managed property for upliftment in a country.

b. Social significance:

Effective human resource management could serve the goals of our society by satisfying the social needs of the employees. Factors such as secured job, proper salary

standards, incentives, bonus affects the standard of living of an employee who is living in society. Proper management of personnel enhances their dignity by satisfying their social needs. This is done by:

- (i) maintaining a balance between the jobs available and the jobseekers according to the qualifications and needs;
- (ii) providing suitable and most productive employment, which might bring them psychological satisfaction;
- (iii) making maximum utilisation of the resources in an effective manner and paying the employee a reasonable compensation in proportion to the contribution made by him;
- (iv) eliminating waste or improper use of human resources, through conservation of their normal energy and health and
- (v) by helping people make their own decisions that are in their interests.

c. Professional significance:

By providing a healthy working environment, it promotes teamwork in the employees. This is done by:

- (i) maintaining the dignity of the employee as a 'human-being';
- (ii) providing maximum opportunities for personal development;
- (iii) providing healthy relationship between different work groups so that work is effectively performed; improving the employees' working skill and capacity; and
- (iv) correcting the errors of wrong postings and proper reallocation work.
- (v) developing the knowledge, skills and attitudes of employees.

d. Significance for individual enterprise:

HRM is important for achieving the objectives of individual enterprise. Trained and motivated employees help the organisation to achieve its short-term and long-term goals. It can help the organisation in accomplishing its goals by:

- (i) creating right attitude among the employees through effective motivation ;
- (ii) utilising effectively the available human resources and
- (iii) securing willing co-operation of the employees for achieving goals of the enterprise and fulfilling their own social and other psychological needs of recognition, love, affection, belongingness, esteem and self-actualisation.

1.6 OBJECTIVES OF HRM

(Sheetal Kejriwal et al. 2015, Krishnamoorthy&Viswanathan, 2019)

Objective of HRM are as follows:

1. To arrange and maintain manpower requirements in organization for its smooth functioning and ensure placement of the right man on the right job
2. To provide training to employees to develop skills, increase productivity and enhance individual and organizational performance for achieving desired results
3. To provide, create, utilise and motivate-employees to accomplish organisational goals
4. To integrate employee-management interests and maintain good industrial relations to achieve individual and organisational objectives
5. To identify and satisfy the needs of the employees by offering various financial and nonfinancial incentives in addition to the welfare facilities and to develop employee benefit scheme for improving employee motivation
6. To create healthy work environment resulting in employee satisfaction.
7. To enhance quality of work life for psychological well being of employees
8. To follow ethical practices amongst employees
9. To maintain competent workforce for organization growth and prosperity

1.7 SCOPE OF HRM (Sheetal Kejriwal et al. 2015)

Scope of HRM is far-reaching and vast knowledge of HRM is very important to all employees. HR becomes important when there are groups of employees as these employees have the ability to think and react on situations. Scope of HRM can be classified as follows:.

HRM in personnel management: It involves managing manpower and activity like manpower planning, hiring, training and development, transfer, promotions, compensation are included in personnel management. Its main objective is overall development of employees which could lead to organizational development.

2. HRM in employee welfare: It deals with work environment and other facilities at work. It includes appointment of safety officers and creating healthy working environment and offering various benefits like sickness benefit, maturity benefit, and disablement benefits. It also includes employee welfare and establishing good relations between employer and employees.

3. HRM in industrial relations: It involves safeguarding employee interest by having harmonious relationship between employer and employees. Industrial relations include disciplinary procedures, collective bargaining and maintaining cordial work relations by settlement of disputes mutually. It tries to promote industrial democracy by protecting the employees and the employers.

1.8 HUMAN RESOURCE MANAGEMENT IN TRAVEL AND TOURISM

Tourism industry is the largest service industry and largest employment generator in the world. As we all know, tourism is a service based industry where the product is intangible in nature. One of the major factors that determine the success of a travel business is the Human resource department. So in order to compete and satisfy the end user, it is important to have a well trained Human Resource which can deliver the product with utmost satisfaction. From Hotel Industry to Travel Agencies, every subsidiary of the Tourism Industry is dependent on Person to Person contact. It is because of this, very attribute of Heterogeneity and intangibility the role of Human Resource Management and its importance increases manifold. From recruiting to selecting and then training the Human Resource to make them efficient enough to interact with the Tourists and satisfy their needs of Recreation, pleasure, pilgrim etc by providing high standard services which are human contact based and have very less mechanistic substitutes.

There are several functions and responsibilities of human resources departments such as safety, remuneration, communication, development of organizational culture, management of organizational structure, work-job design, employment relations and career development. These functions vary greatly, depending on the organization of the company. In tourism and hospitality industry these responsibilities differ in restaurants, big chain hotels, one individual owner hotels or family owner hotels. Human resources departments' main role is interacting with all other departments in the company. Human resources managers build departmental relationships and career development plans of employees, committing to business aims (Demet Tüzünkan and Volkan Altıntaş, 2019).

Travel Agents inside a travel company will be engaged with clients every day. They contact hotels and resorts for prices and checks the status of flights. So the travel agents need necessary things like a computer with Internet and other facilities. For keeping and tracking information, they need software and schedule calendars. It is the job of the Human Resource Department to provide the necessary facilities to the travel agents as far as possible.

While doing the hiring process talent and skills which are related to the travel industry is essential along with work experience. Only an experienced candidate with abilities in handling multiple persons at the same time for coordination of travel activities can handle the

job successfully. An efficient HR management professional can check about the relevance of degrees and certificates in travel and tourism-related industry and choose the right candidate.

Low sales can affect company morale and decrease productivity. Motivating the staff in a travel company is also important for the business. Travel and tourism agencies can employ various motivation techniques. Regularly showing appreciation and rewarding staff for their hard work is one way to boost motivation. Providing opportunities for the travel agents to earn commission is a crucial element in increasing the profit of the organization. Rewarding employees based on their performance can only be handled by human resource development skills. Financial rewards such as a cash bonus or reward employees by sending them on a trip be offered. Speaking to all members of the team on a daily basis individually is also required to keep the relationship open for discussions and offering one-on-one assistance. Giving the team realistic sales goals is another way to increase motivation.

Challenges of HRM in Tourism Industry (Dennis Nickson, 2007):

There are certain challenges in Human Resource Management in tourism industry. Organizations and managers in the tourism and hospitality industry face real challenges in recruiting, development and maintaining a committed, competent, well-managed and well-motivated workforce which is focused on offering a high – quality ‘product’ to the increasingly demanding and discerning customer.

In some geographical and sub-sector areas, tourism and hospitality provides an attractive, high-status working environment with competitive pay and conditions, which is in high demand in the labour force and benefits from low staff turnover. The other side of the coin is one of poor conditions, low pay, high staff turnover, problems in recruiting skills in a number of key areas, a high level of labour drawn from socially disadvantaged groups, poor status and the virtual absence of professionalism. Tourism Industry by and large has been struggling because of the lack of technical and professional employees. Tourism as a separate subject of study has been established very recently, and such very few professionally trained candidates are available in the Job market. This has led to the increase in the employment of untrained workers working in the industry which has led to a decrease in the service quality of the Industry.

Keep and Mayhew (1999) in their review of the skills issue in the tourism and hospitality industry suggest the industry has a number of personnel problems, including

- a. Generally low wages, unless skill shortages act to counter this (example, chefs)
- b. Unsocial hours and shift patterns that are not family friendly
- c. Overrepresentation of women and ethnic minorities in low level operative positions, with better paid, higher status and more skilled jobs filled by men, pointing to underdeveloped equal opportunities policies in the sector
- d. Poor or non-existent career structures and use of casualized seasonal employment
- e. Over reliance on informal recruitment methods
- f. Lack of evidence of good practice personnel/HRM Practices
- g. Little or no trade union presence
- h. High levels of labour turnover
- i. Difficulties in recruitment and retention of employees

1.9 SUMMARY

- It is this human resource which is of paramount importance in the success of any organisation because most of the problems in organisational settings are human and social rather than physical, technical or economic.
- HRM is concerned with management of all categories of employees, i.e., unionized and non-unionized people in an organisation. It applies to employees working in all types of organisations.
- Performance of an organisation is mainly dependent on the efficiency of HR department. HR personnel are the important link between the top management and the employees.
- Scope of HRM is far-reaching and vast knowledge of HRM is very important to all employees. HR becomes important when there are groups of employees as these employees have the ability to think and react on situations.
- One of the major factors that determine the success of a travel business is the Human resource department. So in order to compete and satisfy the end user, it is important to have a well trained Human Resource which can deliver the product with utmost satisfaction.

- In tourism and travel industry, there are several functions and responsibilities of human resources departments such as safety, remuneration, communication, development of organizational culture, management of organizational structure, work-job design, employment relations and career development.
-

1.10 KEYWORDS

HRM: A process of bringing people and organizations together so that the goals of each one is met, effectively and efficiently.

Hawthorne studies, conducted by Elton Mayo & Fritz Roethlisberger (1927 to 1940) – Observations and findings of Hawthorne experiment shifted the focus of Human resource from increasing worker's productivity to increasing worker's efficiency through greater work satisfaction.

Manpower planning: HR should take the organisation forward and therefore, it has to consider the present and future manpower requirements based on the business plan of the organisation

1.11 SELF ASSESSMENT QUESTIONS

1. Define Human Resource Management and explain its significance.
 2. Discuss the evolution of HRM in India in detail.
 3. Do you feel the human resource is the most important resource in an organization in present scenario? Give your Comments.
 4. Short notes on:
 - (a) Scope of HRM.
 - (b) Objectives of HRM
 - (c) Evolution of HRM
-

1.12 FURTHER READINGS

1. Tom Baum (2006), 'Human Resource Management for Tourism, Hospitality and Leisure: An International Perspective', Thomson Learning, London

2. Dennis Nickson (2007), 'Human Resource Management for the Hospitality and Tourism Industries', Elsevier Ltd., USA
3. VSP Rao (2008), 'Human Resource Management', Excel Books, New Delhi.
4. Garry Dessler & Varkkey (2009), Human Resource Management, Pearson, New Delhi.
5. Aswathappa K (2010), Human Resource Management, Tata McGraw Hill, New Delhi.
6. Sarma, A.M. (2011), 'Human Resource Management', Himalaya Publishing House, Mumbai.
7. Subba Rao P. (2014), 'Personnel and Human Resource Management', Himalaya Publishing House, Mumbai.
8. Ram Kumar Balyan and Suman Balyan (2015), 'Modern Human Resource Management (Text and Cases)', Himalaya Publishing House, Mumbai.
9. Sheetal Kejriwal, Nikitaa Prajapati, Pradnya M. Gaikwad (2015), 'Human Resource Management and Organizational Behaviour', Himalaya Publishing House, Mumbai.
10. Rajashree Shinde, Abhilasha A and Ramakumar A (2017), 'Human Resource Management', Himalaya Publishing House, Mumbai.
11. Krishnamoorthy R and Viswanathan R (2019), 'Human Resource Management', Himalaya Publishing House, Mumbai.
12. Demet Tüzünkan and Volkan Altıntaş (2019), 'Contemporary Human Resources Management in the Tourism Industry', IGI Global Publications, USA.

Lesson Writer

Dr. Jyothi Guntaka

Lesson – 2**FUNCTIONS OF HRM****OBJECTIVES**

After studying this lesson, you should be able to :

- ❖ Discuss the functions of HRM
 - ❖ Understand the role of Human Resource Manager
 - ❖ Outline the organization structure and strategy
-

STRUCTURE

- 2.1 Introduction
 - 2.2 Functions of HRM
 - 2.3 Role of HR Manager
 - 2.4 Organization
 - 2.5 Strategic Human Resource Management
 - 2.6 Summary
 - 2.7 Keywords
 - 2.8 Self assessment questions
 - 2.9 Further readings
-

2.1 INTRODUCTION

HR manages performs various functions starting from identifying potential candidates for jobs, till their separation. They encourage employees & also try to bring harmony between employers – employee relationship. Performance of an organisation is mainly dependent on the efficiency of HR department. HR personnel are the important link between the top management and the employees.

HR's primary function is managing the entirety of an organisation's human resources. HR involves nothing less than managing change, technology, innovation and diversity. HR has become dynamic, flexible and creative. It is no longer confined to the culture or ethos of any single organisation; its keynote is a cross-fertilisation of ideas from different organisations. Periodic social audit of HR functions are considered essential.

2.2 FUNCTIONS OF HRM

(Sarma 2011, Subba Rao 2014, Krishnamoorthy and Viswanathan, 2019)

The functions of HRM can be broadly classified into two categories, viz., (I) Managerial functions and (II) Operative functions.

Functions of HRM

Managerial Functions	Operative Functions
1. Planning	1. Employment
2. Organising	2. Development
3. Directing	3. Compensation
4. Controlling	4. Human Relations
	5. Industrial relations
	6. Other functions

I. Managerial Functions

Managerial functions of personnel management involve planning, organising, directing and controlling.

(i) Planning: It is a predetermined course of action. Planning involves planning of human resources, requirements, recruitment, selection, training etc. It also involves forecasting of personnel needs, changing values, attitudes and behaviour of employees and their impact on the organisation.

(ii) Organising: According to J.C. Massie, an organisation is a “structure and a process by which a co-operative group of human beings allocates its task among its members, identifies relationships and integrates its activities towards a common objective.” An organisation establishes relationships among the employees so that they can collectively contribute to the attainment of company goals.

(iii) Directing: The next logical function after completing planning and organising is the execution of the plan. The basic function of personnel management at any level is motivating, commanding, leading and activating people. The willing and effective co-operation of employees for the attainment of organisational goals is possible through proper direction. Co-ordination deals with the task of blending efforts in order to ensure successful attainment of an objective.

(iv) Controlling: After planning, organising and directing various activities of personnel management, the performance is to be verified in order to know that the personnel functions are performed in conformity with the plans and directions of an organisation. Controlling also involves checking, verifying and comparing of the actual with the plans, identification of deviations if any and correcting of identified deviations. Auditing training programmes, analysing labour turnover records, directing morale surveys, conducting separate interviews are some of the means for controlling the personnel management function and making it effective.

II. Operative Functions

The operative functions of human resources management are related to specific activities of personnel management, viz., employment, development, compensation and relations. All these functions are interacted with managerial functions.

1. Employment : It is the first operative function of Human Resources Management (HRM). Employment is concerned with securing and employing the people possessing the required kind and level of human resources necessary to achieve the organisational objectives. It covers functions such as job analysis, human resources planning, recruitment, selection, placement, induction and internal mobility.

(i) Job Analysis: It is the process of study and collection of information relating to the operations and responsibilities of a specific job. It includes collection of data, information, facts and ideas relating to various aspects of jobs including men, machines and materials; Preparation of job description, job specifications, job requirements and employee specifications.

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

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

(iv) Selection: It is the process of ascertaining the qualifications, experiences, skills, knowledge etc., of an applicant with a view to appraising his/her suitability to a job.

(v) Placement: It is the process of assigning the selected candidate with the most suitable job in terms of job requirements. It is matching of employee specifications with job requirements.

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

2. Human Resources Development

It is the process of improving, moulding and changing the skills, knowledge, creative ability, aptitude, attitude, values, commitment etc., based on present and future job and organisational requirements. This function includes:

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

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

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

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

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

(vi) Transfer: It is the process of placing employees in the same level jobs where they can be utilised more effectively in consistence with their potentialities and needs of the employees and the organisation.

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

(viii) Demotion: It deals with downward reassignment to an employee in the organisation.

(ix) Retention and Retrenchment Management: Employers prefer to retain more talented employees while they retrench less talented employees. Employers modify existing human resource strategies and craft new strategies in order to pay more salaries, provide more benefits and create high quality of work life to retain the best employees.

(x) Change and Organisation Development: Change implies the creation of imbalances in the existing pattern or situation. Organisation development is a planned process designed to improve organisational effectiveness and health through modifications in individual and

group behaviour, culture and systems of the organisation using knowledge and technology of applied behavioural sciences.

3. Compensation

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

- (i) Job Evaluation: It is the process of determining relative worth of jobs.
- (ii) Wage and Salary Administration: This is the process of developing and operating a suitable wage and salary programme.
- (iii) Incentives: It is the process of formulating, administering and reviewing the schemes of financial incentives in addition to regular payment of wages and salary.
- (iv) Bonus: It includes payment of statutory bonus according to the Payment of Bonus Act, 1965 and its latest amendments.
- (v) Fringe Benefits: These are the various benefits at the fringe of the wage. Management provides these benefits to motivate the employees and to meet their life's contingencies.
- (vi) Social Security Measures: Managements provide social security to their employees in addition to the fringe benefits.

4. Human Relations

Practicing various human resources policies and programmes like employment, development, compensation and interaction among employees create a sense of relationship between the individual worker and management, among workers and trade unions and the management. It is the process of interaction among human beings. It includes:

1. Understanding and applying the models of perception, personality, learning, intra- and inter-personal relations, intra- and inter-group relations.
2. Motivating the employees.
3. Boosting employee morale.
4. Developing the communication skills.
5. Developing the leadership skills.
6. Redressing employee grievances properly and in time
7. Handling disciplinary cases.
8. Counselling the employees in solving their problems
9. Providing a comfortable work environment
10. Improving quality of work life of employees

5. Industrial Relations

The term 'industrial relations' refers to the study of relations among employees, employers, government and trade unions. Industrial relations include all activities of employer-employee relationship such as trade union, negotiation of contracts, collective bargaining, grievance handling, disciplinary action, arbitration, etc., all aimed at preventing conflict between the two participants.

6. Other functions

Human Resources Management has been advancing at a fast rate. Other functions of HRM include (a) analytical functions and (b) strategic functions.

Analytical functions include HR consultation, human resource research, and accounting and auditing. Personnel research and audit is concerned with detailed studies on organisation's personnel programme such as recruitment, selection development and utilisation of human resources, data related to wages, grievances, labour turnover, absenteeism, surveys on employee morale, attitude and satisfaction. Strategic functions involve human resource strategy, human resource outsourcing, and human resource mergers and acquisitions. The recent trends in HRM also include Quality of work life and Total quality in human resources.

2.3 ROLE OF HR MANAGER

Qualities of a HR manager (Ram Kumar Balyan and Suman Balyan, 2015)

Personnel manager is treated as a member of the top management team of the organisation. It is evident that the personnel manager is first of all an executive requiring essentially the same executive qualities as other executives. Like other executives, the personnel manager or director needs technical competence in the areas of his division's specialties. He need not be a specialist in all the areas of the personnel division yet he should have a high degree of skill and competence in at least one of the areas.

HRM manager should possess the following qualities in brief:

- (i) Physical strength
- (ii) Intelligence
- (iii) Resourcefulness
- (iv) Educational qualifications
- (v) Maturity in judgement

- (vi) Communication skills
- (vii) Experience and training
- (viii) Specialisation in HRM
- (ix) Leadership
- (x) Initiative and decision making and
- (xi) Ability to inspire and motivate employees

Role of HR Manager (Sarma, 2011)

HR professionals have an all-encompassing role. They are required to have a thorough knowledge of the organisation and its intricacies and complexities. The ultimate goal of every HR person should be to develop a linkage between the employee and the organisation because the employee's commitment to the organisation is crucial. The first and foremost role of HR functionary is to impart continuous education to employees about the changes and challenges facing the country in general, and their organisation in particular. The HR professionals should impart education to all employees through small booklets, video films, lectures, and the like.

The primary responsibilities of a human resource manager are:

1. To develop a thorough knowledge of corporate culture, plans and policies.
2. To act as an internal change agent and consultant.
3. To initiate change and act as an expert and facilitator.
4. To actively involve himself in company's strategy formulation.
5. To keep communication lines open between the HRM function and individuals and groups both within and outside the organisation.
6. To identify and evolve HRM strategies in consonance with overall business strategy.
7. To facilitate the development of various organisational teams and their working relationship with other teams and individuals.
8. To try and relate people and work so that the organisation objectives are achieved effectively and efficiently.
9. To diagnose problems and to determine appropriate solution particularly in the human resources areas.
10. To provide co-ordination and support services for the delivery of HRD programmes and services.

11. To evaluate the impact of an HRD intervention or to conduct research so as to identify, develop or test how HRD in general has improved individual or organisational performance.

The following are the nine new roles of HR practitioner as suggested by Pat McLegan:

1. To bring the issues and trends concerning an organisation's external and internal people to the attention of strategic decision-makers, and to recommend long-term strategies to support organisational excellence and endurance.
2. To design and prepare HR systems and actions for implementation so that they can produce maximum impact on organisational performance and development.
3. To facilitate the development and implementation of strategies for transforming one's own organisation by pursuing values and visions.
4. To create the smoothest flow of products and services to customers; to ensure the best and most flexible use of resources and competencies; and to create commitment among the people who help us to meet customers' needs whether those people work directly for the organisation or not.
5. To identify learning needs and then design and develop structured learning programmes and materials to help accelerate learning for individuals and groups.
6. To help individuals and groups work in new situations and to expand and change their views so that people in power move from authoritarian to participative models of leadership.
7. To help people assess their competencies, values, and goals so that they can identify, plan, and implement development actions.
8. To assist individuals to add value in the workplace and to focus on the interventions and interpersonal skills for helping people change and sustain change
9. To assess the impact of HRD practices and programmes and to communicate results so that the organisation and its people accelerate their change and development.

To compete today, HR departments are asked to achieve four seemingly contradictory goals.

- a. First, HR functions are being asked to be more strategic.
- b. Second, HR functions are also being asked to be more flexible.
- c. Third, they are also being asked to take a hard line on costs.
- d. Finally, HR functions are still required to provide excellent service to managers and employees. In short, the HR departments have to be more strategic, flexible, cost efficient, and system-oriented

2.4 ORGANISATION (Sheetal Kejriwal, 2015)

Any organisation consists of a large number of people. As the organisation grows, number of people working in it increases and it becomes necessary to bring every employee under control. This raises the need to create system that could bring all the employees together. This system which binds employees and focuses on organisational objective is organisational structure. Organisational structure gives details of authority, hierarchy, different positions within organisation and size of organisation. Organisational structure is mainly in 3 forms line organisation, staff organisation and functional organisation. Line organisational structure focuses on having a direct contract over sub-ordinates, whereas staff organisational structure focuses on supportive activities to fulfil organisational objectives, staff organisational structure helps in facilitating line functions. In functional organisational structure special authority is given to staff functioning to direct line functionaries.

HR organisation consists of a group of employees with defined responsibilities and authority and formal relationship working together to achieve the HR objectives. HR organisation is developed based on external and internal environmental factors and the objectives of the organisation. It should clearly state how the duties and responsibilities will be divided among various positions in the organisation and the policies and procedures to be followed while working and the relationship between one job and another job. Also it defines the channels of communication between various levels of responsibility in the organisation.

Personnel Department in Line Organization:

Line organizational structure is common in small organizations. Here, authority flows in a direct line from supervisors to subordinates. Every employee is clear who his superior is and who has the authority to issue orders. Managers have complete authority in their areas of operation and are solely responsible for final results. Line authority implies the right to give orders and to have decisions implemented. The principle of one boss is followed in these organisations. Authority is clear and employees working can contact top management only through their immediate bosses. In short, it can be said that Line managers have responsibility for directly supervising individual employees or teams, where they report to a top-level management on the performance and wellbeing of the employees or teams they manage.

Responsibilities of the Line Managers in HR:

Responsibilities carried out by line managers include:

- i. Day-to-day employee management.
- ii. Managing operational costs.
- iii. Providing technical expertise.
- iv. Delegating work and roles.
- v. Monitoring work and checking quality.
- vi. Measuring operational performance.

Personnel department in line and staff organization:

The line-and-staff organization combines the line organization with staff departments that support and advise line departments. Staff managers are authorized to assist and advise line managers in fulfilling their basic organizational goals. Staff positions serve the organization by indirectly supporting line functions. Staff positions consist of staff personnel and staff managers. Staff personnel use their technical knowledge to assist line personnel and support top management in various business activities. Staff managers provide support, advice, and knowledge to other individuals in the chain of command. Many medium and large-sized firms display line-and-staff organizational structures.

The distinctive characteristic between simple line organizations and line-and-staff organizations is the multiple layers of management within line-and-staff organizations. Many positions exist within a line-and-staff organization. Some positions are essential for the company's mission, whereas others are secondary—in the form of support and indirect contribution. A line position is directly concerned with the day-to-day operations of the organization, such as producing or selling a product or service. Line positions are occupied by line personnel and line managers. Line managers carry out the primary activities of a business and are important to the basic functioning of the organization. Line managers take the major decisions and direct line employees to achieve company goals. An example of a line manager is a marketing executive.

Line-and-Staff Organization:

Although, a marketing executive does not actually manufacture the product or service, he or she directly contributes to the firm's overall objectives through market forecasting and creating product or service demand. Therefore, line positions; connect with activities that are functionally and directly related to the primary workflow of an organization. Staff positions

serve the organization in some way by supporting line functions. Although, staff managers are not part of the chain of command associated to direct production of products or services, they do have authority over personnel. An example of a staff manager is a legal adviser. He is not directly engaged in profit-making activities, but does provide legal support to those who do.

Personnel Management in Functional Organisation:

The concept of 'Functional Organization' was developed by F.W. Taylor, who is known as the father of scientific management. As the name suggests, functional organization implies that the organization should be based on various functions. Taylor's functional approach is mainly based on principle of specialization and tries to obtain organizational balance. The principle of specialization is dependent on the concept that both the workers and the supervisors can develop a higher degree of proficiency by separating the manual from the mental requirements. Taylor suggests that there should be functionalisation even at the shop-level, where workers have to produce goods. He felt that the usual practice of putting one manager's in-charge of some 40 to 50 workers should be avoided.

2.5 STRATEGIC HUMAN RESOURCE MANAGEMENT

(Rajashree Shinde et al. 2017)

According to John Bratton, "Strategic human resource management is the process of linking the human resource function with the strategic objectives of the organisation in order to improve performance."

Strategy

The company's long-term plan for how it will balance its internal strengths and weaknesses – with its external opportunities and threats to maintain a competitive advantage. A strategy is management's game plan for Strengthening the organisation's competitive position; satisfying customers; and achieving performance targets. Strategies used by companies to sustain and grow in this constantly dynamic business can be:

Corporate strategy

The term corporate strategy was originally coined to describe decisions a company should make to reach its goals and produce policies to achieve them. Michael E. Porter, professor of business administration at the Harvard Business School, stated in his article

“From Competitive Advantage to Corporate Strategy” that a corporate-level strategy is the overall plan for a diversified economy. Corporate strategy is an ongoing process: Consistently delivering value creation that outpaces peer demands that organisations enhance their capabilities and regularly revisit their strategies

Business strategy

According to the University at Albany, State University of New York, business-level strategies “detail actions taken to provide value to customers and gain a competitive advantage by exploiting core competencies in specific, individual product or service markets.” Porter discusses business level strategies as (a) Cost leadership (b) Differentiation (c) Focused cost leadership (d) Focused differentiation (e) Integrated cost leadership/differentiation. Business-level strategy helps an organisation achieve core competencies, keep its focus on satisfying the customer needs and preferences to achieve economies of scale and profit above average.

Functional strategy

Functional strategy deals with relatively restricted plan providing objectives for specific function, allocation of resources among different operations within that functional area and coordination between them for optimal contribution to the achievement of the SBU and corporate-level objectives.

Functional strategies

Functional strategies in Human Resource, Marketing, Finance, Operations, and R&D involve the development and coordination of resources through which business-level strategies can be executed efficiently and effectively.

Human resources strategy

An effective human resources strategy is useful in a number of related areas. These areas include number of employees required, training needs, skill levels required, compensation, performance appraisal and so on. Relationship with labour unions is an important aspect of human resources strategy. Executive development programmes require strategic attention. For example, if an organisation anticipates opening new plants in the near future, it must plan on locating and developing potential managers for these plants. Training managers for foreign assignments is a very important strategic task for international organisations.

Generic HR strategies

Identifying the need to highlight the prevalence of generic HR strategies pursued by organisations in different contexts.

Budhwar and Sparrow (2002) propose four HR strategies. These are:

- i. 'Talent acquisition' HR strategy (emphasises attracting the best human talent from external sources);
- ii. 'Effective resource allocation' HR strategy (maximises the use of existing human resources by always having the right person in the right place at the right time);
- iii. 'Talent improvement' HR strategy (maximises the talents of existing employees by continuously training them and guiding them in their jobs and career); and
- iv. 'Cost reduction' HR strategy (reduces personnel costs to the lowest possible level).

2.6 SUMMARY

The functions of HRM can be broadly classified into two categories, viz., (i) Managerial functions and (ii) Operative functions.

- HR professionals have an all-encompassing role. They are required to have a thorough knowledge of the organisation and its intricacies and complexities. The ultimate goal of every
- HR person should be to develop a linkage between the employee and the organisation because the employee's commitment to the organisation is crucial.
- An effective human resources strategy is useful in a number of related areas. These areas include number of employees required, training needs, skill levels required, compensation, performance appraisal and so on. Relationship with labour unions is an important aspect of human resources strategy.

2.7 KEYWORDS

Job Analysis is carried out to find out knowledge, skills, attitude required to do the job efficiently.

Job description is a factual statement of the duties and responsibilities of a specific job.

Job specification provides information on the human attributes in terms of education, skills, aptitudes and experience necessary to perform a job effectively.

Human Resources Planning (HRP) is a process for determination and assuring that the organisation will have an adequate number of qualified persons, available at proper times, performing jobs which would meet the needs of the organisation and which would provide satisfaction for the individuals involved.

Job Evaluation is the process of determining relative worth of jobs. Select suitable job evaluation techniques.

Wage and Salary Administration is the process of developing and operating a suitable wage and salary programme.

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

Selection is the process of ascertaining the qualifications, experiences, skills, knowledge etc., of an applicant with a view to appraising his/her suitability to a job.

Placement is the process of assigning the selected candidate with the most suitable job in terms of job requirements.

Induction and Orientation are the techniques by which a new employee is rehabilitated in the changed surrounding and introduced to the practices, policies, purposes and people etc., of the organisation.

Human Resources Development is the process of improving, moulding and changing the skills, knowledge, creative ability, aptitude, attitude, values, commitment etc., based on present and future job and organisational requirements.

Training is the process of imparting to the employees technical and operating skills and knowledge.

Career Planning and Development is the planning of one's career and implementation of career plans by means of education, training, job search and acquisition of work experiences.

Performance Appraisal is the systematic evaluation of individuals with respect to their performance on the job and their potential for development.

Strategic human resource management is the process of linking the human resource function with the strategic objectives of the organisation in order to improve performance

2.8 SELF ASSESSMENT QUESTIONS

1. What functions does a human resource department normally perform?
 2. Mention the organizational structure of HR Department.
 3. What qualities a HR manager should possess?
-

4. Short notes on:

- (a) Human resource strategy.
- (b) Managerial functions of HR
- (c) Operative functions of HR
- (d) Personnel department in line organization.

2.9 FURTHER READINGS

1. Tom Baum (2006), 'Human Resource Management for Tourism, Hospitality and Leisure: An International Perspective', Thomson Learning, London
2. Dennis Nickson (2007), 'Human Resource Management for the Hospitality and Tourism Industries', Elsevier Ltd., USA
3. VSP Rao (2008), 'Human Resource Management', Excel Books, New Delhi.
4. Aswathappa K (2010), Human Resource Management, Tata McGraw Hill, New Delhi.
5. Sarma, A.M. (2011), 'Human Resource Management', Himalaya Publishing House, Mumbai.
6. Subba Rao P. (2014), 'Personnel and Human Resource Management', Himalaya Publishing House, Mumbai.
7. Ram Kumar Balyan and Suman Balyan (2015), 'Modern Human Resource Management (Text and Cases)', Himalaya Publishing House, Mumbai.
8. Sheetal Kejriwal, Nikitaa Prajapati, Pradnya M. Gaikwad (2015), 'Human Resource Management and Organizational Behaviour', Himalaya Publishing House, Mumbai.
9. Rajashree Shinde, Abhilasha A and Ramakumar A (2017), 'Human Resource Management', Himalaya Publishing House, Mumbai.
10. Priyadarshini P, Sai Kumari V, Padmini J, Tamilselvi T.A., Sowmya K.R., Vimal Nishant R and Hemanth Kumar V (2018), 'Human Resource Management (Text and Cases)', Himalaya Publishing House, Mumbai.
11. Krishnamoorthy R and Viswanathan R (2019), 'Human Resource Management', Himalaya Publishing House, Mumbai.
12. Demet Tüzünkan and Volkan Altıntaş (2019), 'Contemporary Human Resources Management in the Tourism Industry', IGI Global Publications, USA.

Lesson Writer

Dr. Jyothi Guntaka

Lesson – 3**HR POLICIES**

OBJECTIVES

After studying this lesson, you should be able to :

- ❖ Explain the meaning of Human Resource policy
- ❖ Elucidate the significance of HR policy
- ❖ Discuss the features of HR Policy
- ❖ Analyze the steps in HR policies and their evolution in India

STRUCTURE

- 3.1 Introduction
- 3.2 Definition of HR Policy
- 3.3 Importance of HR Policies
- 3.4 Features of HR Policies
- 3.5 Sources of content for formulating HR Policies
- 3.6 Steps in the formulation of HR Policies
- 3.7 Guidelines for HR Policy Formation and Preparation of HR Policy Manual
- 3.8 Areas where Policies are commonly established
- 3.9 Evolution of HR Policies in India
- 3.10 Summary
- 3.11 Keywords
- 3.12 Self Assessment Questions
- 3.13 Further Readings

3.1 INTRODUCTION

A human resource strategy includes looking at policies and practices related to staffing, performance, learning, rewards and organisation. HRM policy is concerned with human resources in the organisation. It means manmade rules, procedures, practices. Policies provide a clear idea of company rules and regulations for the benefits of employees and it defines the strategy of the management. Policies help to avoid confusion, misunderstanding

and bias in employee related decisions. After the establishment of objectives of HRM, human resources policies are to be formulated. Policies are general statements that guide thinking and action in decision-making.

Human resource 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. 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. HR policies must be linked to and support the mission, vision, values, strategy, or goals of an organisation.

3.2 DEFINITION OF HR POLICY

(Subba Rao 2014, Rajashree Shinde et al. 2017, Priyadarshi et al. 2018, Krishnamoorthy and Viswanathan 2019)

A policy is a plan of action. Brewster and Richbell defined HRM policies as, “a set of proposals and actions that act as a reference point for managers in their dealings with employees”. “HR policies constitute guides to action. They furnish the general standards or bases on which decisions are reached. Their genesis lies in an organisation’s values, philosophy, concepts and principles”. HR policies guide the course of action intended to accomplish personnel objectives.

According to Edwin B. Flippo, “A policy is a man-made rule or predetermined course of action that is established to guide the performance of work towards the organisation objectives. It is a type of standing plan that serves to guide subordinate in the execution of their tasks”.

According to Koontz, Donnel and Weihrich, “Policies are the general statements of understandings which guide or channel thinking and action in decision making. They limit the area within which decision is to be made and ensure that decision will be consistent with and contribute to objectives”.

3.3 IMPORTANCE OF HR POLICIES

HR policies can also be very effective at supporting and building the desired organizational culture. For example, recruitment and retention policies might outline the way the organization values a flexible workforce, compensation policies might support this by offering a 48/52 pay option where employees can take an extra four weeks holidays per year and receive less pay across the year.

In actuality, policies and procedures serve a number of purposes:

- i. They provide clear communication between the organization and their employees regarding their condition of employment.
- ii. They form a basis for treating all employees fairly and equally.
- iii. They are a set of guidelines for supervisors and managers.
- iv. They create a basis for developing the employee handbook.
- v. They establish a basis for regularly reviewing possible changes affecting employees.
- vi. They form a context for supervisor training programs and employee orientation programs.

Policies serve several important functions:

- a. Communicate values and expectations for how things are done at your organisation
- b. Keep the organisation in compliance with legislation and provide protection against employment claims
- c. Document and implement best practices appropriate to the organisation
- d. Support consistent treatment of staff, fairness and transparency
- e. Help management to make decisions that are consistent, uniform and predictable
- f. Protect individuals and the organisation from the pressures of expediency

Advantages of HRM Policies:

- i. Facilitates delegation
- ii. Increases independence in decision making
- iii. Better control without friction and conflict
- iv. Serves as standard for efficiency
- v. Creates confidence
- vi. Speedy decisions
- vii. Acts as a coordinating device

Coverage of HRM Policies

- (a) Employment policies
- (b) Promotion policies
- (c) Development policies
- (d) Relations policies
- (e) Social responsibility

3.4 FEATURES OF HR POLICIES

1. Vast scope of HR Policy

The scope of personnel policy is very vast and it includes policies and procedure with regard to organisation goals, role of personnel department, human resource planning, recruitment, selection, terms and conditions of employment, training, compensation, grievance redressal, employee participation, safety and health, compliance of various labour laws, etc.

2. Helps in decision making:

Well drafted policies bring uniformity and consistency in various decisions related to employees. It removes the chances of ad hoc decisions. Personnel policy contains dos and don'ts regarding all personnel matters and therefore, it helps in timely decision making.

3. Environment changes and flexibility:

Personnel policies and practices may require modification depending upon internal and external changes and it has to be flexible.

4. Guidance to managers:

Personnel policy provides necessary guidance to managers for clarifying queries from employees regarding their rights and privileges. The policy provides guidelines for deciding a course of action for achievement of objectives.

5. Delegation:

Policies are guidelines for delegated decision making and ensure consistency and uniformity in managerial decisions.

6. Guidance to employees:

It provides valuable information on terms and conditions of employment, rights and privileges and answers to routine and recurring problems.

3.5 SOURCES OF CONTENT FOR FORMULATING HR POLICIES

Policies are formulated on the basis of material collected from different sources like:

- i. past experience of the organisation;
- ii. existing practices and experiences in other organisations of the same nature or in the same geographical area or in the entire nation;
- iii. attitudes, philosophies of the management at various levels, employees, trade unions, etc.;
- iv. the knowledge and experience gained by all line managers and HR managers in handling personnel issues;
- v. organisational policies etc.

3.6 STEPS IN THE FORMULATION OF HR POLICIES (VSP Rao, 2008)

Policy formulation and implementation involves the following steps

i. Identifying the needs: Identify important areas of HR management (recruitment, selection, training, compensation, bargaining) must have a policy formulation which is clearly spelt out. Additional policy guidelines can come at any stage depending on the recurrence of a ticklish issue at various levels.

ii. Collecting the data: Once priority areas are listed, steps should be taken to collect facts before formulating a policy. Various sources could be tapped for this purpose such as company records, past practices, survey of industry practices, experience of HR handling various issues, top management philosophy, organizational culture, employee aspirations and changing economic, social and legislative environment etc.

iii. Specifying alternatives: Policy alternatives should emerge clearly after collecting relevant data from various sources. They have to be evaluated carefully in terms of their contribution

to organizational objectives. It is always better to involve people at various levels, especially those who are going to use and live with such policies.

iv. Communicating the policy: To gain approval at various levels, the formulated policy should be communicated throughout the organization. Policy manual, in-house journal and discussions with people at various levels may be used to reach out to employees quickly. Special coaching programmes can also inform people about the manner of application.

v. Evaluating the policy: HR Policies, to be effective, must be reviewed, evaluated and controlled regularly against certain established standards. Evaluation help determine changes in existing policies. All the policies should be reviewed annually and some policies should be reviewed at specific times. Departmental policies may be reviewed through participation of all employees.

3.7 GUIDELINES FOR HR POLICY FORMATION AND PREPARATION OF HR POLICY MANUAL

HR policies to be effective should be evaluated and controlled continuously.

1. HRM policies are influenced by many factors such as technological developments, competition, attitude of the labour, Government regulations, management philosophy, etc., and these factors have to be considered.
2. The policies should be flexible to cope with changes in business environment.
3. The HR Manager is responsible for the preparation of the personnel policy manual. It involves lengthy procedure and therefore it is a time-consuming job.
4. A committee consisting of HR manager and senior managers from different departments should be formed for gathering information and preparing the draft policy.
5. The HR manager should lead the discussions; take suggestions and recommendation from them on each and every aspect of the personnel policy.
6. While preparing the draft policy, the committee should also consider existing practices in the company
7. The draft policy should cover all aspects of HRM and should meet the requirements of the organisation. It should be written in a simple language for the benefit of the employees. While preparing the policy on employee terms and conditions of service,

financial implications of the policy (employee compensation and benefits, travel, etc.) should be considered.

8. The draft policy should be circulated to the top management/members of the managing committee for their comments and suggestions.
9. The committee should consider all comments and suggestions and revise the draft policy.
10. The final copy incorporating all relevant points should be submitted to the management for approval.
11. Once it is approved, additional copies of the manual (book form/loose leaf form in a file) could be made for circulation. Normally, the policies are updated once in three years. However, amendments can be made based on requirements.
12. The IT department can provide necessary support so that employees can access general policies, procedures and practices through intranet also.

3.8 AREAS WHERE POLICIES ARE COMMONLY ESTABLISHED

Organisations commonly have written policies in the following areas:

- | | |
|-------------------------------|-----------------------------|
| a) Code of Conduct | q) Compassionate Leave |
| b) Confidentiality | r) Vacation |
| c) Conflict of Interest | s) Sick Leave, Short-term |
| d) Working Conditions | Disability, Long-term |
| e) Attendance | Disability |
| f) Hours of Operations | t) Maternity, Parental, and |
| g) Termination (Voluntary and | Adoption Leave |
| Involuntary) | u) Unpaid Leave |
| h) Recruitment | v) Jury Duty |
| i) Compensation | w) Family Leave |
| k) Performance Management | Grievance/Conflict |
| l) Learning and Development | Resolution |
| m) Benefits and Eligibility | x) Formal Complaint Process |
| n) Overtime Privacy | y) Disciplinary |
| o) Employee Information | |
| p) Bereavement Leave | |

- | | |
|---|--|
| z) Discrimination and Harassment/Respectful Workplace | ee) Alcohol and Drug Use Policy |
| aa) Health and Safety | ff) Use of Company Equipment |
| bb) Accident Reporting | gg) General policy on the Review and Update of Organisation Policies |
| cc) Workplace | |
| dd) Violence | |

3.9 EVOLUTION OF HR POLICIES IN INDIA

(Ram Kumar Balyan and Suman Balyan 2015, Subba Rao 2014)

The history of development of HR management in India is comparatively of recent origin. But Kautilya had dealt with some of the important aspects of human resources management in his “Arthashastra,” written in 400 B.C. Government in those days adapted the techniques of HRM as suggested by Kautilya. In its modern sense, it has developed only since independence. Though the importance of labour officers was recognised as early as 1929, the appointment of officers to solve labour and welfare problems gained momentum only after the enactment of the Factories Act of 1948. Section 49 of the Act required the appointment of Welfare Officers in companies employing more than 500 workers. At the beginning, Government was concerned only with limited aspects of labour welfare.

During 1990s, there was emergence of a new human resource management, especially as a result of the globalisation and liberalisation of the economy. The economy and the policy of India was fast changing in the wake of the liberalisation policies mooted by Rajiv Gandhi Government and formalised by the Narasimha Rao Government. Consequently the form and the concept of capitalist relations between the various factors of production are undergoing a change. What has emerged is a new era in human resource management. As a result of the liberalisation, industrial relations and Human Resource Management (HRM) have acquired strategic importance. The liberalisation of economy is beginning to make wide ranging and far-reaching impact on how we manage our resources, technology and people.

EVOLUTION OF HRM IN INDIA

Period	Development Status	Outlook	Emphasis	Status
1920-1930	Beginning	Pragmatism of capitalists	Statutory, welfare paternalism	Clerical
1940-1960	Struggling for recognition	Technical, legalistic	Introduction of Techniques	Administrative
1970-1980	Achieving Sophistication	Professional, Legalistic, impersonal	Regulatory, conforming, imposition of Standards on other functions	Managerial
1990	Promising	Philosophical	Human values, productivity through people	Executive

Source:

- (1). Venkataratnam C.S. and Srivastava B.K., Personnel Management and Human Resources, Tata Mc-Graw Hill, New Delhi, 1991, p.5.
- (2). Subba Rao P (2014), Personnel and Human Resource Management, Himalaya Publishing House, pp.35-37.

DEVELOPMENT OF HRM IN INDIA

Year	Nature of Development
1860	Employers' and Workmen's (Disputes) Act was passed. This Act was penal in character, laying down criminal penalties for breach of contract.
1881 to 1891	Factories Acts of 1881 and 1891 were passed showing concern for workers' welfare. These Acts were limited to working hours of women and children.
1863 to 1901	The Assam Labour Acts passed between 1863-1901 were concerned with migration of labour.
1890	First Labour Organisation, i.e., Bombay Mill Hands' Association was established.
1901	The Mines Act, concerned with the safe working conditions in the mines was passed

Year	Nature of Development
	in 1901.
1905	The Printers' Union was established in Kolkata.
1907	The Postal Union was established in Mumbai.
1907	Fact Labour Commission submitted its report to the Government of India.
1911	Factories Act, 1911 was passed consequently upon the Report of Factory Labour Commission, 1907.
1915	Calico Mills in Ahmedabad provided welfare facilities by appointing a doctor and a nurse.
1918	Massive industrial unrest prevailed following the end of World War I.
1919	The All India Trade Unions Congress (AITUC) was formed.
1920	Mahatma Gandhi inaugurated the Union of Throstle Department workers. This Union later became the Ahmedabad Textile Labour Association.
1922	An All India Industrial Welfare Conference was conducted by Social Service League in Bombay. Representatives of the Government and employers attended the meeting. Subjects discussed were workers' education, sanitation, child welfare, trade unionism, housing etc.
1923	Strikes were organised when employers tried to reduce wages as a measure to reduce cost of living. Workmen's Compensation Act was passed.
1924	Strikes were organised in Cotton Mills in Bombay against the management's decision to withhold the annual bonus due to trade depression.
1926	Indian Trade Unions Act was passed with a provision of voluntary registration of the Unions basing on certain requirements and giving certain legal protection to officers and members of the Unions.
1928	Strikes were organised for nearly 5 months in Jamshedpur as a consequence of retrenchment of workers.
1929	Labour Officers were appointed at the main oil installations in Bombay and Calcutta to take complete charge of all matters of labour like recruitment, promotion, discipline, retirement etc.
1934	The Bombay Trade Disputes Conciliation Act was passed.
1935	Bombay Mill Owners' Association reported to the Government that Government Labour Officer together with the Association Labour Officer was successful in

Year	Nature of Development
	improving industrial relations.
1936	The Payment of Wages Act (regulating the deductions from wages) was passed.
1937	Provincial Labour Legislations were passed in Bombay. For example, Bombay Industrial Disputes Act, Maternity Benefits Act, in Bengal etc.
1938	Bombay Mill Owners' Association published a booklet called "Recommendations of Labour Matters".
1939	Industrial Code under Bombay Industrial Disputes Act was constituted to settle the dispute under the standing procedure.
1940	Government of India convened Labour Ministers' Conference which continued ever since with the representatives of employers and employees. Tata School of Social Work started in 1940 is providing training in social welfare.
1942	Tripartite Labour Conference representing Government, employees and labour became a regular feature of labour policy (Indian Labour Conference).
1943	Tripartite Labour Conference recommended the setting up of a machinery to enquire into wages and earnings, employment, housing and social conditions.
1946	Report was submitted by Indian Labour Conference.
1947	Industrial Disputes Act was passed. Functions of Labour Officer were elaborated covering the recruitment and selection of unskilled labourers.
1948	Factories Act was enacted.
1959	The Employment Exchange (Compulsory Notification of Vacancies) Act was passed.
1961	The Maternity Benefit Act and the Apprentice Act were passed.
1965	An ordinance for regulating payment of bonus was issued in May 1965 and was later replaced by the Payment of Bonus Act, 1965 in September of that year.
1969	National Commission on Labour submitted its report.
1970	The Contract Labour (Regulation and Abolition) Act was passed.
1972	Payment of Gratuity Act was passed.
1972 to 1976	ILC did not meet during this period.
1980	Bonus was announced under Productivity Linked Bonus Scheme to the employees

Year	Nature of Development
	working in departmentally run Public Sector Undertakings like Indian Railways, Posts and Telegraphs.
1985	Ministry of Human Resources Development was set up in the Union Cabinet — Many organisations have started changing their personnel department as Departments of HRM and created HRD Departments.
1987	Emphasis has been shifted to various modern techniques of HRM.
1995	Emphasis has been shifted to human resources development (HRD).
1998	Emphasis on HRD, cultural diversity, teamwork and participative management has been continuing. Further, the emerging areas are total quality in management in HRM, empowering the employees and developing empowered teams and integrating HRM with strategic management as the top management realised that HRM is the core of competencies of the 21st century corporations.
1999	Second National Commission on Labour was setup to study the labour conditions.
2001	Emphasis has been on 'smart sizing of the organisations'.
2002	Emphasis has been shifted to positive attitude of the candidate/employee rather than skill and knowledge.
2003	Shift from intelligence quotient (IQ) to emotional quotient (EQ).
2004	Shift from skilled workers to knowledge workers.
2005	Shift from hierarchical structure to flexible and virtual structures.
2006	HRM has become the core of strategic management level.
2007	The concept of HRM has been relegated to human capital management.
2008	Emphasis has been on retention management and development of own human resources by companies through alliances with universities/colleges. Decline in business operations due to global economic recession and crisis. Plan for retrenchment of employees/job cuts.
2009	Continuation of job cuts, pay costs and lay-offs due to prolonged global recession and crisis.
2014	Emphasis is shifted to talent management and flexible human resource policies and practices.

Source: Subba Rao P (2014), Personnel and Human Resource Management, Himalaya Publishing House, pp.35-37.

3.10 SUMMARY

- Human resource 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.
- 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.
- HR policies must be linked to and support the mission, vision, values, strategy, or goals of an organisation.
- HR policies can also be very effective at supporting and building the desired organizational culture.
- HRM policies are influenced by many factors such as technological developments, competition, attitude of the labour, Government regulations, management philosophy, etc., and these factors have to be considered.
- As a result of the liberalisation, industrial relations and Human Resource Management (HRM) have acquired strategic importance in India. The liberalisation of economy is beginning to make wide ranging and far-reaching impact on how we manage our resources, technology and people.

3.11 KEYWORDS

Human Resource policies constitute guides to action. They furnish the general standards or bases on which decisions are reached. Their genesis lies in an organisation's values, philosophy, concepts and principles.

3.12 SELF ASSESSMENT QUESTIONS

1. What is Human Resource policy? Explain the objectives of it.
 2. Discuss the qualities of a sound human resource policy.
 3. Analyze the evolution of HR Policies in India.
 4. Elucidate steps in formulating HR Policy
-

5. Short notes on:

- (a) Evolution of HR Policy
- (b) Importance of HR policy
- (c). Define HR Policy

3.13 FURTHER READINGS

1. Venkataratnam C.S. and Srivastava B.K., (1991), 'Personnel Management and Human Resources', Tata Mc-Graw Hill, New Delhi, 1991.VSP Rao (2008), 'Human Resource Management', Excel Books, New Delhi.
2. Subba Rao P. (2014), 'Personnel and Human Resource Management', Himalaya Publishing House, Mumbai.
3. Ram Kumar Balyan and Suman Balyan (2015), 'Modern Human Resource Management (Text and Cases)', Himalaya Publishing House, Mumbai.
4. Rajashree Shinde, Abhilasha A and Ramakumar A (2017), 'Human Resource Management', Himalaya Publishing House, Mumbai.
5. Priyadarshini P, Sai Kumari V, Padmini J, Tamilselvi T.A., Sowmya K.R., Vimal Nishant R and Hemanth Kumar V (2018), 'Human Resource Management (Text and Cases)', Himalaya Publishing House, Mumbai.
6. Krishnamoorthy R and Viswanathan R (2019), 'Human Resource Management', Himalaya Publishing House, Mumbai.

Lesson Writer

Dr. Jyothi Guntaka

Lesson – 4**HUMAN RESOURCE PLANNING**

OBJECTIVES

After studying this lesson, you should be able to :

- ❖ Understand the significance of Human Resource Planning
- ❖ Outline the Objectives of Human Resource Planning
- ❖ Know the process involved in Human Resource Planning

STRUCTURE

- 4.1 Introduction
- 4.2 Definition of Human Resource Planning
- 4.3 Significance of Human Resource Planning
- 4.4 Objectives of Human Resource Planning
- 4.5 Human Resource Planning Process
- 4.6 Guiding principles of effective HRP
- 4.7 Summary
- 4.8 Keywords
- 4.9 Self assessment questions
- 4.10 Further readings

4.1 INTRODUCTION

Human resource is one of the important factors of production and performance of the organisation is directly related to the quality of its human resource. Human Resource Planning (HRP) is concerned with the planning the future manpower requirements of an organisation. It includes replacement plans and managerial succession plans. HRP ensures that the organisation has the right number and type of people at the right places, at the right time, doing the right job for the benefit of the individual and the organisation. HRP relates to manpower availability in an organisation. It is an integral part of corporate planning. Every organisation plans for other factors of production such as money, machine and market and it should also plan for human resources.

Human resource is the most important asset of an organisation. Human resource planning is the important managerial function. It ensures the right type of people, in the right number, at the right time and place, who are trained and motivated to do the right kind of work at the right time, there is generally a shortage of suitable persons. The enterprise will estimate its manpower requirements and then find out the sources from which the needs will be met. If the required manpower is not available, then the work will suffer. Developing countries are suffering from a shortage of trained managers. Job opportunities are available in these countries but properly trained personnel are not available. These countries try to import trained skill from other countries. In order to cope with human resource requirements, an enterprise will have to plan in advance its needs and the sources. The terms human resource planning and manpower planning are generally used interchangeably. Human resource planning is not a substitute for manpower planning. Rather the latter is a part of the former i.e., manpower planning is integrated with human resource planning.

4.2 DEFINITION OF HUMAN RESOURCE PLANNING

(Krishnamoorthy et al. 2017, Rajeesh Viswanathan et al. 2017)

HRP is the first step in recruitment, selection and placement of employees. HRP is also known as Manpower Planning, Personnel Planning or Employment Planning.

According to E.W. Vetter, human resource planning is “the process by which a management determines how an organisation should make from its current manpower position to its desired manpower position. Through planning a management strives to have the right number and the right kind of people at the right places, at the right time to do things which result in both the organisation and the individual receiving the maximum long range benefit.”

According to Dale S. Beach, “It is a process for determining and assuring that the organisation will have an adequate number of qualified persons, available at the proper times, performing jobs which meet the needs of the enterprise and which provide satisfaction for the individuals involved”.

Coleman has defined HRP as the “process of determining manpower requirements and the means for meeting those requirements in order to carry the integrated plan of the organisation”.

Stainer defines HRP as “Strategy for the acquisition, utilisation, improvement and preservation of an enterprise’s human resources. It relates to establishing job specifications or the qualitative requirements of jobs, determining the number of personnel required and developing sources of manpower”.

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

On the analysis of above definitions, human resource planning may be viewed as foreseeing the human resource requirements of an organisation and the future supply of human resources and making necessary adjustments between these two and organisation plans, and foreseeing the possibility of developing the supply of human resources in order to match it with the requirements by introducing necessary changes in the functions of human resource management. Here, human resource means skill, knowledge, values, ability, commitment, motivation etc., in addition to the number of employees. Though accomplishment of organisational objectives and goals is the primary concern of the human resource planning, concern for the aspirations of the people and their well-being has equal importance in it. In fact, the human resource planning must result in humanisation of work environment.

4.3 SIGNIFICANCE OF HUMAN RESOURCE PLANNING

(Rajeesh Viswanathan et al. 2017)

Human Resource Planning is considered as the way by which management can overcome problems relating to Human Resources by identifying the future requirements of Human Resources of an organization and the estimates of Human Resource supply. Organizations can ensure the smooth functioning through placing the right individual at the right time at the right job. Human Resource Planning is important as it helps to determine future personnel needs. Surplus or deficiency in manpower strength is the result of the absence of an effective planning mechanism working in an organisation. The following are the significances of Human Resource Management:

1. Forcing Top Management to involve in HRM : An ideal HRP forces top management to get involved actively in overall HRP functions. Earlier, HRP was neglected by most

organization after laying down the structure. Always HRP should be linked with strategic planning and which is possible provided there is top managements involvement.

2. Coping with Change: Human Resource Planning enables an enterprise to cope with changes in competitive Human Resource marketplace, technology and government regulations. Such Changes generate changes in job content, skill demands and number and type of personnel.

3. Providing a base for developing talents : Jobs are becoming highly intellectual all over the world and individuals are getting vastly professionalized. The Human Resource manager must use his Skill to attract and retain qualified personnel within the organisation.

4. Protection of weaker sections of society : In employment sector sufficient representation needs to be given to SC/ST candidates, physically handicapped and backward class citizens. A well-conceived personnel planning Programme would protect the interests of such groups.

5. Resistance to change : There is a chance of increasing resistance among employees to change. There is also a growing emphasis on self-evolution of loyalty and dedication to the Organisation. A sound Human Resource management can predict the possible resistance from employees and develop suitable strategies for Human Resource development.

4.4 OBJECTIVES OF HUMAN RESOURCE PLANNING (VSP Rao, 2008)

The basic purpose of having a human resource plan is to have an accurate estimate of the number of employees required, with matching skill requirements to meet organizational objectives. It provides information about the manner in which existing personnel are employed, the kind of skills required for different categories of jobs and human resource requirements over a period of time in relation to organizational objectives. It would also give an indication of the lead time that is available to select and train the required number of additional manpower.

More specifically, HR planning is required to meet the following objectives –

Forecast personnel requirements

HR planning is essential to determine the future manpower needs in an organization. In the absence of such a plan, it would be difficult to have the services of right kind of people at the right time.

Cope with changes

HR planning is required cope with changes in market conditions, technology, products and government regulations in an effective way. These changes may often require

the services of people with the requisite technical knowledge and training. In the absence of an HR plan, we may not be in a position to enlist their services in time.

Use existing manpower productively

By keeping an inventory of existing personnel in an enterprise by skill, level, training, educational qualifications, work experience, it will be possible to utilize the existing resources more usefully in relation to the job requirements. This also helps in decreasing wage and salary costs in the long run.

Promote employees in a systematic manner

HR planning provides useful information on the basis of which management decides on the promotion of eligible personnel in the organization. In the absence of an

4.5 HUMAN RESOURCE PLANNING PROCESS

(VSP Rao, 2008, Krishnamoorthy et al. 2017)

Without processes, we would work in an ad-hoc environment. Ad-hoc is :

- A- Accountability is not there
- D-Different approaches to same issue
- H-Hunt for a solution every time an issue comes up
- O- Operational and not strategic
- C- Commonality of understanding is missing

Human resource planning is a management activity aimed at acquisition, utilisation, improvement and preservation of human resources of the organisation. It ensures that the organisation has right number and right type of people to deliver a particular level of output in the future. HRP is a forward looking multi-step process and involves the following:

1. Deciding the goals/objectives

Based on the corporate objectives, estimates on the demand and supply of human resource can be made by the HR department. HRP is carried out for varying time periods, i.e., short-term plans (upto two years) and long-term plans extending for a period of five years or even more.

2. Estimating future organisational structure and human resource requirements

External and internal factors such as Government policy, competition, business forecasts, expansion of business, management policies on recruitment, terms and conditions of employment, etc. to be considered while estimating the organisational structure and human resource requirements.

3. Inventory of present human resources

The objective is to find out the size and quality of people within an organisation. Every organisation has two major sources of supply of manpower.

(a) Internal supply of manpower

Many organisations maintain 'Skills Inventory' of employees which contain details such as age, gender, education, experience, knowledge, skills, job level, past performance and potential of existing employees. Such information can be easily retrieved from computerised HRIS system.

(b) External manpower supply:

When the organisation grows rapidly or when it is not able to find people internally to fill up vacancies, it has to look into outside sources for supply of manpower.

4. Determining manpower gaps

Existing number of employees and their skills can be compared with forecasted manpower needs to determine gaps in the workforce. Demand and supply forecast will give us the number of people to be added/separated and this forms the basis for HR action plans. Examples: There can be two situations, i.e., (a) Supply of human resource more than the demand of the organisation and (b) Supply of human resource is less than the demand of the organisation. When the supply is more, we can conduct strict selection methods to weed out the inefficient candidates. When the supply is less, we can try to develop our own employees by giving them training or encourage them with incentives to shoulder higher responsibilities. Similarly, matching of present employees with their present jobs may be required while preparing short-term HR plans.

5. Formulating HR Plans

Once the human resource requirement is identified, HR has to prepare a detailed plan for recruitment, training, redundancy, retention, redeployment, etc. 6. Evaluating effectiveness of human resource planning: The entire HR plan has to be closely monitored to remove any deficiencies. Progress of the implementation has to be compared with the original HR plan and appropriate action has to be taken to ensure that right number and type of people are available as per plan. Demand and Supply Forecasting of Human Resource Requirements

a. Recruitment plan will indicate the number and type of people required and when they are needed; special plans to recruit right people and how they are to be dealt with via the recruitment programme.

b. Redeployment plan will indicate the programmes for transferring or retraining existing employees for new jobs.

c. Redundancy plan will indicate who is redundant, when and where, the plans for retraining, where this is possible; and plans for golden handshake, retrenchment, layoff etc.

d. Training plan will indicate the number of trainees or apprentices required and the programme for recruiting or training them; existing staff requiring training or retraining; new courses to be developed or changes to be effected in existing courses.

e. Productivity plan will indicate reasons for employee productivity or reducing employee costs through work simplification studies, mechanisation, productivity bargaining, incentives and profit sharing schemes, job redesign etc.

f. Retention plan will indicate reasons for employee turnover and show strategies to avoid wastage through compensation policies; changes in work requirements and improvement in working conditions.

g. Control points

The entire manpower plan be subjected to close monitoring from time to time. Control points be set up to find out deficiencies, periodic updating of manpower inventory, in the light of changing circumstances, be undertaken to remove deficiencies and develop future plans.

DEMAND FORECASTING OF HUMAN RESOURCE REQUIREMENTS (VSP Rao, 2008):

Most firms estimate how many employees they require in future. The demand for human talent at various levels is primarily due to the following factors –

Economic developments

Liberalisation, opening up of banking sector, capital market reforms, the on-line trading systems have created huge demand for finance professionals during 1990-1995 in India. The late 1990s saw the rise of manufacturing, FMCG, Pharmaceuticals, Auto-components, Healthcare and Chemical Industries in a steady manner. Consequently, the

demand for Engineering and Management Graduates, Scientists and Healthcare professionals has picked up in recent times.

Political, legal, social and technical changes

The demand for certain categories of employees and skills is also influenced by changes in political, legal and social structure in an economy. Likewise, firms employing latest technology in construction, power, automobiles, software etc. have greatly enhanced the words of technicians and engineers during the last couple of years. Technology, however, is a double-edged weapon and hence, its impact on HR plans is difficult to predict. High technology with all its attendant benefits may compel organizations to go lean and downsize workforce suddenly. Employment planning under such situations becomes complicated.

Competition

Companies operating in fields where a large number of players are seen cutting each other's throat often reduce their workforce. Competition is beneficial to customers but suicidal for companies operating on thin margins. Such companies have to necessarily go 'lean' by reducing their workforce. On the other hand, companies that are doing well and progressing smoothly will always look for people with critical skills.

Organizational decisions

The organization's strategic plan, sales and production forecasts and new ventures must all be taken into account in employment planning.

Workforce factors

Demand is modified by retirements, terminations, resignations, deaths and leaves of absence. Past experience makes the rate of recruitment of these actions by employees fairly predictable.

Methods of forecasting the demand for Human Resources:-

1. Trend Analysis involves study of an organisation's employment needs over a period of years to predict future needs. We can study the number of employees at the end of each year for the last five years. It provides an estimate of the future human resource needs. However, changes such as expansion of business, increase in production, sales volumes, etc. will affect the manpower requirements.

2. Ratio Analysis involves making forecasts based on ratio. Example: Volume of sales in units/value and the number of sales representatives needed to achieve the sales target.

3. Scatter Plot Method is used to identify the relationship between two variables. Example: Relationship between the number of beds in a hospital and number of nurses required.

4. Workload Analysis: The company tries to calculate the number of persons required for various jobs with reference to planned output. Example: Commercial banks follow workload analysis method for assessing the human resource requirements.

5. Workforce Analysis: Loss of manpower due to causal, sick and privilege leave, transfer, retirement and retrenchment etc. to be considered for working out manpower requirements. The average loss of manpower due to leave, retirement, death, transfer, discharge etc. during the last five years may be taken into account. The rate of absenteeism and labour turnover should also be taken into account.

6. Job Analysis is carried out to find out knowledge, skills, attitude required to do the job efficiently. A detailed study of jobs is usually made to identify the qualifications and experience required for them.

7. Managerial Judgement: Senior managers arrive at manpower requirements based on their past experience.

8. Computerised Forecasts: Nowadays, many companies make use of computers to forecast human resource requirements. Such forecasts enable the manager to include more variables into his projections. Example: By projecting production and sales figures, future staff needs to maintain the volume of output can be determined, using software packages.

9. Delphi Method: In this method, the independent opinions are sought from a group of experts. The expert has to respond to a checklist of questions that are relevant to the forecast. The opinions and responses are analyzed and if there are major differences on any particular issue, further discussions take place and final forecast is prepared.

Supply Forecasting of Human Resource Requirements:

1. Staffing Table shows number of employees in each job together with their age, gender, qualification, position, experience, etc. This helps to know whether the current employees are properly utilised or not.

2. Markov analysis technique uses historical rates of promotions, transfer and turnover to estimate future availabilities in the workforce. Based on past probabilities, one can estimate the number of employees, who will be in various positions with the organization in future.

3. Skills Inventory is an assessment of knowledge, skills, experience and growth potential of current employees to be kept updated every year. We can assess the suitability of current employees for future job requirements.

4. Age Inventory shows age-wise number and category of employees and it is useful for future selection and promotion of employees.

5. Replacement charts show the present performance and promotability of inside candidates for important positions such as General Manager, Vice President, etc

6. Computerised Human Resources Information System (HRIS) system provides valuable information about all categories of employees in the organisation and it can be used for selection of people based on age, qualification, knowledge, skills, experience and past performance.

4.6 GUIDING PRINCIPLES OF EFFECTIVE HRP (Krishnamoorthy et al. 2017)

The main objective of having human resource planning is to have an accurate number of employees required, with matching skill requirements to accomplish organisational goals.

1. One of the major challenges in HRP is to change the values, beliefs and norms established by the top management. Top management support is required for effective human resource planning and implementation.
2. The organization should have a clear cut HR Policy dealing with Human Resource Planning
3. The HR manager looking after HRP should have required knowledge and skills in manpower planning.
4. The HR should have good understanding of business operations and changes taking place in business environment due to political, social, economic, technical and ecological factors.
5. Human resource planning should be adopted to meet the organizational changes.
6. HRP plans should be prepared by all departmental managers to improve the accuracy of manpower planning. Further senior managers should be involved in implementation of Human resource planning in the organization.
7. Up-dated personnel records should be available for planning and effective implementation of HRP

8. HRP should be centralized so that the HR manager can co-ordinate with other departments/managers in the organization

4.7 SUMMARY

HR Planning is essentially the process of getting the right number of qualified people into the right job at the right time so that an organization can meet its objectives. Organizations use HRP as a means of achieving greater effectiveness. HRP systematically attempts to forecast personnel demand, assess supply and reconcile the two. While developing HR Plans, managers should scan the external environment carefully to identify the effects of economic, social, competitive and governmental influences.

4.8 KEYWORDS

Human resource planning: The process of getting the right number of qualified people into the right job at the right time, so that an organization can meet its objectives.

Human resource forecast: An attempt to predict an organization's future demand for employees.

Staffing tables: A chart showing future employment needs for each type of job.

Skill inventories: Summaries of the skills and abilities of non-managerial employees used in forecasting supply.

Replacement charts: A portrayal of who will replace whom in the event of a job opening.

4.9 SELF ASSESSMENT QUESTIONS

1. Outline the steps involved in the Human Resource Planning process.
2. Define HRP. How can organisations plan for human resources in an effective manner?
3. Describe the objectives and importance of HR planning.
4. Define Human Resource Planning and explain the significance of HRP.
5. Discuss the methods of forecasting demand for human resources.
6. Outline the methods of preparing manpower inventory (supply forecasting).

7. Write short notes on the following:
- (a) Delphi technique
 - (b). Forecasting methods
 - (c). Objectives of HR Planning

4.10 FURTHER READINGS

1. Krishnamoorthy R, Nitin Kamat and Chinmay Nitin Kamat (2017), 'Human Resource Planning and Information System (with Case Studies)', Himalaya Publishing House, Mumbai.
2. Rajeesh Viswanathan, Veena Prasad, Booma Halpeth and Satinder Kaur Gujral (2017), 'Human Resource Planning and Information System', Himalaya Publishing House, Mumbai.
3. VSP Rao (2008), 'Human Resource Management', Excel Books, New Delhi.
4. Mamoria C B and Gankar S V (2005), 'A Textbook of Human Resource Management', Himalaya Publishing House, Mumbai.

Lesson Writer

Dr. Jyothi Guntaka

Lesson – 5**JOB ANALYSIS**

OBJECTIVES

After studying this lesson, you should be able to:

- ❖ Understand the concept of Job Analysis
- ❖ Understand purpose of Job Analysis
- ❖ Explain the process of Job Analysis
- ❖ Analyze the concept of Job Description
- ❖ Know the concept of Job Specification
- ❖ Outline the concept of Job Design

STRUCTURE

5.1 Introduction

5.2 Concepts

5.3 Purposes of Job Analysis

5.4 Contents of Job Analysis

5.5 Job Analysis Process

5.6 Job Analysis Methods

5.7 Job Description

5.8 Job Specification

5.9 Job Design

5.10 Summary

5.11 Keywords

5.12 Self Assessment Questions

5.13 Further Readings

5.1 INTRODUCTION

While manpower inventory is concerned with telling ‘what employees can do’, job analysis assesses ‘what employees are doing’. From job analysis, specific details of what is being done and the skills utilized in the job, is obtained. Job analysis enables managers to

understand jobs and job structures to improve to work flow or develop techniques to improve productivity. It also involves job design or redesign, co-ordinating demands on available time, individual psychological needs, technical procedures, and desired performances.

5.2 CONCEPTS (Mamoria and Gankar, 2005)

Job:

A job may be defined as a collection or aggregation of tasks, duties and responsibilities which as a whole, are regarded as a regular assessment to individual employees and what is different from other assignments. In other words, when the total work to be done is divided and grouped into packages, we call it a job. Each job has a definite title based upon standardized trade specifications within a job; two or more grades may be indentified, where the work assignments may be graded according to skill, the difficulty of doing them or the quality of workmanship. It may be noted that while a "job is impersonal the position is personal."

Job analysis:

It is a procedure by which pertinent information is obtained about a job, i.e., it is a detailed and systematic study of information relating to the operations and responsibilities of a specific job. Job analysis is defined as "the process of determining, by observation and study, and reporting pertinent information relating to the nature of a specific job. It is the determination of the tasks which comprise the job and of the skills, knowledge, abilities and responsibilities required of the worker for a successful performance and which differentiate one job from all other."

Job Description:

It is a written record of the duties, responsibilities and requirements of a particular job. It "is concerned with the job itself and not with the work." It is a statement describing the job in such terms as its title, location, duties, working conditions and hazards. In other words, it tells us 'what is to be done' and 'how it is to be done' and 'why.'

Job Specification:

It is a standard of personnel and designates the qualities required for an acceptable performance. It is written record of the requirements sought in an individual worker for a given job. In other words, it refers to a summary of the personal characteristics required for a

job. It is a statement of the minimum acceptable human qualities necessary for the proper performance of a job.

Job Design:

It is the division of the total task to be performed into the manageable and efficient units — positions, departments and divisions — and to provide for their proper integration. The sub-division of work is both on a horizontal scale with different tasks across the organization being performed by different people and on the vertical scale, in which higher levels of the organization are responsible for the supervision of more people, the co-ordination of sub-groups, more complex planning, etc.

5.3 PURPOSES OF JOB ANALYSIS (Aswathappa, 2005)

Job analysis is useful for overall management of all personnel activities. Job related data obtained from a job analysis programme are useful in HRP, employee hiring, training, job evaluation, compensation, performance appraisal, computerized personnel information systems, safety and health. Each of these are described in brief here.

Human Resource Planning

HRP determines as to how many and what type of personnel will be needed in the near future. The number and the type of personnel are determined by the jobs which need to be staffed. Job related information is necessary for HRP.

Recruitment and Selection

Recruitment needs to be preceded by job analysis. Job analysis helps the HR manager to locate places to obtain employees for openings anticipated in the future. An understanding of the types of the skills needed and types of job that may open in the future, enables managers to have a better continuity and planning in staffing their organization.

Similarly, selecting a qualified person to fill a job requires knowing clearly the work to be done and the qualifications needed for someone to perform the work satisfactorily. Without a clear and precise understanding of what a job entails, the HR manager cannot effectively select someone to do the job. The objective of employee hiring is to match the right people with the right jobs. The objective is too difficult to achieve without having adequate job information.

Training and development

Job analysis is useful for an HRD manager inasmuch as it helps him/her know what a given job demands from the incumbent in terms of knowledge and skills. Training and development programmes can be designed depending on the job requirements. Selection of trainee is also facilitated by job analysis.

Job evaluation

Job evaluation involves determination of relative worth of each job for the purpose of establishing wage and salary differentials. Relative worth is determined mainly on the basis of job description and job specification.

Remuneration

Job evaluation helps determine wage and salary grades for all jobs. Employees need to be compensated depending on the grades of jobs which they occupy. Remuneration also involves fringe benefits, bonus and other benefits. Clearly, remuneration must be based on the relative worth of each job. Ignoring this basic principle results in inequitable compensation. A perception of inequity is a sure way of demotivating an employee.

Performance Appraisal

Performance appraisal involves assessment of the actual performance of an employee against what is expected of him/her. Such assessment is the basis for awarding promotions, effecting transfers, or assessing training needs. Job analysis facilitates performance appraisal inasmuch as it helps fix standards for performance in relation to which actual performance of an employee is compared and assessed.

Personnel information

Organizations generally maintain computerized personnel information systems. Such information system is useful as it helps to improve administrative efficiency by speeding up the provisions of data, by reducing the resources required to carry out routine administration, and by freeing the resources for higher-value activities which are fundamental to the success of management. Further, such information provide decision support information which gives a factual basis for decisions concerning the planning, acquisition, development, utilization and remuneration of human resources.

Safety and health

The process of conducting a detailed job analysis provides an excellent opportunity to uncover and identify hazardous conditions and unhealthy environmental factors so that corrective measures can be taken to minimize and avoid the possibility of human injury.

5.4 CONTENTS OF JOB ANALYSIS (Mamoria and Gankar, 2005)

A job analysis provides the following information:

- i. Job identification: Its title, including its code number;
- ii. Significant characteristics of a job: Its location, physical setting, supervision, union jurisdiction, hazards and discomforts
- iii. What the typical worker does: Specific operation and tasks that make up an assignment, their relative timing and importance, their simplicity, routine or complexity, the responsibility or safety of others for property, funds, confidence and trust.
- iv. Which materials and equipment a worker uses: Metals, plastics, grains, yarns, milling machines, punch presses and micrometers
- v. How a job is performed: Nature of operation – lifting, handling, cleaning, washing feeding, removing, drilling, driving, setting up and many others.
- vi. Required personnel attributes: Experience, training, apprenticeship, physical strength, co-ordination or dexterity, physical demands, mental capabilities, aptitudes, social skills
- vii. Job relationship: Experience required, opportunities for advancement, patterns of promotions, essential co-operation, direction or leadership from and for a job.

It is obvious from the foregoing that a job analysis is usually a clear indication of a job description and job specification.

JOB ANALYSIS

(A Process for obtaining all pertinent job facts)



<u>Job description</u>	<u>Job specification</u>
Statement containing items such as:	A statement of the human requirements for doing a job.
a) Job identification (Job title, location, occupational code, alternative name in use, name of division, department and unit where it exists)	a) Physical make up or characteristics
b) Job Summary (gives a quick capsule explanation of the contents of a job, its hazards and discomforts)	b) Psychological characteristics

<u>Job description</u>	<u>Job specification</u>
c) Duties performed (says the what, how and why of a job; also describes a worker's responsibilities in regard to custody of money, supervision of other workers, training of subordinates etc.	c) Personal characteristics
d) Relation to other jobs (gives how many persons may be supervised)	d) Responsibilities
e) Supervision given/taken (helps in locating a job in the job hierarchy)	e) Other factors of a demographic nature (sex, age, education, language, ability to read, write and speak)
f) Machines, tools, equipment (what type of tools/equipment material is used)	
g) Materials and forms used	
h) Conditions of work Location – factory/office/inside/outside/overhead / underground / solitary gang; Time – day, night, overtime, peak loads, uniformity of work; Posture – standing, sitting, stopping, clinging, walking, reaching, lifting; Speed – quick, moderate, slow; Accuracy – coarse, fine, exacting; Health hazards - ventilation, illumination, never strain, eye-strain, physical strain, moisture, heat, dust, humidity, fumes, acids, exposure to such disagreeable features as dirt, noise etc.	
i) Hazards (accident hazards)	

5.5 JOB ANALYSIS PROCESS (VSP Rao, 2008)

The process of job analysis must be conducted in a logical manner, following appropriate management and professional psychometric practices. Therefore, analysts usually follow a multi-stage process, regardless of the specific job analysis methods used. The major steps involved in job analysis are as follows:

a. Organizational analysis

First of all, an overall picture of various jobs in the organization has to be obtained. This is required to find the linkages between jobs and organizational objectives, interrelationships between jobs and contribution of various jobs to the efficiency and effectiveness of the organization. The required background information for this purpose is obtained through organization charts and workflow charts.

b. Selection of representative positions to be analyzed

It is not possible to analyze all the jobs. A representative sample of jobs to be analyzed is decided keeping the cost and time constraints in mind.

c. Collection of job analysis data

This step involves the collection of data on the characteristics of the job, the required behavior and personal qualifications needed to carry out the job effectively. Several techniques are available for collecting such data. Care should be taken to use only reliable and acceptable techniques in a given situation.

d. Preparation of job description

This step involves describing the contents of the job in terms of functions, duties, responsibilities, operations, etc. The job holder is required to discharge the duties and responsibilities and perform the operations listed in job description.

e. Preparation of job specification

This step involves conversion of the job description statements into a job specification. Job specifications is a written statement of personal attributes in terms of traits, skills, training, experience needed to carry out the job.

5.6 JOB ANALYSIS METHODS

(Robert L. Mathis and John H. Jackson 2008, VSP Rao, 2008)

Job analysis information about what people are doing in their jobs can be gathered in a variety of ways. One consideration is who should conduct the job analysis. Most frequently, a member of the HR staff coordinates this effort. Depending on which of the methods discussed next is used, others who often participate are managers, supervisors, and employees doing the jobs. For more complex analyses, industrial engineers may conduct time-and-motion studies. Another consideration is the method to be used. Whatever method is chosen, it should be content based and should not reflect rater bias. A variety of methods are used to collect information about jobs such as (i). Job performance, (b). Personal observation, (c). Critical incidents, (d). Interview, (e). Panel of experts, (f). Dairy method, (g). Questionnaire method and (h). Computerized systems. The use of a combination of these approaches depends on the situation and the organization.

Job performance method

Under **Job performance method**, the job analyst actually performs the job in question. The analyst thus receives firsthand experience of contextual factors on the job including physical hazards, social demands, emotional pressures and mental requirements. This method is useful for jobs that can be easily learned, while it is not suitable for jobs that are hazardous.

Personal Observation method

In **Personal Observation method**, the analyst observes the worker(s) doing the job. The tasks performed, the pace at which activities are done, the working conditions, etc. are observed during a complete work cycle. During observations, the analyst must observe average workers during average conditions without getting directly involved in the job. The analyst must make note of the specific job needs and not be behaviours specific to particular workers. The analyst must make sure that he obtains a proper sample for generalization. Use of the observation method is limited because many jobs do not have complete and easily observed job duties or complete job cycles. Thus, observation may be more useful for repetitive jobs and in conjunction with other methods.

Critical incident technique

The critical incident technique (CIT) is a qualitative approach to job analysis used to obtain specific, behaviourally focused descriptions of work or other activities. Here the job holders are asked to describe several incidents based on their past experience. The incidents so collected are analyzed and classified according to the job areas they describe. The job requirements will become clear once the analyst draws the line between effective and ineffective behaviours of workers on the job. The critical incidents are recorded after the events have already taken place both routine and non-routine.

Interview method

The **interview method** consists of asking questions to both incumbents and supervisors in either an individual or a group setting. The reason behind the use of this method is that job holders are most familiar with the job and can supplement the information obtained through observation. Workers know the specific duties of the job and supervisors are aware of the job's relationship to the rest of the organization.

Panel of experts Method

Panel of experts method utilizes senior job incumbents and superiors which extensive knowledge of the job. To get the job analysis information, the analyst conducts an interview with the group. The interaction of the members during the interview can add insight and detail that the analyst might not get from individual interviews. This option may be particularly useful for highly technical jobs and others for which a range of individuals can provide input.

Diary method

In **Diary method**, several job incumbents are asked to keep diaries or logs of their daily job activities and record the amount of time spent on each activity. By analyzing these activities over a specified period of time, a job analyst is able to record the job's essential characteristics. Although this approach sometimes generates useful information, it may be burdensome for employees to compile an accurate log. Also, employees sometimes perceive this approach as creating needless documentation that detracts from the performance of their work.

Questionnaire method

The **questionnaire** is a widely used method of gathering data on jobs. According to the **Questionnaire method**, job holders are given a properly designed questionnaire aimed at eliciting relevant job-related information. After completion, the questionnaires are handed over to supervisors. The supervisors can seek further classification on various items by talking to the job holders directly. After everything is finalized, the data is given to the job analyst. The questionnaire method offers a major advantage in that information on a large number of jobs can be collected inexpensively in a relatively short period of time. However, the questionnaire method assumes that employees can accurately analyze and communicate information about their jobs. Employees may vary in their perceptions of the jobs, and even in their literacy. Using interviewing and observation in combination with the questionnaire method allows analysts to clarify and verify the information gathered in questionnaires.

Computerized Systems

With the expansion of information technology, computerized job analysis systems have been developed. These systems have several common characteristics, including the way they are administered. First, analysts compose task statements that relate to all jobs. Then, those statements are listed in questionnaires, which are distributed to employees. Next, employees respond on computer-scannable documents, which are fed into computer-based services capable of scoring, recording, analyzing, and reporting thousands of pieces of information about any job.

An important feature of computerized job analysis is the specificity of data that can be gathered. All this specific data is compiled into a job analysis database. As a result, a computerized job analysis system can often reduce the time and effort involved in writing job descriptions. These systems often store banks of job duty statements that relate to each of the task and scope statements of the questionnaires. Interestingly, a study found little variation in the results of job analysis data obtained by paper questionnaires and by computerized methods. Thus, use of computerized methods will likely grow.

Combination Methods

As stated above, there are a number of different ways to obtain and analyze information about a job. Therefore, in dealing with issues that may end up in court, HR specialists and others doing job analysis must carefully document all steps taken. Each

method has strengths and weaknesses, and a combination of methods generally may be more appropriate than one method alone. Regardless of the methods used, in its most fundamental form, job analysis provides the information necessary to develop job descriptions and job specifications.

5.7 JOB DESCRIPTION

(Robert L. Mathis and John H. Jackson 2008, Mamoria and Gankar, 2005)

The output from analysis of a job is used to develop a job description and its job specifications. Together, these two documents summarize job analysis information in a readable format and provide the basis for defensible job-related actions. In most cases, the job description and job specifications are combined into one document that contains several sections. A job description identifies the tasks, duties, and responsibilities of a job. It describes what is done, why it is done, where it is done, and, briefly, how it is done.

Uses of Job Description

Job description has several uses, such as

- i. Preliminary drafts can be used as a basis for productive group discussion, particularly if the process starts at the executive level.
- ii. It helps in the development of job specifications, which are useful in planning, recruitment, and training and in hiring people with required skills.
- iii. It is useful in providing orientation to new employees towards their basic responsibilities and duties.
- iv. It is useful in developing performance standard.
- v. It can be used for job evaluation, wage and salary administration techniques.

According to Zerga, who analyzed 401 articles on job description about 30 years ago, a job description helps us in:

- i. Job grading and classification
- ii. Transfer and promotion
- iii. Adjustments of grievances
- iv.** Defining and outlining promotional steps
- v. Establishing a common understanding of a job between employers and employees
- vi.** Investigating accidents
- vii.** Indicating faulty work procedures or duplication of papers

- viii. Maintaining, operating and adjusting machinery
- ix. Time and motion studies
- x. Defining the limits of authority
- xi. Indicating case of personal merit
- xii. Studies of health and fatigue
- xiii. Scientific guidance
- xiv. Determining job suitable for occupational therapy
- xv. Providing hiring specifications
- xvi. Providing performance indicators.

Steps to develop Job Description: (Vikas Arora and Seema Arora, 2011)

Use these steps to develop job description

- a. Gather the appropriate people for the task.

The manager to whom the position will report takes the lead to develop a job description, but other employees who are performing similar jobs can contribute to the development of the job description. Additionally, if the position is new and will relieve current employees of work load, they should be part of the discussion. The manager or company owner can develop the job description on his or her own.

- b. Perform a job analysis

You need as much data as possible to develop a job description. The job analysis may include

- The job responsibilities of current employees
- Internet research and sample job descriptions online or offline highlighting similar jobs.
- An analysis of the work duties, tasks and responsibilities that need to be accomplished by the employee filling the position
- Research and sharing with other companies that have similar jobs and
- Articulation of the most important outcomes or contributions needed from the position.

- c. Write the job description

Your company may have a format for job descriptions so check with Human Resources. Often, however, all human resources expects is a list of the responsibilities and they prefer to develop the final format congruent with job descriptions across the company.

Job Description Components

A typical job description contains several major parts.

Identification:

The first part of the job description is the identification section, in which the job title, department, reporting relationships, location, and date of analysis may be given. Usually, it is advisable to note other information that is useful in tracking jobs and employees through HR systems. Additional items commonly noted in the identification section are job code, pay grade etc.

General Summary:

The second part, the general summary, is a concise statement of the general responsibilities and components that make the job different from others. One HR specialist has characterized the general summary statement as follows: "In thirty words or less, describe the essence of the job." It is generally recommended that the summary be written after all other sections are completed so that a more complete overview is prepared.

Essential Job Functions and Duties:

The third part of the typical job description lists the essential functions and duties. It contains clear, precise statements on the major tasks, duties, and responsibilities performed. Writing this section is the most time-consuming aspect of preparing job descriptions.

Job Specifications:

The next portion of the job description gives the qualifications needed to perform the job satisfactorily. The job specifications typically are stated as: (1) knowledge, skills, and abilities; (2) education and experience; and (3) physical requirements and/or working conditions.

Disclaimer and Approvals:

The final section on many job descriptions contains approval signatures by appropriate managers and a legal disclaimer. This disclaimer allows employers to change employees' job duties or to request employees to perform duties not listed, so that the job description is not viewed as a contract between the employer and the employee.

Writing Job Descriptions

Although not the most exciting part of HR management, developing and maintaining current job descriptions is important. Some key suggestions for writing the essential functions and duties of a job follow:

- a. Compose specific duty statements that contain most of the following elements:
 - i. A precise action verb

- ii. An object of the verb
 - iii. The expected outcomes
 - iv. The frequency of the duties
 - v. The tools, equipment, aids, and processes to be used
- b. Be logical:
- If the job is repetitive, describe the tasks as they occur in the work cycle. For varied jobs, list the major tasks first and follow those with the less frequent and/or less important tasks in order.
- c. Use proper detail:
- Make sure the description covers all the meaningful duties of the job, but avoid too many details.
- d. Use the active voice:
- Start each statement with a functional verb in the present tense (third-person singular)— for instance, “Bends,” “Approves,” or “Analyzes.” Avoid terms like prepares, handles, maintains, and processes.
- e. Be specific:
- For example, instead of saying “Lifts heavy packages,” say “Frequently lifts heavy packages weighing up to 50 pounds.”
- f. Describe, do not prescribe:
- Say “Operates electronic imaging machine,” not “Must know how to operate electronic image machine.” (The latter is a job specification, not a job description.)
- g. Be consistent:
- Define terms like may, occasionally, and periodically. For example, say “May is used to describe tasks that only some of the employees in a job perform; occasionally can describe tasks performed once in a while and not by a particular employee on a job.”
- h. Prepare a miscellaneous clause:
- This clause provides flexibility, and may be phrased as follows: “Performs other related duties as assigned by supervisory personnel.”

5.8 JOB SPECIFICATION

(Robert L. Mathis and John H. Jackson 2008, Vikas Arora and Seema Arora 2011)

While the job description describes activities to be done, the job specifications, also known as man or employee specifications, list the knowledge, skills, and abilities (KSAs) an

individual needs to perform a job satisfactorily. KSAs include education, experience, work skill requirements, personal abilities, and mental and physical requirements. It is important to note that accurate job specifications identify what KSAs a person needs to do the job, not necessarily the current employee's qualifications.

A job specification cuts to the quick with your requirements whereas the job description defines the duties and requirements of an employee's job in detail. The job specifications provides detailed characteristics, knowledge, education, skills and experience needed to perform the job, with an overview of the specific job requirements. Jobs specification helps the organization to find what kind of persons are needed to take up specific jobs. The personal attributes that are described through a job specification may be classified into three categories:

- a. Essential attributes: skills, knowledge and abilities a person must possess
- b. Desirable attributes: qualifications a person ought to possess
- c. Contra – indicators: attributes that will become a handicap to successful job performance.

Components of a Job Specification

A job specification is useful for recruiting as it helps you write your job postings and your website recruiting material. It is also useful for distribution in social media, for screening resumes, and for interviews. Following are important components of job specification:

- i. **Experience:** Number of years of experience in the job you are seeking to fill. Number of years of work experience required for the selected candidate. Note whether the position requires progressively more complex and responsible experience and supervisory or managerial experience.
- ii. **Education:** State what degrees, training or certifications are required for the position
- iii. **Required skills, knowledge and characteristics:** State the skills, knowledge and personal characteristics of individuals who have successfully performed this job. Or, use the job analysis data to determine the attributes you need from your 'ideal' candidate. Your recruiting planning meeting or email participants can also help determine these requirements for the job specification.

5.9 JOB DESIGN (Robert L. Mathis and John H. Jackson, 2008)

Job design refers to organizing tasks, duties, responsibilities, and other elements into a productive unit of work. It addresses the content of jobs and the effect of jobs on employees. Identifying the components of a given job is an integral part of job design.⁸ Currently, job design is receiving greater attention for three major reasons:

- a) Job design can influence *performance* in certain jobs, especially those where employee motivation can make a substantial difference. Lower costs resulting from reduced turnover and absenteeism also are related to the effective design of jobs.
- b) Job design can affect *job satisfaction*. Because people are more satisfied with certain job configurations than with others, identifying what makes a “good” job becomes critical.
- c) Job design can affect both *physical* and *mental health*. Problems such as hearing loss, backache, and leg pain sometimes can be traced directly to job design, as can stress, high blood pressure, and heart disease.

Classic Approaches to Job Design

One approach for designing or re-designing jobs is to simplify the job tasks and responsibilities. Job simplification may be appropriate for jobs that are to be staffed with entry-level employees. However, making jobs too simple may result in boring jobs that appeal to few people, causing high turnover. Several different approaches have been used as part of job design.

Job Enlargement and Job Enrichment

Attempts to alleviate some of the problems encountered in excessive job simplification fall under the general headings of job enlargement and job enrichment. **Job enlargement** involves broadening the scope of a job by expanding the number of different tasks to be performed. **Job enrichment** is increasing the depth of a job by adding responsibility for planning, organizing, controlling, or evaluating the job. A manager might enrich a job by promoting variety, requiring more skill and responsibility, providing more autonomy, and adding opportunities for personal growth. Giving an employee more responsibility for planning and controlling the tasks to be done also enriches a job. However, simply adding more similar tasks does not enrich a job.

Some examples of job enrichment are:

- i. Giving the employee an entire job rather than just a piece of the work
- ii. Providing the employee more freedom and authority to perform the job as necessary
- iii. Increasing the employee's accountability for work by reducing external Control Expanding assignments so that the employee can learn to do new tasks and develop new areas of expertise
- iv. Directing feedback reports to the employee rather than only to Management

Job Rotation

One technique that can break the monotony of an otherwise simple, routine job is job rotation, which is the process of shifting a person from job to job. Some argue that job rotation does little in the long run— that although rotating a person from one boring job to another may help somewhat initially, the jobs are still perceived as boring. The advantage of job rotation is that it develops an employee's capabilities for doing several different jobs.

5.10 SUMMARY

Job requirements keep changing with time. Job analysis is a systematic investigation of the tasks, duties and responsibilities to do a job. Job analysis information is useful for a variety of organization purposes ranging from human resource planning to career counseling. Several techniques are generally used to collect job analysis data such as job performance observation, critical incidents, interview, panel of experts, diary logs and questionnaire method. The end products of job analysis are job description and job specification.

5.11 KEYWORDS

Job analysis - The process of gathering information about a job.

The critical incident technique (CIT) is a qualitative approach to job analysis used to obtain specific, behaviourally focused descriptions of work or other activities.

In **Diary method**, several job incumbents are asked to keep diaries or logs of their daily job activities and record the amount of time spent on each activity and the job analyst analyze these activities over a specified period of time to record the job's essential characteristics.

Job description is a written statement of what the job holder does, how it is done, under what conditions it is done and why it is done.

Job title : Tells about the job title, code number and the department where it is done.

Job summary: A brief write-up about what the job is all about.

Job activities: A description of the tasks done, facilities used, extent of supervisory help, etc.

Job specification summarizes the human characteristics needed for satisfactory job completion.

Job design refers to organizing tasks, duties, responsibilities, and other elements into a productive unit of work.

Job enlargement involves broadening the scope of a job by expanding the number of different tasks to be performed.

Job enrichment is increasing the depth of a job by adding responsibility for planning, organizing, controlling, or evaluating the job.

5.12 SELF ASSESSMENT QUESTIONS

1. Write short notes on
 - a. Uses of job analysis
 - b. Critical incident method
 - c. Questionnaire method of collecting job analysis data
 - d. Job specification
2. What is job analysis? Describe the techniques used for analyzing the jobs.
3. Distinguish between job description and job specification.
4. Describe the process involved in conducting a job analysis.
5. Why is job analysis the foundation of many other HR activities?

5.13 FURTHER READINGS

1. VSP Rao (2008), 'Human Resource Management', Excel Books, New Delhi.
2. Mamoria C B and Gankar S V (2005), 'A Textbook of Human Resource Management', Himalaya Publishing House, Mumbai.
3. Bibhuti Bhusan Mahapatro (2010), 'Human Resource Management', New Age International Publishers, New Delhi.
4. Robert L. Mathis and John H. Jackson (2008), 'Human Resource Management', Thomson South – Western, USA.
5. Vikas Arora and Seema Arora (2011), Human Resource Management, Global Vision Publishing House, New Delhi.

Lesson Writer

Dr. Jyothi Guntaka

Lesson – 6

RECRUITMENT

OBJECTIVES

After studying this lesson, you should be able to:

- ❖ Understand the concept of Recruitment
- ❖ Explain the process of recruitment
- ❖ Understand the various internal and external Sources of Recruitment
- ❖ Outline merits and demerits of different sources of recruitment

STRUCTURE

- 6.1 Introduction
- 6.2 Concept of Recruitment
- 6.3 Purposes and importance of Recruitment
- 6.4 Recruitment Process
- 6.5 Recruitment Policy
- 6.6 Sources of Recruitment
- 6.7 Recruiting in the Internet Age: E-Recruitment
- 6.8 Merits and demerits of different sources of recruitment
- 6.9 Factors affecting recruitment
- 6.10 Summary
- 6.11 Keywords
- 6.12 Self Assessment Questions
- 6.13 Further Readings

6.1 INTRODUCTION

The human resources are the most important assets of an organization. As we enter into the age of stiff competition from global giants, quality of product and customer satisfaction become prime factor in organisational success. The success or failure of an organization is largely dependent on the caliber of the people working therein. Without positive and creative contributions from people, organizations cannot progress and prosper. To get the best performance from the people, one needs to recruit well, place appropriately,

train and develop consistently, compensate adequately and create and maintain an organisational culture which motivates innovation and enterprise. In order to achieve the goals or perform the activities of an organization, therefore, we need to recruit people with requisite skills, qualifications and experience.

Recruiting is the process of generating a pool of qualified candidates for a particular job. It is a set of activities an organization uses to attract candidates who have the abilities and the attitudes needed to help the organization achieve its objectives. Some essential groundwork including the internal factors and external factors need to be laid before the recruiting process can begin.

6.2 CONCEPT OF RECRUITMENT

The process of attracting people to apply is called recruitment. Recruitment is a process of attracting sufficient number of individuals with the right skills and at appropriate times to apply for open positions within the organization.

Dale S. Beach has defined —Recruitment as the development and maintenance of adequate manpower resources. It involves the creation of a pool of available labour upon whom the organisation can depend when it needs additional employees.

According to Edwin B. Flippo, Recruitment is the process of searching for prospective employees and stimulating them to apply for jobs in the organisation.

According to Lord, “Recruitment is a form of competition. Just as corporations compete to develop, manufacture, and market the best product or service, so they must also compete to identify, attract and hire the most qualified people. Recruitment is a business, and it is a big business.”

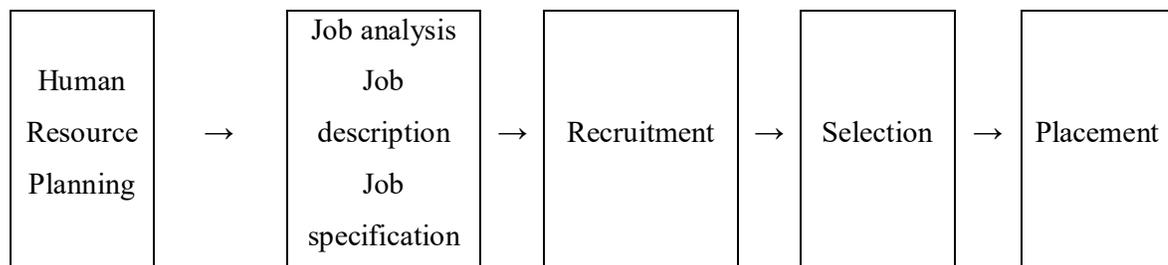
As Yoder and others point out. ‘Recruitment is a process to discover the sources of manpower to meet the requirements of the staffing schedule and to employ effective measures for attracting that manpower in adequate numbers to facilitate effective selection of an efficient working force’. Accordingly, the purpose of recruitment is to locate sources of manpower to meet job requirements and job specifications.

According to Scott, Clothier and Spriegel the need for recruitment arises out of the following situations:

- Vacancies created due to expansion, diversification, and growth of business.
- An increase in the competitive advantage of certain concerns, enabling them to get more of the available business than formerly.

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

Recruitment to Human Resource Acquisition Process



6.3 PURPOSES AND IMPORTANCE OF RECRUITMENT (Aswathappa, 2005)

The general purpose of recruitment is to provide a pool of potentially qualified job candidates. Specifically, the purposes are to:

- i. Determine the present and future requirements of the organization in conjunction with its personnel planning and job analysis activities.
- ii. Increase the pool of job candidates at minimum cost.
- iii. Help increase the success rate of the selection process by reducing the number of visibly under-qualified or over-qualified job applicants.
- iv. Help reduce the probability that job applicants, once recruited and selected, will leave the organization only after a short period of time.
- v. Meet the organization's legal and social obligations regarding the composition of its workforce.
- vi. Begin identifying and preparing potential job applicants who will be appropriate candidates.

- vii. Increase organizational and individual effectiveness in the short term and long term.
- viii. Evaluate the effectiveness of various recruiting techniques and sources for all types of job applicants.

A recruiting programme helps the firm in at least four ways

- a. Attract highly qualified and competent people.
- b. Ensure that the selected candidates stay longer with the company
- c. Make sure that there is match between cost and benefit
- d. Help the firm create more culturally diverse workforce.

6.4 RECRUITMENT PROCESS (Mamoria and Gankar, 2005)

The major steps of the recruitment process are stated hereunder:

- a. Recruitment process begins when the personnel department receives requisitions for recruitment from any department of the company. The personnel requisitions contain details about the position to be filled, number of persons to be recruited, the duties to be performed, qualifications expected from the candidates, terms and conditions of employment and the time by which the persons should be available for appointment etc.
- b. Locating and developing the sources of required number and type of employees.
- c. Identifying the prospective employees with required characteristics.
- d. Developing the techniques to attract the desired candidates. The goodwill of an organisation in the market may be one technique. The publicity about the company being a good employer may also help in stimulating candidates to apply. There may be others of attractive salaries, proper facilities for development etc.
- e. Evaluating the effectiveness of recruitment process.

According to Famularo, personnel recruitment process involves five elements, viz., a recruitment policy, a recruitment organisation, a forecast of manpower, the development of sources of recruitment, and different techniques used for utilising these sources, and a method of assessing the recruitment programme. The explanation of these is described below:

1. Recruitment Policy:

It specifies the objectives of recruitment and provides a framework for the implementation of the recruitment programme. It also involves the employer's commitment to some principles as to find and employ the best qualified persons for each job, to retain the most promising of those hired, etc. It should be based on the goals, needs and environment of the organisation.

2. Recruitment Organisation:

The recruitment may be centralised like public sector banks or decentralised. Both practices have their own merits. The choice between the two will depend on the managerial philosophy and the particular needs of the organisation.

Recruitment practices vary from one organization to another. Some organizations like commercial banks resort to centralized recruitment while some organizations like the Indian Railways (for junior level positions) resort to decentralized recruitment practices. Personnel department at the central office performs all the functions of recruitment in case of centralized recruitment and personnel departments at unit level/zonal level perform all the functions of recruitment concerning to the jobs of the respective unit or zone. Only when personnel requisitions go through one central source and all employment records are kept up-to-date, there is a possibility of maximum efficiency and success in hiring.

3. Forecast of manpower requirements

Line Official shall submit a 'requisition' or an 'indent' for recruitment. Such 'indents' usually specify (i). the jobs or operations of positions for which persons should be available; (ii). Duration of their employment; (iii). Salary to be offered and any other conditions and terms of employment which the indenting officer feels necessary; and (iv). Necessary qualifications and experience.

The indents are then checked against the posts allotted to the department/branch and also against authorization for expansion, if already granted. Financial implications of the proposed appointments and additional expenditure are worked out – of course, these would be within the budgetary sanctions of the department concerned. If the indents are found correct, the proposed recruitments are authorized and the initial pay, the scale and other admissible allowances are determined.

Finally, job specifications and man specifications are determined in consultation with the line managers.

4. Sources of Recruitment:

Various sources of recruitment may be classified as internal and external. These have their own merits and demerits.

5. Methods of Recruitment:

Recruitment techniques are the means to make contact with potential candidates, to provide them necessary information and to encourage them to apply for jobs.

6. Evaluation of Recruitment Programme:

The recruitment process must be evaluated periodically. The criteria for evaluation may consist of cost per applicant, the applicant/hiring ratio, performance appraisal, tenure of stay, etc. The organization should first identify how an applicant was attracted to the firm. A simple way of securing his information is to include in the application blank a question: 'How did you learn of the job vacancy for which you have applied?'. The next step is to determine whether anyone method consistently attracts better applicants. The last step is to use this information to improve the recruiting process. Recruiting should take into consideration ethical practices, such as use of 'truth in hiring', i.e., telling an applicant all about the firm and its position, both good and bad, to enable him to decide whether or not to join the firm, if selected. After evaluation, necessary improvements should be made in the recruitment programme. A successful and effective recruitment programme necessitates a well – defined recruitment policy, a proper organizational structure, procedures for locating sources of manpower resources, suitable methods and techniques for utilizing these and a constant assessment and consequent improvement.

6.5 RECRUITMENT POLICY (Bibhuti Bhusan Mahapatro, 2010)

Recruitment policy is a part of Human Resource management policy or Personnel policy. Recruitment policy of any organization is derived from the personnel policy of the same organization. In other words, the former is a part of the latter. However, recruitment policy by itself should take into consideration the government's reservation policy, policy regarding sons of soil etc. Personnel policies of other organizations regarding merit, internal sources, social responsibility in absorbing minority sections, women etc. Recruitment policy should commit itself to the organization's personnel policy like enriching the organization's human and handicapped people of the society. The policy must incorporate motivating the employees through internal promotions, improving the employee loyalty to the organization by absorbing the retrenched or laid off employees or casual/temporary employees or dependents of present/former employees etc. subject to their capabilities. A well considered and pre-planned recruitment policy based on the goals, needs and environment of the organization will help to avoid hasty or ill – conceived decisions and help to man the organization with the right kind of personnel.

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

1. Government policies
2. Personnel policies of other competing organizations
3. Organization's personnel policies
4. Recruitment sources
5. Recruitment needs
6. Recruitment cost
7. Selection criteria and preference

COMPONENTS OF THE RECRUITMENT POLICY:

According to Vikas Arora and Seema Arora (2011), the following are the components of the Recruitment Policy.

- a. The general recruitment policies and terms of the organization
- b. Recruitment services of consultants
- c. Recruitment of temporary employees
- d. Unique recruitment situations
- e. The selection process
- f. The job descriptions
- g. The terms and conditions of the employment

FEATURES OF A SOUND RECRUITMENT POLICY:

A recruitment policy of an organization should be such that

1. It should focus on recruiting the best potential people.
2. It should ensure that every applicant and employee is treated equally with dignity and respect
3. Unbiased policy
4. It should aid and encourage employees in realizing their full potential
5. Transparent, task oriented and merit based selection
6. Weightage during selection given to factors that suit organization needs.
7. Optimization of manpower at the time of selection process.
8. Defining the competent authority to approve each selection
9. Abides by relevant public policy and legislation on hiring and employment relationship
10. Integrates employee needs with the organization needs.

6.6 SOURCES OF RECRUITMENT (Chandramohan, 2008)

Recruitment sources are broadly into two types, namely, internal sources and external sources. Management decides about the sources depending upon the type of candidates need, time lapse period etc. It has to select the recruitment technique after deciding upon the source. They are as follows:

SOURCES OF RECRUITMENT

Internal sources	External sources
1. Present permanent employees	1. Campus recruitment
2. Present temporary/ Casual employees	2. Private Employment Agencies/ Consultants
3. Retrenched/Retired Employees	3. Public Employment Exchanges
4. Dependent of Deceased	4. Data Banks
5. Disabled, Retired and Permanent Employees	5. Casual Applicants
6. Employee referrals	6. Similar Organization/Competitors
7. Promotions	7. Trade Unions
8. Transfers	8. Advertising
	9. Walk-in
	10. Consults in
	11. Head Hunting
	12. Body Shopping
	13. Mergers & Acquisitions
	14. Tele Recruitment

INTERNAL SOURCES

Present Permanent Employees

Organization consider the candidates from this source for high level jobs due to availability of most suitable candidates for jobs relatively or equally to the external source, to meet the trade unions demands and due to the policy of the organization to motivate the present employees.

Present Temporary or Casual Employees

Organization find this source to fill the vacancies relatively at the lower level growing the availability of suitable candidates or trade unions pressures or in order to motivate them on the present job.

Retrenched or retired employees

Generally, a particular organizational retrenches the employees due to lack of work. The organization take the candidates for employment from the retrenched employees due to obligations, takes the candidates for employment from the retrenched employees due to obligation, trade union prefers to re-employ their retired employees as a token of their loyalty to the organization or to postpone some interpersonal conflicts for promotions etc.

Promotion

Promotion can be defined as “the advancement of an employee for a better job with special reference to increasing the salary and status”. Most of the internal candidates would be encouraged to take up higher responsibilities and express their willingness to be engaged in the higher level jobs if management gives them the assurance that they will be promoted to the next higher level.

Transfers

Transfers can be defined as “It is the changing of the employee from one place to another place without the changing the status and responsibilities”. Employees will be stimulated to work in the new section or places if management wishes to transfer them to the places of their choice.

EXTERNAL SOURCES**Campus Recruitment**

Different types of organizations like industries, business firms, service organization, social or religious organizations can get inexperienced candidates of different types from various educational institutions like colleges and universities.

Private Employment Agencies/Consultants

Public employment agencies or consultants like ABC Consultants in India perform recruitment functions on behalf of a client company by charging fees. Line managers relieved from recruitment function so that they can concentrate on their operational activities and recruitment functions are entrusted to a private agency or consultants. But due to

limitations of high cost, ineffectiveness in performance, confidential nature of this function, managements sometimes do not depend on this source.

Public Employment Exchange

The Government has set-up Public Employment Exchanges in the country to provide information about vacancies to the candidates and to help the organizations in finding out suitable candidates. The Employment Exchange Compulsory Notification or Vacancies Act, 1959 makes it obligatory for public sector and private sector enterprises in India to fill certain types of vacancies through public employment exchanges. These industries have to depend on public employment exchanges for the specified vacancies.

Professional Organization

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

Data Banks

The management can collect the bio-data of the candidates from different sources like Employment Exchange, Educational Training Institutes, candidates etc. and feed them in the computer. It will become another source and the company can get the particulars as and when it needs to recruit.

Casual Applicants

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

Similar Organization

Generally, experienced candidates are available in organization producing similar products or are engaged in similar business. The management can get potentially suitable candidates from this source. This would be the most effective source for executive positions and for newly established organizations or diversified or expanded organizations.

Trade Unions

Generally, unemployed or underemployed persons or employees seeking change in employment put a work to the trade union leader with a view to getting suitable employment due to latter's intimacy with management. As such, the trade union leaders are aware of the

availability of candidates. In view of this fact and in order to satisfy the trade union leaders, the management enquires trade unions for suitable candidates.

Advertising

Advertising is a widely accepted technique of recruitment. It provides the candidates in different sources, the information about the job and enterprises and stimulates them to apply for jobs. It includes advertising through different media like newspapers, magazines of all kinds, radio and television, etc.

Walk-in Interviews

The busy organizations and the rapid changing companies do not find time to perform the various functions of recruitment. Therefore, they advise the potential candidates to attend for an interview directly and without a prior application on a specified date, time and at a specified place. The suitable candidates from among the interview will be selected for appointment after screening the candidates through tests and interviews.

Consult-in

The busy and dynamic companies encourage the potential job-seekers to approach them personally and consult them regarding the jobs. The companies select the suitable candidates from among such candidates through the selection process.

Head – Hunting

Head – hunters are also called ‘search consultants’. The companies request the professional organizations to search for the best candidates particularly for the senior executive positions. The professional organizations search for the most suitable candidates and advise the company regarding the filling up to the positions.

Body Shopping

Professional organizations and the hi-tech training institutes develop the pool of human resources for the possible employment. The prospective employers contact these organizations to recruit the candidates. Otherwise, the organizations themselves approach the prospective employers to place their human resources. These professional and training institutes are called ‘body shoppers’ and their activities are known as ‘body shopping’. The body shopping is used mostly for computer professionals.

Business Alliances

Business alliances like acquisitions, mergers and takeovers help in getting human resources. In addition, the companies do also have alliances in sharing their human resources on ad hoc basis.

Tele-recruitment

The technological revolution in tele-communication helped the organizations to use internet as a source of recruitment. Organizations advertise the job vacancies through the 'world wide web' internet. The job-seekers send their applications through e-mail or internet.

Outsourcing

Some organizations started developing human resource pool by employing the candidates for themselves. These organizations do not utilize the human resources; instead they supply HRs to various companies based on their needs on temporary or ad-hoc basis. Various companies, rather employing HRs, draw HRs from these organizations on commission basis. This arrangement is called out-sourcing.

6.7 RECRUITING IN THE INTERNET AGE : E-RECRUITMENT

(Robert L. Mathis and John H. Jackson 2008, Bibhuti Bhusan Mahapatro 2010)

The technological revolution in telecommunications helped the organizations to use internet as a source of recruitment. The Internet makes huge numbers of job seekers available to any firm with access to the Web. Many company Websites have a tab labeled "Employment" or "Careers." This is the place where recruiting (internal and external) is often conducted. On many of these sites, job seekers are encouraged to e-mail résumés or complete on-line applications.

6.8 MERITS AND DEMERITS OF DIFFERENT SOURCES OF RECRUITMENT

(Mamoria and Gankar 2005, Robert L. Mathis and John H. Jackson, 2008)

Before an organization activity begins recruiting applicants, it should consider the most likely source of the type of employee it needs. Recruiting strategy and policy decisions entail identifying where to recruit, whom to recruit, and how to recruit. One of the first decisions determines the extent to which internal or external sources and methods will be used. Both promoting from within the organization (internal recruitment) and hiring from outside the organization (external recruitment) come with advantages and disadvantages.

INTERNAL SOURCES

Merits of internal sources of recruitment:

- It improves the morale of employees, for they are assured of the fact that they would be preferred over outsiders when vacancies occur.

- The employer is in a better position to evaluate those presently employed than outside candidates. This is because the company maintains a record of the progress, experience and service of its employees.
- It promotes loyalty among the employees, for it gives them a sense of job security and opportunities for advancement.
- As the persons in the employment of the company are fully aware of, and well acquainted with, its policies and know its operating procedures, they require little training, and the chances are that they would stay longer in the employment of the organization than a new outsider would.
- It is less costly than going outside to recruit.
- The process causes a succession of promotions
- The firm has to hire only at entry level.

Demerits of internal sources of recruitment:

- It often leads to inbreeding, and discourages new blood from entering an organization.
- There are possibilities that internal sources may 'dry up' and it may be difficult to find the requisite personnel from within an organization.
- Since the learner does not know more than the lecturer, no innovations worth the name can be made. Therefore, on jobs which require original thinking, this practice is not followed.
- As promotion is based on seniority, the danger is that really capable hands may not be chosen. The likes and dislikes of the management may also play an important role in the selection of personnel.
- Those not promoted may experience morale problems.
- Employees may engage in "political" infighting for promotions.
- A management development program is needed.

External Sources

Merits of External sources of recruitment:

- External sources provide the requisite type of personnel for an organization, having skill, training and education up to the required standard.
- Since persons are recruited from a large market, the best selection can be made without any distinctions of caste, sex or colour.

- In the long run, this source provides economical because potential employees do not need extra training for their jobs.
- New “blood” brings new perspectives.
- Training new hires is cheaper and faster because of prior external experience.
- The new hire has no group of “political supporters” in the organization.
- The new hire may bring new industry insights.

Demerits of external sources of recruitment:-

- This system suffers from what is called ‘brain drain’, especially when experienced persons are raided or hunted by sister concerns.
- The firm may not select someone who will fit the job or the organization.
- The process may cause morale problems for internal candidates not selected.
- The new employee may require a longer adjustment or orientation time.

6.9 FACTORS AFFECTING RECRUITMENT (Bibhuti Bhusan Mahapatro, 2010)

Both internal and external factors affect recruitment.

Internal Factors

The internal factors include the company’s pay package including salary, fringe benefits and incentives, quality of work life, organizational culture, career planning and growth opportunities, size of the company, company’s product/services, geographical spread of the company’s operations viz., local, national or global, company’s growth rate, role of Trade Unions and cost of recruitment.

Preparing a detailed job description must complement the initial step of identifying specific human resource needs. The job description is a legal requirement and assists the HR manager in screening candidates.

The direction the company goes from there will depend greatly on the corporate philosophy:

- a. Will the company look internally or externally to fill its employment needs?
- b. Does the company believe in hiring the most qualified candidates, regardless of background, or does it aspire to be an industry leader when it comes to workforce diversity?
- c. Will the firm try to sell itself as a high wage, high search, or high training as identified by Stigler?

Meshing this philosophy with existing company policies and practices gives the recruiter the necessary base from which to proceed to the external environment.

External Factors

The external factors include supply of and demand for human resources, employment opportunities and/or unemployment rate, labour market conditions, political, legal requirement and government policies, social factors, information systems etc.

For legal, ethical, and practical reasons, it is critical for the recruiter to be acutely aware of the organization's external environment.

All of these factors will play a hand in the recruiter's strategy:

Legal:

The legal environment is constantly changing, as new laws and regulations are passed affecting all aspects of Human Resource Management. The recruiter must abide by the rules to avoid unpleasant government actions.

Ethical:

In keeping with the corporate philosophy identified internally, the recruiter has a moral obligation to follow the guidelines that facilitate and further the company's positive corporate image.

Practical:

A wide array of avenues is open for the recruiter in seeking appropriate job candidates. Having updated information on the composition of the labour market and economy on both a national and local level will improve the efficiency of the effort. All of the above considerations will lead to an efficient and effective recruiting effort for the HR professional. The purpose of this website is to offer one of the many tools available to the recruiter: the Internet. Although its popularity increases daily, it is by no means the end-all recruiting tool. Many of the tried and true methods are as effective as ever, as each situation requires a thorough analysis and a detailed plan.

6.10 SUMMARY

Recruitment is the process of locating and encouraging potential applicants to apply for existing or anticipated job openings. Recruitment is influenced by a variety of environmental factors such as economic, social, technological, political, legal etc. A good recruitment policy has to be flexible and proactively respond to the changing market situations. The sources of recruitment may be broadly divided into two categories, namely,

internal sources and external sources. Both methods have their own merits and demerits. A firm may choose a particular recruiting method depending on the skills required, the nature of the job and the budgetary support etc. Numerous Internet job boards, such as Monster, Naukri, Yahoo!, and HotJobs, provide places for employers to post jobs or search for candidates. Despite the popularity of job boards and association job sites, many employers have found their own Websites to be more effective and efficient when recruiting candidates.

6.11 KEYWORDS

Recruitment - The discovering of potential applications for actual or anticipated organizational vacancies.

Recruitment policy - Recruitment policy is a part of Human Resource management policy or Personnel policy. Recruitment policy of any organization is derived from the personnel policy of the same organization. Recruitment practices vary from one organization to another.

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

Head – Hunting - Head – hunters are also called ‘search consultants’. The companies request the professional organizations to search for the best candidates particularly for the senior executive positions.

Body Shopping - Professional organizations and the hi-tech training institutes develop the pool of human resources for the possible employment. The prospective employers contact these organizations to recruit the candidates. Otherwise, the organizations themselves approach the prospective employers to place their human resources

Outsourcing - Some organizations started developing human resource pool by employing the candidates for themselves. These organizations do not utilize the human resources; instead they supply HRs to various companies based on their needs on temporary or ad-hoc basis.

‘Careers’ menu in the website - Many company Websites have a tab labeled “Employment” or “Careers.” This is the place where recruiting (internal and external) is often conducted.

6.12 SELF ASSESSMENT QUESTIONS

1. Describe briefly the various steps that are involved in hiring human resources in an organization.
 2. What are the various sources of recruitment? How can an organization can evaluate the worth of these sources.
 3. List the merits and demerits of various sources of recruitment.
 4. Write short notes on
 - a. Advantages of internal sources of recruitment
 - b. Demerits of external sources of recruitment
 - c. Campus placements
 - d. Promotion
-

6.13 FURTHER READINGS

1. VSP Rao (2008), 'Human Resource Management', Excel Books, New Delhi.
2. Mamoria C B and Gankar S V (2005), 'A Textbook of Human Resource Management', Himalaya Publishing House, Mumbai.
3. Bibhuti Bhusan Mahapatro (2010), 'Human Resource Management', New Age International Publishers, New Delhi.
4. Robert L. Mathis and John H. Jackson (2008), 'Human Resource Management', Thomson South – Western, USA.
5. Subba Rao P (2005), 'Essentials of Human Resource Management and Industrial Relations (Text Cases and Games)', Himalaya Publishing House, Mumbai
6. Chandramohan A (2008), 'Human Resource Management (Text and Cases), A P H Publishing Corporation, New Delhi.
7. Vikas Arora and Seema Arora (2011), 'Human Resource Management', Global Vision Publishing House, New Delhi.

Lesson Writer

Dr. Jyothi Guntaka

Lesson – 7**SELECTION, PLACEMENT AND INDUCTION**

OBJECTIVES

After studying this lesson, you should be able to:

- ❖ Understand the concept of Selection
 - ❖ Explain the process of selection
 - ❖ Know the concept of induction
 - ❖ Outline the concept of placement
-

STRUCTURE

- 7.1 Introduction
 - 7.2 Concept of selection
 - 7.3 Purpose of selection
 - 7.4 Essentials of selection procedure
 - 7.5 Selection Process
 - 7.6 Barriers to effective selection
 - 7.7 Placement
 - 7.8 Induction
 - 7.9 Summary
 - 7.10 Keywords
 - 7.11 Self assessment questions
 - 7.12 Further readings
-

7.1 INTRODUCTION

After identifying the sources of human resources, searching for prospective employees and stimulating them to apply for jobs in an organization, the management has to perform the function of selecting the right employees at the right time. The obvious guiding policy in selection is the intention to choose the best qualified and suitable job candidate for each unfilled job. The objective of selection decision is to choose the individual who can

most successfully perform the job from the pool of qualified candidates. The selection procedure is the system of functions and devices adopted in a given company to ascertain whether the candidate's specifications are matched with the job specifications and requirements or not.

7.2 CONCEPT OF SELECTION (Mamoria and Gankar, 2005)

The selection procedure is concerned with securing relevant information about an applicant. This information is secured in a number of steps or stages. The objective of selection process is to determine whether an applicant meets the qualifications for a specific job and to choose the applicant who is most likely to perform well in that job.

According to Yoder, 'the hiring process is of one or may 'go, no-go' gauges. Candidates are screened by the application of these tools. Qualified applicants go on to the next hurdle, while the unqualified are eliminated. Thus, an effective selection programme is a non-random process because those selected have been chosen on the basis of the assumption that they are more likely to be 'better' employees than those who have been rejected.

Selection is a long process, commencing from the preliminary interview of the applicants and ending with the contract of employment. The hiring procedure is not a single act but it is essentially a series of methods or steps or stages by which additional information is secured about the applicant. At each stage, facts may come to light which may lead to the rejection to the applicant. A procedure may be compared to a series of successive hurdles or barriers which an applicant must cross. These are intended as screens, and they are designed to eliminate an unqualified applicant at any point in the process.

Selection processes or activities typically follow a standard pattern, beginning with an initial screening interview and concluding with the final employment decision. The traditional selection process includes preliminary screening interview, completion of application form, employment tests, comprehensive interview, background investigations, physical examination and final employment decision to hire.

Differences between Recruitment and Selection

1. Recruitment means searching for sources of labour and stimulating people to apply for job, whereas selection means selection of right kind of people for various jobs.
-

2. Recruitment is a positive process whereas selection is a negative process.
3. It creates a large pool of applicants whereas selection leads to screening of unsuitable candidate.
4. Recruitment is a simple process, it involves contracting the various sources of labour whereas selection is a complex and a time consuming process. The candidate have to clear a number of hurdles before they are selected for a job.

7.3 PURPOSE OF SELECTION (Vikas Arora and Seema Arora, 2011)

Selection of personnel to man to organization is a crucial, complex and continuing function. The ability of an organization to attain its goals effectively and to develop in a dynamic environment largely depends upon the effectiveness of its selection procedure. The purpose of selection is to pick up the most suitable candidate who would best meet the requirements of the job and the organization, i.e., to find out which job applicant will be successful, if hired. To meet this goal, the company obtains and asses information about the applicants in terms of age, qualifications, skills, experience etc.

The needs of the job be matched with the profile of candidates. The most suitable person is then picked-up after eliminating the less suitable applicants through successive stages of the selection process.

How well an employee is matched to a job is very important because it directly affects the amount and quality of the employee's work. Any mismatch in this regard can cost an organization a great deal in terms of money, time and trouble, especially, by way of training and operating costs. In course of time, the employee may find the job distasteful and leave in frustration. Effective selection therefore demands constant monitoring of the 'fit' between the persona and the job.

7.4 ESSENTIALS OF SELECTION PROCEDURE (Subba Rao, 2005)

The selection process can be successful if the following requirements are satisfied:

1. Some one should have the authority to select. This authority comes from the employment requisition, as developed by an analysis of the workload and workforce.
 2. There must be some standard of personnel with which a perspective employee may be compared, i.e., a comprehensive job description and job specification should be available beforehand.
-

3. There must be a sufficient number of applicants from whom the required number of employees may be selected.

7.5 SELECTION PROCESS (Subba Rao, 2005)

Steps in Scientific Selection Process:

- | | |
|--------------------------|-----------------------------|
| 1. Job analysis | 7. Tests |
| 2. Recruitment | 8. Final interview |
| 3. Application form | 9. Medical examination |
| 4. Written examination | 10. Reference checks |
| 5. Preliminary interview | 11. Line Manager's decision |
| 6. Business games | 12. Employment |

(1). Job Analysis: It is the basis for selecting the right candidate. Every organisation should finalise the job analysis, job description, and job specifications before processing the next step of selection.

(2). Recruitment: Recruitment refers to the process of attracting human resources that possesses skills and abilities according to certain conditions, which determine the organisation's administration.

(3). Application Form: Application form is known as application bank. It is used as a device to screen the candidates at the preliminary level, and the technique of blank application is traditional and widely accepted for securing information from the prospective candidates. Information is generally required on the following forms: Personal background information, academic achievement, experience of work, salary, personal details and references.

- Personal background information includes name, present and permanent address, sex, date of birth, marital status health, height and weight, nationality, number of dependents, annual income of applicant's parents etc.
- Educational attainments include list of schools, colleges, institutions attended, period of study, major subjects, class, percentage of marks, rank secured, extra-curricular activities, positions and membership held during educational career, hobbies, and interest, study either through regular course or correspondence course or through private study etc.

- Work experience covers experience in all previous jobs with greater particulars about the nature and quantum of work handled, period of experience in each job, reasons for leaving the past employers, duties and responsibilities involved, name of the immediate supervisor, salary drawn etc.
- Salary drawn in the present employment and salary and benefits expected are gathered through application forms.
- Personal items include association membership, personal likes and dislikes, hobbies etc.
- References: Organizations ask candidates to send the names and addresses of persons who can be contacted for reference purposes.

(4). Writing Examination: After screening the applications of the Candidates, the organisations work on a written test in order to confirm the candidate's ability to answer few of questions, such as the ability in mathematical calculations to know the candidates attitude towards the job to measure the candidates aptitude, reasoning, general knowledge and English language. TM

(5). Preliminary Interview: This may be conducted by an assistant in the Personnel department. The preliminary interview is to solicit necessary information from the prospective applicants and to assess the applicant's suitability to the job. The information thus provided by the candidate may be related to the job or personal specifications and other physical requirement etc. Thus, Preliminary interview is useful as a process of eliminating the undesirable and unsuitable candidates. If a candidate satisfies the job requirements regarding most of the areas; he may be selected for further process.

According to Richard and Calhoon, "Employment interview serves the following three objectives:

- a. First, it is the only way to see an applicant in action – how he looks, his manner, his bearing.
- b. Second, it is the only way to witness how he interacts and how he responds, his way of thinking, the effect of his personality on others.
- c. Third, it is perhaps the best way to get at the "will do" feature of a performance motivation, initiative, stability, perseverance, habits and judgment." TM

(6). Business Games: Business games are widely used as a technique for selecting management trainees, executive trainees and managerial personnel at junior, middle and top management positions. Business games help to evaluate the applicants in the areas of decision – making, handling the situations, problem – solving skills, human relations skills

etc. TM Participants are placed in a hypothetical work situation and are required to play the role situations in the game. The hypothesis is that the most successful candidate in the game will be the most successful one on the job.

Group discussion

The technique of group discussion is used in order to secure further information regarding the suitability of the candidate for the job. Group discussion is a method where groups of the successful applicants are brought around a conference table and are asked to discuss either a case study or a subject matter. The candidates in the group are required to analyze, discuss, find alternative solutions and select the sound solution. A selection panel then observes the candidates in the areas of initiating the discussion, explaining the problem, keenly observing the discussion of others, clarifying controversial issues, influencing others, speaking effectively, concealing and mediating arguments among the participants and summarizing or concluding aptly.

(7). Tests: The next stage in the selection process is conducting different tests. The objective of tests is to solicit further information to assess the employee suitability to the job. William C. Byham puts the use of selection tests, in these words, “The tests are the most measured, the least understood, yet the most valuable source of information about applicants.” There is a large number of tests designed to measure human behaviour for a job applicant. Tests are classified into five types. They are (i). Aptitude tests, (ii). Achievement tests, (iii). Situation tests, (iv). Interest tests, and (v). Personality tests.

Aptitude tests

These tests measure whether an individual has the capacity or latent ability to learn a given job if given adequate training. Aptitudes can be divided into general and mental ability or intelligence and specific aptitudes such as mechanical, clerical, manipulative capacity etc. The main objective of these tests is a measure of a person's ability to learn and take advantage of situations that are exposed, and used in the measurement of special abilities, such as language capabilities and capabilities for automated or mechanical.

Achievement test:

These tests are conducted when applicants claim to know something as these tests are concerned with what one has accomplished. These tests are more useful to measure the value of specific achievement when an organization wishes to employ experienced candidates.

Situation test:

This test evaluates a candidate in a similar real life situation. In this test, the candidate is asked either to cope with the situation or solve critical situations of the job.

Group discussion test is administered through group discuss approach to solve a problem under which candidates are observed in the areas of initiating, leading, proposing valuable ideas, conciliating skills, oral communicating skills, co-ordinating and concluding skills.

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

Interest test:

These tests are inventories of the likes and dislikes of candidates in relation to work, job, occupations, hobbies and recreational activities. The purpose of this test is to find out whether a candidate is interested or disinterested in the job for which he is a candidate and to find out in which area of the job range/occupation the candidate is interested. The assumption of this tests is that there is a high correlation between the interest of a candidate in a job and job success.

Personality tests:

This test is designed to measure the degree of harmony with others, self-confidence, tact, emotional control, optimism, decisiveness, sociability, conformity, objectivity, patience, fear, distrust, initiative, judgement dominance or submission, impulsiveness, sympathy, integrity, stability sand the ability to influence others, as well as it is used with other tests because it works on future expectations accuracy about the real performance of the individual. Personality tests have disadvantages in the sense that they can be faked by sophisticated candidates and most candidates give socially acceptable answers. Further, personality inventories may not successfully predict job success.

Test of cognitive abilities:

This type of testing is used for the purpose of identifying the different abilities of the applicants, or some of them, according to a job type under test. The most important of these

capabilities, the ability to learn, the ability to abstract thinking, ability to adapt to new situations, the ability to analyse problems, the ability to perceive relationships etc. These tests are the smart and based on their ability to learn new jobs more than others.

8. Final interview:

Final interview is usually followed by testing. According to Alareqe, interview means, “oral designed to evaluate the information, skills and abilities of the applicant that based on the job specifications.” In this step, the interviewer matches the information obtained about the candidate through various means to the job requirements and to the information obtained through his own observation during interview. There are several types of interview.

DIFFERENT TYPES OF INTERVIEWS

Type of interview	Type of questions	Usual applications
Structured	A predetermined checklist of questions, usually asked of all applicants	Useful for valid results, especially when dealing with large number of applicants
Unstructured	Few, if any, planned questions. Questions are made up during the interview.	Useful when the interviewer tries to probe personal details of the candidate to analyze why they are not right for the job.
Mixed	A combination of structured and unstructured questions, which resembles what is usually done in practice.	A realistic approach that yields comparable answers plus in-depth insights.
Behavioural	Questions limited to hypothetical situations. Evaluation is based on the solution and approach of the applicant	Useful to understand applicant's reasoning and analytical abilities under modest stress
Stress	A series of harsh, rapid fire questions intended to upset the applicant	Useful for stressful jobs, such as handling complaints. The purpose behind stress interview is to deliberately place the candidate in a position

		of stress. Stress questions should not be asked at the beginning of the interview because it becomes impossible to make a comparison between a candidate's customary behaviour and his behaviour under stress.
--	--	--

(9). Medical Examination

Certain jobs require certain physical qualities like clear vision, perfect hearing, unusual stamina, tolerance of hard working conditions, clear tone etc. Medical examination reveals whether or not a candidate possesses these qualities. The medical examination can give the following information: (1) the applicant is suited for the specific job, (2) the applicant has health problems attitudes to interfere with work efficiency of future attendance, (3) the applicant suffers from bad health which should be corrected before he can work satisfactorily, (4) the medical examination used to check the special senses of the candidates.

(10). Reference Checks

After completion of the final interview and medical examination, the personnel department will engage in checking references for the purpose of verifying information and also obtaining additional feedback on applicant. The candidate is asked to supply two – three names of persons i.e., reference who know him/ her personality. Previous employers, university professors, neighbours and friends, can act as reference. However, references are treated as a mere formality and hardly used to influence selection decisions.

(11). Line Manager's Decision

The line manager decision has to make the final decision whether to select or reject a candidate after soliciting the required information through different techniques discussed earlier. The line manager has to take much care in taking the final decision not only because of economic implications and of the decisions but also because of behavioural and social implications. A careless decision of rejecting would impair the morale of the people and they suspect the selection procedure and the basis of selection of this organization. A true understanding between line managers and personnel managers should be established to take proper decisions.

(12). Employment or Final Selection:

It is the last step of selection process of the candidate for the job. The candidates who have cleared all the above hurdles are finally selected and a letter of job offer is issued to them. After the final decision, the organisation intimates the successful as well as unsuccessful candidates. The organisation offers the jobs to the successful candidates either directly or after sometime depending upon its time schedule. The job offer i.e., appointment letter contains the details like pay – scale, allowances and other terms and conditions of the job. It also contains when and whom he should report for joining the duty. When he / she reports for joining it needs to be placed in a particular section or division and introduced to the job and organisation.

7.6 BARRIERS TO EFFECTIVE SELECTION (Aswathappa, 2005)

The main objective of selection is to hire people having competence and commitment. This objective is often defeated because of certain barriers. The impediments which check effectiveness of selection are perception, fairness, validity, reliability and pressure.

Perception

Our ability to understand others accurately is probably the most fundamental barrier to selecting the right candidate. Selection demands an individual or a group of people to assess and compare the respective competencies of others, with the aim of choosing the right persons for the jobs. But our views are highly personalized. We all perceive the world differently. Our limited perceptual ability is obviously a stumbling block to the objective and rational selection of people.

Fairness

Fairness in selection requires that no individual should be discriminated against on the basis of religion, region, race or gender. But the low numbers of women and other less privileged sections of the society in middle and senior management positions and open discrimination on the basis of age in job advertisements and in the selection process would suggest that all the efforts to minimize inequality have not been very effective.

Validity

Validity is a test that helps predict job performance of an incumbent. A test that has been validated can differentiate between the employees who can perform well and those who will not. However, a validated test does not predict job success accurately. It can only increase possibility of success.

Reliability

A reliable method is one which will produce consistent results when repeated in similar situations. Like a validated test, a reliable test may fail to predict job performance with precision.

Pressure

Pressure is brought on the selectors by politicians, bureaucrats, relatives, friends and peers to select particular candidates. Candidates selected because of compulsions are obviously not the right ones. Appointments to public sector undertakings generally take place under such pressures.

7.7 PLACEMENT (Mamoria and Gankar 2005, Aswathappa 2005)

After an employee has been recruited he is provided with back background information about the employer, working conditions and the information necessary to perform his satisfactorily. The new employee's initial orientation helps him perform better by providing him information of the company rules and practices. Placement refers to the allocation of people to jobs. It includes initial assignment of new employees and promotion, transfer or demotion of present employees.

Placement is a process in which the new employee is allocated the job he is hired for and it is an assignment of a new employee to the job. The job he is assigned to may be (i) independent (ii) sequential or (iii) may be in the poor where he works with others to complete the assigned work whether independent, sequential or team work, he has to adjust himself to the new environment which includes other employees in the Department.

Placement is responsibility of the superior or colleague with whom the employee has to work. The human resources department should monitor the right placement so that the new entrant settles down satisfactorily in the work place. From a management perspective, the task is to understand and capitalize on each person's individuality. Since human attributes vary along many relatively independent ability, interest, biographical sketch, and personality dimensions, a person's individuality is best viewed as his or her unique profile of scores on a variety of individual measures. Once we establish this unique profile for each individual, people and jobs can be matched optimally within the constraints set by available jobs and available people.

Principles of Placement (Bibhuti Bhusan Mahapatro, 2010):

A few basic principles should be followed at the time of placement of a workers on the job.

This is elaborated below:

1. Man should be placed on the job according to the requirements of the job. The job should not be adjusted according to the qualifications or requirements of the man. Job first, man next, should be the principle of the placement.
2. The job should be offered to the person according to his qualification. This should neither be higher nor the lower than the qualification.
3. The employee should be made conversant with the working conditions prevailing in the organization and all things relating to the job. He should also be made aware of the penalties if he commits the wrong.
4. While introducing the job to the new employees, an effort should be made to develop a sense of loyalty and cooperation in him so that he may realize his responsibility better towards the job and the organization.
5. The placement should be ready before the joining date of the newly selected person.
6. The placement in the initial period may be temporary as changes are likely after the completion of training. The employee may be later transferred to the job where he can do better.

Placement problems:

The difficulty with placement is that we tend to look at the individual but not at the job. Often, the individual does not work independent of others. Whether the employee works independent of others or is dependent depends on the type of jobs. Jobs in this context may be classified into three categories, namely, independent, sequential and pooled.

In certain cases, jobs are independent, for example, postal service or field sales. Here, non-overlapping routes or territories are allotted to each worker. In such situations, the activities of one worker have little bearing on the activities of other workers. This is the placement in its simplest form, and it is the problem for which solutions have most often been developed.

In sequential jobs, activities of one worker are dependent on the activities of a fellow worker. Assembly lines best exemplify sequential jobs.

Where jobs are pooled in nature, there is high interdependence among activities. The final output is the result of contribution of all the workers. It is the team work which matters. Project teams, temporary task forces and assembly teams represent pooled jobs.

Independent jobs do not pose great problems in placement, for each employee needs only to be evaluated relative to the match between his or her capabilities, and interests and those required on the job. But independent jobs are becoming rarer and rarer, as most jobs are dependent. In order to match individuals with jobs, organizations use the assessment – classification model. Just as individuals are placed in subgroups, jobs are also categorized into subgroups, each subgroup having identical characteristics.

7.8 INDUCTION (VSP Rao, 2008)

Orientation or induction is the task of introducing the new employees to the organization and its policies, procedures and rules. A typical formal orientation programme may last a day or less in most organizations. During this time, the new employee is provided with information about the company, its history, its current position, the benefits for which he/she is eligible, leave rules, rest periods etc. Further, the more routine things a newcomer must learn, such as the location of the rest rooms, break rooms, parking spaces, cafeteria, etc. Lectures, handbooks films, groups, seminars etc are also provided to new employees so that they can settle down quickly and resume the work.

Objectives of induction:

Induction serves the following purposes

a. Remove fears

A newcomer steps into an organization as a stranger. He is new to the people, workplace and work environment. He is not very sure about what he is supposed to do. Induction helps a new employee overcome such fears and perform better on the job.

It assists him in knowing more about the job, its content, policies, rules and regulations. Further, he will also learn about the people with whom he is supposed to interact and the terms and conditions of employment.

b. Creates a good impression

Another purpose of induction is to make the newcomer feel at home and develop a sense of pride in the organization.

Induction helps him to adjust and adapt to new demands of the job; get along with people and get off to a good start.

Through induction, a new recruit is able to see more clearly as to what he is supposed to do, how good the colleagues are, how important is the job etc. He can pose questions and

seek clarifications on issues relating to his job. Induction is a positive step, in the sense, it leaves a good impression about the company and the people working there in the minds of the new recruits. They begin to take pride in their work and are more committed to their jobs.

c. Acts as a valuable sources of information

Induction serves as a valuable source of information on new recruits. It classifies many things through employee manuals/handbook. Informal discussions with colleagues may also clear the fog surrounding certain issues. The basic purpose of induction is to communicate specific job requirements to the employee put him at ease and make him feel confident about his abilities.

Steps in Induction Programme:

The HR Department may initiate the following steps while organizing the induction programme –

- Welcome to the organization
- Explain about the company
- Show the location/Department where the new recruit will work
- Give the company's manual to the new recruit.
- Provide details about various work groups and the extent of unionism within the company.
- Give details about pay, benefits, holidays, leave etc.
- Emphasize the importance of attendance or punctuality.
- Explain about future training opportunities and career prospects.
- Clarify doubts, by encouraging the employee to come out with questions.
- Take the employee on a guided tour of buildings, facilities etc. hand him over to his supervisor.

Contents of the induction programme:

The topics covered in employee induction programme may be status thus.

1. Organizational issues
 - a. History of company
 - b. Names and titles of key executives
 - c. Employees' title and department
 - d. Layout of physical facilities
 - e. Probationary period
 - f. Products/services offered

- g. Overview of production process
 - h. Company policies and rules
 - i. Disciplinary procedures
 - j. Employees' handbook
 - k. Safety steps
2. Employee benefits
- a. Pay scales, pay days
 - b. Vacations, holidays
 - c. Rest pauses
 - d. Training avenues
 - e. Counseling
 - f. Insurance, medical, recreation, retirement benefits
3. Introductions
- a. To supervisors
 - b. To co-workers
 - c. To trainers
 - d. To employee counselor
4. Job duties
- a. Job location
 - b. Job tasks
 - c. Job safety needs
 - d. Overview of jobs
 - e. Job objectives
 - f. Relationship with other jobs

Follow up to the induction/orientation programme:

Despite the best efforts of supervisors, certain dark areas may still remain in the orientation programme. New hires may not have understood certain things. The supervisors, while covering a large ground, may have ignored certain important matters.

Follow up meetings could be held at fixed intervals, say after every three or six months on a face-to-face basis.

The basic purpose of such follow up orientation is to offer guidance to employees on various general as well as job related matters without leaving anything to chance. To improve orientation, the company should make a conscious effort to obtain feedback from everyone involved in the programme.

There are several ways to get this kind of feedback, say, through round table discussions with new hires after their first year on the job, through in-depth interviews with randomly selected employees and superiors and through questionnaires for mass coverage of all recent recruits.

7.9 SUMMARY

Selection is the process of choosing individuals who have relevant qualifications fill jobs in an organization. The primary purpose of selection activities is to predict which job applicant will be successful if hired. Selection is usually a series of steps. Each step must be successfully cleared before the applicant proceeds to the next.

The selection process from reception through initial screening, application, testing, interview, medical and reference checking must be handled by trained, knowledgeable individuals.

Selection tests include intelligence and aptitude tests, achievement tests, assessment centres and general psychological or personality tests. The value of tests should not be discounted, since they are objective and offer a broader sampling of behaviour.

Placement is an important human resource activity. Placement is the actual posting of any employee to a specific job involving assigning a specific rank and responsibility to an employee. If placement activity is neglected, it may create employee adjustment problems leading to absenteeism, turnover, accidents, poor performance etc.

Orientation or induction is the task of introducing the new employees to the organization and its policies, procedures and rules. During this time, the new employee is provided with information about the company, its history, its current position, the benefits for which he/she is eligible, leave rules, rest periods etc.

7.10 KEYWORDS

Selection is the process of choosing individuals who have relevant qualifications fill jobs in an organization.

Placement is the actual posting of any employee to a specific job involving assigning a specific rank and responsibility to an employee.

Orientation or **induction** is the task of introducing the new employees to the organization and its policies, procedures and rules.

Test is a standardized, objective measure of a sample of behavior.

Interview is the oral examination of candidates for employment.

7.11 SELF ASSESSMENT QUESTIONS

1. Explain in brief the various selection techniques.
2. What is an interview? What are the different types of employment interviews.
3. Explain the terms 'placement' and 'induction'. Outline their objectives.
4. What are the components of an employee induction programme? What measures should be taken to make the induction programme successful?
5. Write notes on
 - a. Stress interview
 - b. Placement
 - c. Induction
 - d. Difference between recruitment and selection.

7.12 FURTHER READINGS

1. Mamoria C B and Gankar S V (2005), 'A Textbook of Human Resource Management', Himalaya Publishing House, Mumbai.
2. Subba Rao, P (2005), 'Essentials of Human Resource Management and Industrial Relations (Text Cases and Games)', Himalaya Publishing House, Mumbai
3. Ashwathappa K (2005), 'Human Resource Management and Personnel Management (Text and Cases)', Tata McGraw-Hill Publishing Company Limited, New Delhi.
4. Robert L. Mathis and John H. Jackson (2008), 'Human Resource Management', Thomson South – Western, USA.
5. VSP Rao (2008), 'Human Resource Management', Excel Books, New Delhi.
6. Bibhuti Bhusan Mahapatro (2010), 'Human Resource Management', New Age International Publishers, New Delhi.
7. Vikas Arora and Seema Arora (2011), Human Resource Management, Global Vision Publishing House, New Delhi.

Lesson Writer

Dr. Jyothi Guntaka

Lesson - 8**TRAINING AND DEVELOPMENT****OBJECTIVES**

After going through this lesson, you will be able to :

- (i) Know the importance of Training and development in organizations.
- (ii) Know how training benefits to perform well.
- (iii) Know the process of training and development in an organization.
- (iv) Know training improves the productivity of the workers and the organization.

STRUCTURE

- 8.1 Introduction
- 8.2 Definition
- 8.3 Importance of Training and Development in an Organization
- 8.4 Training Process
- 8.5 Benefits

8.1 INTRODUCTION

Development is similar to training, except that it tends to be more future-focused. Development refers to training as well as formal education, job experiences, relationship, and assessments of personality, skills, and abilities that help employees prepare for future jobs or positions. Training and development play an important role in the effectiveness of organisations and to the experiences of people in work. Training has implications for productivity, health and safety at work and personal development. All organisations employing people need to train and develop their staff. Most organisations are cognisant of this requirement and invest effort and other resources in training and development. Such investment can take the form of employing specialist training and development staff and paying salaries to staff undergoing training and development. Investment in training and development entails obtaining and maintaining space and equipment. It also means that operational personnel, employed in the organisation's main business functions, such as production, maintenance, sales, marketing and management support, must also direct their attention and effort from time to time towards supporting training development and delivery.

This means they are required to give less attention to activities that are obviously more productive in terms of the organisation's main business. However, investment in training and development is generally regarded as good management practice to maintain appropriate expertise now and in the future

8.2 DEFINITIONS

8.2.1 Definition of Training

Training is a process in which the trainees get an opportunity to learn the key skills which are required to do the job. Learning with earning is known as training. It helps the employees to understand the complete job requirements.

Training has been defined by different scholars of management. Some important definitions of training are as under:

- In the words of **Dale S. Beach**, "Training is the organised procedure by which people learn knowledge and Improve skill for a definite purpose."
- In the words of **Michael J. Jucius**, "Training is a process by which the aptitudes, skills and abilities of employees to perform specific jobs are increased."
- According to **Edwin B. Flippo**, "Training is the act of increasing the knowledge and skill of an employee for doing a particular job."
- In the words of **Dale Yoder**, "Training is the process by which manpower is filled for the particular job it has to perform."

Nowadays, many organisations organise a training program for the new recruits just after their selection and induction, to let them know about the rules, policies and procedures for directing their behaviour and attitude as per the organisational needs. Training also helps the employees to change the conduct towards their superior, subordinates and colleagues. It helps to groom them for their prospective jobs. Training is that process by which the efficiency of the employees increases and develops. Training is a specialised knowledge which is required to perform a specific job.

8.2.2 Definition of Development

Development is not only limited to a particular task, but it aims to improve their personality and attitude for their all round growth which will help them to face future challenges. It changes the mindset of the employees and makes them more challenging or competing.

The training for the top level employees is considered as development, also known as management or executive development. It is an on-going systematic procedure in which managerial staff learns to enhance their conceptual, theoretical knowledge.

It helps the individual to bring efficiency and effectiveness in their work performances.

As the technology needs updating, the manpower of the organisation also needs to be updated, so the development is a must. Development is an educational process which is unending, as education has no visible end. It involves training a person for higher assignments. It digs out the talents of the managerial staff and helps in applying the new knowledge, which is a requirement of the organisation. Coaching, mentoring, counselling, job-rotation, role playing, case study, conference training, special projects are some of the methods of development. The performance of an organisation is based on the quality of its employees, and so the greater the quality of employees, the greater will be their performance. The primary purpose of development is that the second list of managers or executives is prepared for future replacement.

8.3 IMPORTANCE OF TRAINING AND DEVELOPMENT IN AN ORGANIZATION

1. For organization:



- Training and Development programme facilitates better utilization of an organization's resources, i.e. men, machine, material and money.
- It ensures less wastage, with respect to resources and time. When a worker is skilled and trained enough, the amount of wastage will be less, as well as the learning time will be reduced, and the work will be performed in very less time.
- It improves the performance of the employee which results in increased profitability.

- The employees learn new and improved methods of performing an activity, which helps the organization to survive, compete and grow in the market.
- It results in a reduction in employee turnover, idle time and absenteeism.
- It develops a positive attitude in employees towards the work and organization, as well as boosts their morale, which helps them adapt themselves to the changing environment.

For Employees:



An individual focuses more on career than a job. And so, the skills and knowledge acquired from the training add to their resume.

Improved performance is a sort of motivation for an individual which encourages them to perform much better than before and contribute to the organization's success, which ultimately increases their incentives.

When an employee is trained enough, he/she will handle any situation or problem and deal with the challenges in a better way.

Training makes workers machine or equipment-friendly, which reduces the number of accidents during the process.

It helps the employee to stay up-to-date with the technological changes.

It results in job satisfaction and boosts employees morale.

Training is often imparted to middle or low-level employees. In contrast, the development programmes are specifically designed for the employees working in higher positions in the organisational hierarchy.

8.3.1 Reasons that demonstrate the importance of training and development.

New Hire Orientation

Training is particularly important for new employees. This can be conducted by someone within the company and should serve as a platform to get new employees up to speed with the processes of the company and address any skill gaps.

Tackle short comings

Every individual has some shortcomings and training and development helps employees iron them out. For example, at RateGain we have divided the entire headcount in several groups to provide focused training which is relevant to those groups - sales training, first time managers, middle management, senior leadership, executive leadership.

Improvement in performance

If shortcomings and weaknesses are addressed, it is obvious that an employee's performance improves. Training and development, however, also goes on to amplify your strengths and acquire new skill sets. It is important for a company to break down the training and development needs to target relevant individuals. If I can draw examples from my organization, every department has targeted training groups. These generally revolve around product development training, QA training, PMP among others where internal and external process experts facilitate various programs.

Employee satisfaction

A company that invests in training and development generally tends to have satisfied employees. However, the exercise has to be relevant to the employees and one from which they can learn and take back something. It will be futile if training and development become tedious and dull, and employees attend it merely because they have to. As a company, we stress on industry specific training and send many employees for international seminars and conferences that can be beneficial to them.

Increased productivity

In a rapidly evolving landscape, productivity is not only dependent on employees, but also on the technology they use. Training and development goes a long way in getting employees up to date with new technology, use existing ones better and then discard the outdated ones. This goes a long way in getting things done efficiently and in the most productive way.

Self driven

Employees who have attended the right trainings need lesser supervision and guidance. Training develops necessary skill sets in employees and enable them to address tasks independently. This also allows supervisors and management to focus on more pressing

areas.

Training and development programs can have a huge impact on a company. Like every other function in your company, training and development should be focused on producing targeted and tangible results for the business. The key is to treat it seriously and consider it a capital investment and make it results-driven.

8.4 TRAINING PROCESS

Step 1: Decide if Training is needed

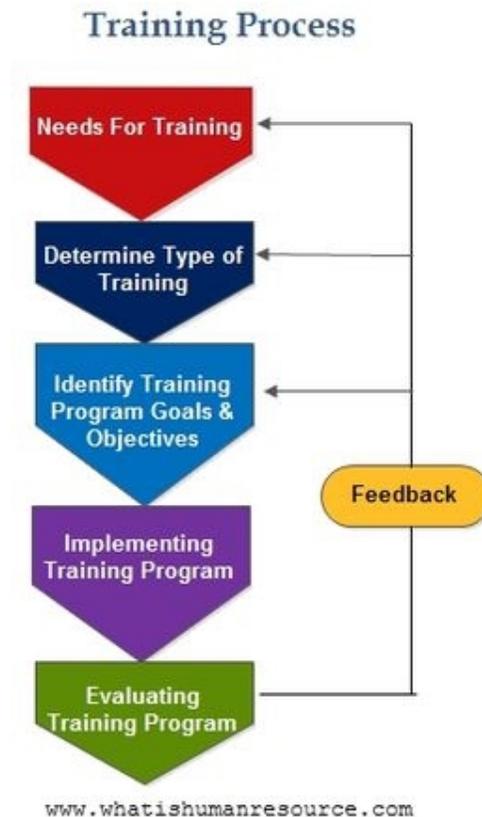
The first step in the training process is a basic one: to determine whether a problem can be solved by training. Training is conducted for one or more of these reasons: 1) Required legally or by order or regulation 2) to improve job skills or move into a different position 3) for an organization to remain competitive and profitable. If employees are not performing their jobs properly, it is often assumed that training will bring them up to standard. This may not always be the case. Ideally, training should be provided before problems or accidents occur and should be maintained as part of quality control.

Step 2: Determine What Type of Training is needed

The employees themselves can provide valuable information on the training they need. They know what they need/want to make them better at their jobs. Just ask them! Also, regulatory considerations may require certain training in certain industries and/or job classifications. Once the kind of training that is needed has been determined, it is equally important to determine what kind of training is not needed. Training should focus on those steps on which improved performance is needed. This avoids unnecessary time lost and focuses the training to meet the needs of the employees.

Step 3: Identifying Goals and Objectives

Once the employees' training needs have been identified, employers can then prepare for the training. Clearly stated training objectives will help employers communicate what they want their employees to do, to do better, or to stop doing! Learning objectives do not necessarily have to be written, but in order for the training to be as successful as possible, they should be clear and thought-out before the training begins.



Step 4: Implementing the Training

Training should be conducted by professionals with knowledge and expertise in the given subject area; period. Nothing is worse than being in a classroom with an instructor who has no knowledge of what they are supposed to be teaching! Use in-house, experienced talent or an outside professional training source as the best option. The training should be presented so that its organization and meaning are clear to employees. An effective training program allows employees to participate in the training process and to practice their skills and/or knowledge. Employees should be encouraged to become involved in the training process by participating in discussions, asking questions, contributing their knowledge and expertise, learning through hands-on experiences, and even through role-playing exercises.

Step 5: Evaluation Training Program

One way to make sure that the training program is accomplishing its goals is by using an evaluation of the training by both the students and the instructors. Training should have, as one of its critical components, a method of measuring the effectiveness of the training.

Evaluations will help employers or supervisors determine the amount of learning achieved and whether or not an employee's performance has improved on the job as a result.

8.4.1 Inputs in Training and Development

- **Skills:** Basic skills should be imparted to the workers, to help them operate the machinery and other equipment correctly, with least wastage and damage.
- **Education:** It aims at teaching theoretical concepts along with providing a hands-on experience to the employee. It also improves their judgement and reasoning power.
 - **Development:** Training involves development, wherein more stress is given on increasing knowledge, rather than the skills. Here, knowledge means an understanding of the business environment, human relations, management, etc.
 - **Ethics:** Ethics are the principles that regulate the conduct of an employee, at the time of undertaking any activity. So, the training and development programme must provide knowledge regarding ethical conduct.
 - **Change in attitude:** One of the important benefits of training is the attitudinal changes in employees. Attitude indicates the feelings, outlook, reaction and beliefs of the employee towards others. It has a great impact on an employee's morale, motivation, loyalty, commitment and satisfaction.
 - **Extraordinary Skills:** Apart from basic skills, training and development scheme should impart some other skills to higher level employees such as problem-solving, decision making, industrial analysis, etc.
 - **Literacy:** Here literacy is not related to education, but proficiency in the corporate language and he/she must be fully aware of the corporate culture, to deal with international clients and customers.

In a nutshell, any activity that intends to **enhance the present or future performance of an employee**, by improving his/her ability through the process of learning, by changing approach, sharpening skills, strengthening competencies and increasing the knowledge base, comes under the ambit of training and development.

Since a company is the sum total of what employees achieve individually, organizations should do everything in their power to ensure that employees perform at their peak. In an ever changing and fast paced corporate world, training and development is an indispensable function. Training and development is one of the lowest things on the priority list of most companies. When it's organized, it is often at the persistence of the human resources department. There is, however, enormous value in organizing proper training and

development sessions for employees. Training allows employees to acquire new skills, sharpen existing ones, perform better, increase productivity and be better leaders. Since a company is the sum total of what employees achieve individually, organizations should do everything in their power to ensure that employees perform at their peak.

8.5 BENEFITS OF TRAINING AND DEVELOPMENT

Improved employee performance – the employee who receives the necessary training is more able to perform in their job. The training will give the employee a greater understanding of their responsibilities within their role, and in turn build their confidence. This confidence will enhance their overall performance and this can only benefit the company. Employees who are competent and on top of changing industry standards help your company hold a position as a leader and strong competitor within the industry.

Improved employee satisfaction and morale – the investment in training that a company makes shows employees that they are valued. The training creates a supportive workplace. Employees may gain access to training they wouldn't have otherwise known about or sought out themselves. Employees who feel appreciated and challenged through training opportunities may feel more satisfaction toward their jobs.

Addressing weaknesses – Most employees will have some weaknesses in their workplace skills. A training program allows you to strengthen those skills that each employee needs to improve. A development program brings all employees to a higher level so they all have similar skills and knowledge. This helps reduce any weak links within the company who rely heavily on others to complete basic work tasks. Providing the necessary training creates an overall knowledgeable staff with employees who can take over for one another as needed, work on teams or work independently without constant help and supervision from others.

Consistency – A robust training and development program ensures that employees have a consistent experience and background knowledge. The consistency is particularly relevant for the company's basic policies and procedures. All employees need to be aware of the expectations and procedures within the company. Increased efficiencies in processes results in financial gain for the company.

Increased productivity and adherence to quality standards – Productivity usually increases when a company implements training courses. Increased efficiency in processes will ensure project success which in turn will improve the company turnover and potential market share.

Increased innovation in new strategies and products – Ongoing training and upskilling of the workforce can encourage creativity. New ideas can be formed as a direct result of training and development

Reduced employee turnover – staff are more likely to feel valued if they are invested in and therefore, less likely to change employers. Training and development is seen as an additional company benefit. Recruitment costs therefore go down due to staff retention.

Enhances company reputation and profile – Having a strong and successful training strategy helps to develop your employer brand and make your company a prime consideration for graduates and mid-career changes. Training also makes a company more attractive to potential new recruits who seek to improve their skills and the opportunities associated with those new skills.

Training can be of any kind relevant to the work or responsibilities of the individual, and can be delivered by any appropriate method.

For example, it could include:

- On-the-job learning
- Mentoring schemes
- In-house training
- Individual study

Blended learning is becoming more and more popular and as a company we have seen a definite increase in this method of training over the last year. Blended Learning is the effective combination of online learning and classroom learning. Many of 20|20's clients prefer their staff to learn on-site rather than attend off-site training programmes – especially in industries like oil and gas where it is often very impractical to attend off-site courses. On-site learning programmes like the blended learning approach, allow 20|20 to train more people working across a larger international footprint than just the UK. This makes it much more cost-effective and allows for greater process consistency.

The importance of training your employees – both new and experienced – really cannot be overemphasized.

8.6 KEY WORDS

New Hire Orientation: Training is particularly given for new employees.

Ethics: Ethics are the principles that regulate the conduct of an employee.

Training: Training is a process in which the trainees get an opportunity to learn the key skills which are required to do the job.

Self driven: Employees who have attended the right trainings need lesser supervision and guidance.

Development: is not only limited to a particular task, but it aims to improve their personality and attitude for their all round growth which will help them to face future challenges.

8.7 Self Assessment Questions

1. Briefly explain the benefits of Training and Development in an organization ?
2. Discuss the Training Process in Human Resource Management?
3. Explain the role of training in benefiting the organization?

8.8 FURTHER READINGS:

1. Mirza & Saiyaddin, Human Resource Management, Tata Mcgraw Hill, 2002.
2. Aswathappa, K.Human Resource and Personnel Management Tata McGraw Hill, New Delhi, 2 nd ed., 2001.
3. De Cenzo, D.A. & Robbins S.P.Human Resource Management, 5 th ed., New York, JohnWiley, 1994.
4. Guy, Madhava & Mattock J. The New International Manager, London, Kogan Page, 1993.
5. Aswathappa, Human Resource Management, TMH, 2006

Lesson Writer:

Mrs. N. Geetha Sony

Lesson - 9**TRAINING IN AN ORGANIZATION****9.0 Objectives**

After going through this lesson, you will be able to :

- (i) Know the types of Training and development in organizations.
- (ii) Know the methods of training and development.
- (iii) Know the major differences between Training and Development.

Structure

- 9.1 Introduction
- 9.2 Definition
- 9.3 Types of Training in an Organization
- 9.4 Methods of Training & Development
- 9.5 Difference between Training and Placement

9.1 INTRODUCTION

Employee training is an essential function for many businesses and most large businesses have a formal training function in place. Those that don't would be well advised to consider one; in fact, even smaller organizations can benefit. Where do you start?

Training not only helps boost the efficiency of employees—and thereby productivity and revenue—it also helps boost employee morale, which can drive increased productivity and reduce turnover. Employees who receive training that is designed to help them meet personal and professional goals tend to feel more valued. “If my employer is willing to spend the time and money to train me, they must believe there is a place for me here long term,” they think. In addition, the training they receive can help put them in a position to vie for another, high-paying job or promotion.

9.2 DEFINITION:

Employee training and development implies a program in which specific knowledge, skills and abilities are imparted to the employees, with the aim of raising their performance level, in their existing roles, as well as providing them learning opportunities, to further their growth.

9.2.1 TRAINING STRATEGY

Analyze Your Needs

The first step in putting together a training strategy is to look at the needs of your business. What are the types of skills, knowledge, and expertise that the employees of a successful company in your industry need to have? What are your company's business goals and strategies? What knowledge, skills, and abilities do employees need to achieve those strategies?

Identify Skill Gaps

Next, take a look at the gaps that may exist between needed knowledge, skills, and abilities, and employee competencies. Which of the critical skills you identified do employees have? Which are they lacking? This analysis can be done on both an individual employee basis and companywide.

Prioritize

Ideally, your training program will imbue your employees with all the skills needed to make your company a strong competitor in your industry. But, in reality, you are going to be faced with finite resources—time and money—and there are likely some skills that are more important than others. Your prioritization should, again, be based on your company's strategic initiatives as well as potential bottom-line impact (related to reducing costs or increasing revenue) and impacts on risk.

Plan and Deliver the Training

The final step in developing a training function is execution. The best strategy will be useless if it isn't executed properly, so it's important to spend sufficient time dedicated to execution once the strategy is crafted.

Training is a key element to a successful company; a formal training function can benefit most. Keep in mind, though, that "some training" is not, necessarily, better than no training. Poor training can have significant negative consequences, so it is essential that adequate thought and planning go into the development of a training strategy.

9.3 TYPES OF TRAINING:

Various types of training can be given to the employees such as induction training, refresher training, on the job training, vestibule training, and training for promotions.

Some of the commonly used training programs are listed below:

1. Induction training:

Also known as orientation training given for the new recruits in order to make them familiarize with the internal environment of an organization. It helps the employees to understand the procedures, code of conduct, policies existing in that organization.

2. Job instruction training:

This training provides an overview about the job and experienced trainers demonstrates the entire job. Addition training is offered to employees after evaluating their performance if necessary.

3. Vestibule training:

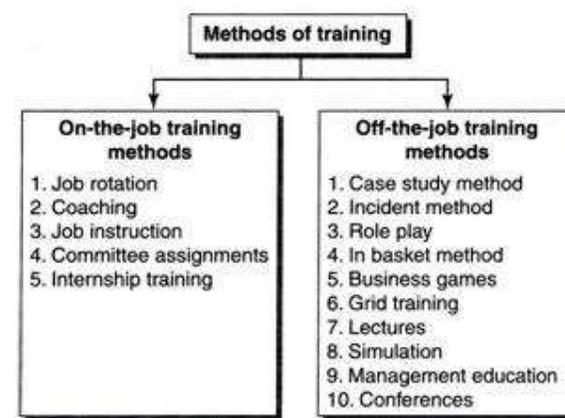
It is the training on actual work to be done by an employee but conducted away from the work place.

4. Refresher training:

This type of training is offered in order to incorporate the latest development in a particular field. This training is imparted to upgrade the skills of employees. This training can also be used for promoting an employee.

5. Apprenticeship training:

Apprentice is a worker who spends a prescribed period of time under a supervisor.



9.4 Training Methods: on Job Training and off the Job Training Methods

Training Methods: On Job Training and off the Job Training Methods!

A large variety of methods of training are used in business. Even within one organization different methods are used for training different people. All the methods are divided into two classifications for:

A. On-the-job Training Methods:

1. Coaching
2. Mentoring
3. Job Rotation
4. Job Instruction Technology
5. Apprenticeship
6. Under study

B. Off-the-Job Training Methods:

1. Lectures and Conferences
2. Vestibule Training
3. Simulation Exercises
4. Sensitivity Training
5. Transactional Training

A. On-the-job training Methods:

Under these methods new or inexperienced employees learn through observing peers or managers performing the job and trying to imitate their behaviour. These methods do not cost much and are less disruptive as employees are always on the job, training is given on the same machines and experience would be on already approved standards, and above all the trainee is learning while earning. Some of the commonly used methods are:

1. Coaching:

Coaching is a one-to-one training. It helps in quickly identifying the weak areas and tries to focus on them. It also offers the benefit of transferring theory learning to practice. The biggest problem is that it perpetrates the existing practices and styles. In India most of the scooter mechanics are trained only through this method.

2. Mentoring:

The focus in this training is on the development of attitude. It is used for managerial employees. Mentoring is always done by a senior inside person. It is also one-to-one interaction, like coaching.

3. Job Rotation:

It is the process of training employees by rotating them through a series of related jobs. Rotation not only makes a person well acquainted with different jobs, but it also alleviates boredom and allows to develop rapport with a number of people. Rotation must be logical.

4. Job Instructional Technique (JIT):

It is a Step by step (structured) on the job training method in which a suitable trainer (a) prepares a trainee with an overview of the job, its purpose, and the results desired, (b) demonstrates the task or the skill to the trainee, (c) allows the trainee to show the demonstration on his or her own, and (d) follows up to provide feedback and help. The trainees are presented the learning material in written or by learning machines through a series called 'frames'. This method is a valuable tool for all educators (teachers and trainers).

It helps us:

- a. To deliver step-by-step instruction
- b. To know when the learner has learned
- c. To be due diligent (in many work-place environments)

5. Apprenticeship:

Apprenticeship is a system of training a new generation of practitioners of a skill. This method of training is in vogue in those trades, crafts and technical fields in which a long period is required for gaining proficiency. The trainees serve as apprentices to experts for long periods. They have to work in direct association with and also under the direct supervision of their masters.

The object of such training is to make the trainees all-round craftsmen. It is an expensive method of training. Also, there is no guarantee that the trained worker will continue to work in the same organisation after securing training. The apprentices are paid remuneration according the apprenticeship agreements.

6. Understudy:

In this method, a superior gives training to a subordinate as his understudy like an assistant to a manager or director (in a film). The subordinate learns through experience and observation by participating in handling day to day problems. Basic purpose is to prepare subordinate for assuming the full responsibilities and duties.

B. Off-the-job Training Methods:

Off-the-job training methods are conducted in separate from the job environment, study material is supplied, there is full concentration on learning rather than performing, and there is freedom of expression. Important methods include:

1. Lectures and Conferences:

Lectures and conferences are the traditional and direct method of instruction. Every training programme starts with lecture and conference. It's a verbal presentation for a large audience. However, the lectures have to be motivating and creating interest among trainees. The

speaker must have considerable depth in the subject. In the colleges and universities, lectures and seminars are the most common methods used for training.

2. Vestibule Training:

Vestibule Training is a term for near-the-job training, as it offers access to something new (learning). In vestibule training, the workers are trained in a prototype environment on specific jobs in a special part of the plant.

An attempt is made to create working condition similar to the actual workshop conditions. After training workers in such condition, the trained workers may be put on similar jobs in the actual workshop.

This enables the workers to secure training in the best methods to work and to get rid of initial nervousness. During the Second World War II, this method was used to train a large number of workers in a short period of time. It may also be used as a preliminary to on-the job training. Duration ranges from few days to few weeks. It prevents trainees to commit costly mistakes on the actual machines.

3. Simulation Exercises:

Simulation is any artificial environment exactly similar to the actual situation. There are four basic simulation techniques used for imparting training: management games, case study, role playing, and in-basket training.

(a) Management Games:

Properly designed games help to ingrain thinking habits, analytical, logical and reasoning capabilities, importance of team work, time management, to make decisions lacking complete information, communication and leadership capabilities. Use of management games can encourage novel, innovative mechanisms for coping with stress.

Management games orient a candidate with practical applicability of the subject. These games help to appreciate management concepts in a practical way. Different games are used for training general managers and the middle management and functional heads – executive Games and functional heads.

(b) Case Study:

Case studies are complex examples which give an insight into the context of a problem as well as illustrating the main point. Case Studies are trainee centered activities based on topics that demonstrate theoretical concepts in an applied setting.

A case study allows the application of theoretical concepts to be demonstrated, thus bridging the gap between theory and practice, encourage active learning, provides an opportunity for

the development of key skills such as communication, group working and problem solving, and increases the trainees' enjoyment of the topic and hence their desire to learn.

(c) Role Playing:

Each trainee takes the role of a person affected by an issue and studies the impacts of the issues on human life and/or the effects of human activities on the world around us from the perspective of that person.

It emphasizes the "real-world" side of science and challenges students to deal with complex problems with no single "right" answer and to use a variety of skills beyond those employed in a typical research project.

In particular, role-playing presents the student a valuable opportunity to learn not just the course content, but other perspectives on it. The steps involved in role playing include defining objectives, choose context & roles, introducing the exercise, trainee preparation/research, the role-play, concluding discussion, and assessment. Types of role play may be multiple role play, single role play, role rotation, and spontaneous role play.

(d) In-basket training:

In-basket exercise, also known as in-tray training, consists of a set of business papers which may include e-mail SMSs, reports, memos, and other items. Now the trainer is asked to prioritise the decisions to be made immediately and the ones that can be delayed.

4. Sensitivity Training:

Sensitivity training is also known as laboratory or T-group training. This training is about making people understand about themselves and others reasonably, which is done by developing in them social sensitivity and behavioral flexibility. It is ability of an individual to sense what others feel and think from their own point of view.

It reveals information about his or her own personal qualities, concerns, emotional issues, and things that he or she has in common with other members of the group. It is the ability to behave suitably in light of understanding.

A group's trainer refrains from acting as a group leader or lecturer, attempting instead to clarify the group processes using incidents as examples to clarify general points or provide feedback. The group action, overall, is the goal as well as the process.

5. Transactional Analysis:

It provides trainees with a realistic and useful method for analyzing and understanding the behavior of others. In every social interaction, there is a motivation provided by one person and a reaction to that motivation given by another person.

This motivation reaction relationship between two persons is known as a transaction. Transactional analysis can be done by the ego (system of feelings accompanied by a related set of behaviors states of an individual).

Child:

It is a collection of recordings in the brain of an individual of behaviors, attitudes, and impulses which come to him/her naturally from his/her own understanding as a child. The characteristics of this ego are to be spontaneous, intense, unconfident, reliant, probing, anxious, etc. Verbal clues that a person is operating from its child state are the use of words like “I guess”, “I suppose”, etc. and non verbal clues like, giggling, coyness, silent, attention seeking etc.

Parent:

It is a collection of recordings in the brain of an individual of behaviors, attitudes, and impulses imposed on her in her childhood from various sources such as, social, parents, friends, etc.

The characteristics of this ego are to be overprotective, isolated, rigid, bossy, etc. Verbal clues that a person is operating from its parent states are the use of words like, always, should, never, etc and non-verbal clues such as, raising eyebrows, pointing an accusing finger at somebody, etc.

Adult:

It is a collection of reality testing, rational behaviour, decision making, etc. A person in this ego state verifies, updates the reaction which she has received from the other two states. It is a shift from the taught and felt concepts to tested concepts.

All of us show behaviour from one ego state which is responded to by the other person from any of these three states.

9.4 DIFFERENCE BETWEEN TRAINING AND DEVELOPMENT

Employee training and development is an indispensable part of human resource function and management. Both the activities aim at improving the performance and productivity of the employees. **Training** is a program organized by the organization to develop knowledge and skills in the employees as per the requirement of the job. Conversely, **Development** is an organized activity in which the manpower of the organization learn and grow; it is a self-assessment act. In training, the employees are imparted technical knowledge and skills related to the particular job and stresses on improving the abilities of each worker. In contrast, development is a sort of educational process which focuses on the growth and maturity of the

managerial personnel. Check out the article given below, that elucidates the difference between training and development, in tabular form.

Comparison chart

BASIS FOR COMPARISON	TRAINING	DEVELOPMENT
Meaning	Training is a learning process in which employees get an opportunity to develop skill, competency and knowledge as per the job requirement.	Development is an educational process which is concerned with the overall growth of the employees.
Term	Short Term	Long Term
Focus on	Present	Future
Orientation	Job oriented	Career oriented
Motivation	Trainer	Self
Objective	To improve the work performances of the employees.	To prepare employees for future challenges.
Number of Individuals	Many	Only one
Aim	Specific job related	Conceptual and general knowledge

9.4.1 The major differences between training and development are as under:

1. Training is a learning process for new employees in which they get to know about the key skills required for the job. Development is the training process for the existing employees for their all round development.
2. Training is a short-term process i.e. 3 to 6 months, but development is a continuous process, and so it is for the long term.
3. Training focuses on developing skill and knowledge for the current job. Unlike, the development which focuses on the building knowledge, understanding and competencies for overcoming with future challenges.

4. Training has a limited scope; it is specific job oriented. On the other hand, development is career oriented and hence its scope is comparatively wider than training.
5. In training, the trainees get a trainer who instructs them at the time of training. In contrast to development, in which the manager self-directs himself for the future assignments.
6. Many individuals collectively attend the training program. Development is a self-assessment procedure, and hence, one person himself is responsible for one's development.

9.4.2 Advantages of training and development

Training and development has a cost attached to it. However, since it is beneficial for companies in the long run, they ensure employees are trained regularly. Some advantages are:

1. Helps employees develop new skills and increases their knowledge.
2. Improves efficiency and productivity of the individuals as well as the teams.
3. Proper training and development can remove bottle-necks in operations.
4. New & improved job positions can be created to make the organization leaner.
5. Keeps employees motivated and refreshes their goals, ambitions and contribution levels.

9.4.3 Disadvantages of training and development

Even though there are several advantages, some drawbacks of training and development are mentioned below:

1. It is an expensive process which includes arranging the correct trainers and engaging employees for non-revenue activities.
2. There is a risk that after the training and development session, the employee can quit the job.

9.5 Keywords

Vestibule Training: It is the training on actual work to be done by an employee but away from the work place.

Transactional Analysis: It provides trainees with a realistic and useful method for analyzing and understanding the behavior of others.

Apprenticeship: Apprenticeship is a system of training a new generation of practitioners of a skill

9.6 Self Assessment Questions

1. What Is Training? What Are The Objectives Of Training Department?
2. Write the difference between Training and Development?
3. How Would You ensure that the Training is Effective for an Employee within the Company?
4. What are the different methods you could use in training employees?
5. What do you consider the key criteria for training to be effective?

9.7 Further readings

1. Mirza & Saiyaddin, Human Resource Management, Tata Mcgraw Hill, 2002.
2. Aswathappa, K. Human Resource and Personnel Management Tata McGraw Hill, New Delhi, 2nd ed., 2001.

Lesson Writer:

Mrs. N. Geetha Sony

Lesson - 10**CAREER PLANNING IN TOURISM AND CAREER
DEVELOPMENT****10.0 Objectives**

After going through this lesson, you will be able to :

- (i) know how to plan your career in the Tourism Industry
- (ii) know opportunities that are available in Tourism.
- (iii) creates awareness of the benefits of tourism.
- (iii) understand Succession planning in an Organization.
- (iv) learn the benefits of succession Planning

Structure

- 10.1 Introduction
- 10.2 Job prospects
- 10.3 Career planning in tourism and Hospitality
- 10.4 Succession planning
- 10.5 Benefits of succession planning
- 10.6 Keywords
- 10.7 Self Assessment Questions
- 10.8 Further Readings

10.1 Introduction

Tourism is a diverse industry which offers long-term career opportunities for enthusiastic individuals who want to put their education and skills to work in various environments. People in tourism may work indoors or outdoors, standard hours or on a flexible schedule, seasonal jobs or all-year-round. It's one of the most exciting and diverse career paths out there.

The travel and tourism industry, along with the related sectors contributing to it, is expected to grow in leaps and bounds in the coming years. A job in this industry can be highly exciting and adventurous and even pays well. In India, the travel industry hopes to create 46 million job opportunities by 2025. Though it was slow to take off in this country, the government's initiatives in this field are uncovering a bright future for those who want to make a career in this field.

India's potential in the field of travel and tourism is hardly close to being fulfilled. The country is a geographical anomaly, having almost all the geographical features available. According to a report published by the World Travel and Tourism Council (WTTC), India could possibly add another Rs. 8, 50,000 crores by the year 2020-just through tourism! WTTC calculated that tourism generated 8.31 lakh crore or 6.3 per cent of the nation's GDP in 2015 and supported 37.315 million jobs, which is about 8.7 per cent of its total employment.

10.1.1 What Is Tourism?

The tourism industry can be divided into five career areas: accommodation, food and beverage services, recreation and entertainment, transportation and travel services. All of these areas involve providing services to people who visit from other parts of the country and the world.

"Few of the career options are working in travel agencies, Customer Ground Handling (customer service) at international or domestic airports, tour operator, event manager, ticketing officer, adventure tourism expert, transport officer, holiday consultant, logistics, cruises, airlines, hotels, and tourism departments in government and private sectors". The travel and tourism industry provides various job roles.

10.1.2 Courses in travel and tourism:

Experience is the most important factor in this field. However, there are many colleges, universities and private institutes that offer Bachelor's or Master's degrees, diplomas, certificates or distance learning courses in various sectors of travel and tourism such as management in tourism, travel or hotels, tour operation or airline management, destination management, airline ticketing, travel administration etc.

- The Ministry of Tourism, Govt. of India approved post-graduation degree in this field is a two-year full time programme which gets you an MTA degree, a Master of Tourism Administration. Certain universities such as the Indian Institution of Tourism and Travel offer this degree
- You can join an undergraduate course right after completing class 12
- A post graduate degree can be helpful in getting into Positions as managers or in administration need a post graduate degree

Keeping in view the expected boom, the travel and tourism industry needs to focus on developing an efficient infrastructure and increase the intake of skilled personnel.

"Skills required could include knowledge of Computer reservation systems (CRS- Amadeus, Galileo, Sabre & Abacus), Air fares and ticketing skills, Language skills, Selling skills, experience of handling money & foreign currencies, Customer service, Travel agency management and travel & tourism geography knowledge" .

- Anyone working in the travel and tourism industry needs to ideally be armed with knowledge of the global culture and all aspects of travel business
 - He/she also needs to be completely aware of how to ensure customer satisfaction, while managing a large volume of business
 - A strong knowledge in history, geography, art and architecture of India are preferred
 - Employees in this industry need to be skilled, confident, well-groomed, should be able to handle people very well, and possess good interpersonal skills
 - It is preferable that employees know at least one foreign language apart from English
 - A diploma in public relations or advertising would prove to be helpful in building a career
 - Employees must be ready to work long or odd hours
 - Employees must be completely aware and up-to-date on all the rules and regulations concerning ticket booking or reservation, passports, visas, cargo and even fines where applicable, so that they can assist in getting paperwork and documentation done
- Promotion and employment aspects are bright in this field as of now because not many skilled employees are available. One can even plan to start their own business or start-up in travel and tourism by taking on additional employees and partners.

10.1.3 Important features of the travel and tourism industry:

- Travel and tourism is the largest earner of foreign exchange world-wide and employs millions of people directly or indirectly through associated service industries
- This industry includes everything from the government tourism departments and major multinational companies to the small scale private travel agents

- While working in this industry, one provides services to people who are travelling for business or holiday or both, thus catering to tour packages, pilgrim travel, adventure travel or casual sightseeing
- At almost every point of work in this field, employees need to interact personally with the customers and understand their needs while making them comfortable, so as to be able to provide the best service in terms of travel options and arrangements

Perks and payment:

Salary is pretty good in the travel and tourism industry. Moreover, you get added perks such as free travel or reduced rates for you and your family. Salaries are higher in foreign based airlines or travel agencies. Peak seasons might bring added bonuses and commission.

10.1.4 Why Career in Tourism?

According to the World Travel and Tourism Council, India could add a whopping Rs. 8,50,000 crores by the end of the year 2020 just through tourism. The tourism industry generated 8.31 lakh crore, i.e. 6.3% of the nation's GDP in 2015 and backed 3 lakhs jobs in the process, which is about 8.7% of the country's total employment. This clearly shows the potential of the tourism sector in India and also confirms that the industry is on the path of exponential growth.

10.1.5 What skills must you possess?

The primary skills required to do well in the tourism sector include knowledge of computer reservation systems like CRS – Amadeus, Sabre & Abacus. In addition, students need to build their skills in handling money & foreign currencies, customer service, knowledge of geography and travel agency management. Some other key skills required in the tourism profession are as follows:

- Tourism students need to develop interest in knowing the global culture and all aspects of travel business
- Customer relation management while dealing with large volumes of business is also a major skill tourism students need to acquire
- In-depth knowledge of India's History, Geography, Architecture and Monuments
- Employees in this industry should be well-groomed and possess strong interpersonal skills

- Knowledge of a foreign language will come in handy in this profession
- Employees must keep themselves updated of all the rules and regulations related to passports, visas, ticket booking, etc.

10.2 Job prospects in the Tourism Industry

Tourism can be highly exciting and adventurous. India as an ideal travel destination is expected to create 4.5 lakhs job opportunities by 2025. This is a clear sign that candidates who are skilled and understand how the tourism industry works will definitely grow in this profession.

Opportunities in private Sectors

In the private sector, candidates can get jobs in travel agencies, airline companies, hotels, cargo companies and transport agencies. In the public sector, one can find job opportunities with Directorates and Departments of tourism of the Centre and the State.

The good thing about the Tourism Industry is that candidates with a fair bit of experience and network can set up their own travel agency in future. Salary package in this industry depends upon the amount of experience, skill-set and position that a candidate is holding in a respective company. For instance, the average salary of a Travel Agent is around Rs. 3 lakhs per annum whereas the average salary of a Lodging Manager is around Rs. 5 lakhs. Similarly, the average salary of a Travel Coordinator, Front Office Executive and Tour Operation Manager is around Rs. 5 Lakhs, Rs. 2.5 Lakhs and Rs. 3 Lakhs respectively.

Tourism is a growth industry and a major creator of value added, the industry is vulnerable to a variety of economic, ecological, geopolitical and meteorological factors, which shape the nature of its labour force. The fact that it is difficult to maintain high permanent staffing levels has led to a generic tendency to operate on the basis of a limited core staff and to employ the labour needed for day-to-day operations under atypical contractual arrangements, because of which the economic rents from continuous learning and experience of the staff are lost to a great extent. Added to this are other constraints like long, anti-social working hours, low pay, low job status, etc, which collectively make employment within the industry appear unattractive to many.

The travel and tourism industry in India is becoming more and more competitive. The industry is challenged by a growing demand for customer orientation, increasing international competition, volatile markets in an insecure environment, changing customer demands towards individualization and significant potential in various market segments. The amateur stage of the travel business is long over. Over the last two decades, the travel companies have transformed their pattern and structure to meet tough challenges in the international tourism market.

So, in this volatile business environment, only that travel and tourism organization will succeed that will change to meet the competitive threats and opportunities to match the needs of a new travel market, and will bring flexibility, creativity, innovation, determination and professionalism into its operations. However, there are several human resource problems that plague the tourism sector, including low wages, high demand for staff flexibility, high staff turnover, and skill shortages.

Tourism Education

There is even a mismatch of tourism education with industry requirements, as a result of which qualifications from the tourism sector are much appreciated by other fields whereas qualifications from other sectors are found useful for tourism. Many qualified employees leave the sector and many trained tourism school graduates do not enter the sector, leading to a sheer waste of resources and skills. Forecasting of skills that will be needed in future, under conditions of sector volatility and vulnerability is a challenge.

Multi-skilling, newly emerging areas in tourism like special interest tourism (for example eco-tourism, rural tourism, indigenous tourism, cultural heritage tourism, religious tourism, medical tourism and adventure tourism), recreational tourism (at lakes, mountains and spas) and business tourism are increasing the demand for flexibility in existing skill-sets of manpower.

Demand for knowledgeable personnel

Additionally, in the tourism sector there is a universal, and sometimes overlapping, demand for knowledge and competencies. These include tourism-related knowledge and competencies (for example, knowledge of tourism products, tourism services, destinations and tourist attractions, comprehension of geography and climate, reservation and ticketing expertise, reservation systems, fare calculations, itinerary planning, time differentials, conferences and conventions planning, visa and travel insurance, foreign exchange services,

MIS reporting for corporate account management, etc.) as well as business-knowledge competencies (for example, customer orientation, selling techniques, marketing and negotiation skills, decision-making and problem-solving, etc). Advanced knowledge and competencies may include foreign languages, product design and development. Sustainability-oriented tourism development requires a number of HRD strategies aimed at the tourism industry personnel, host community and the tourists, and underpinned by concepts and practices of sustainability. Sustainability based work culture, professional ethics and operational practices are basic to sustainability in tourism.

In a study of human resource management problems in the Thai tourism industry, it was found that there was a shortage of trained personnel, especially at the managerial level and there was no single agency responsible for human resource development in the tourism industry. Among human resource management problems in the Latin American tourism industry were a lack of effective managerial training, lack of co-ordination between the education sector and the tourism industry, inadequate investment in training by private sector, insufficient and inadequately designed in-house training programmes, lack of travel agency training programmes and poor regulation of training institutions tourism. Indian tourism, despite its immense potential, has seen tardy development, and shortcomings in the HRD domain have contributed to this below par performance. Within the published studies of HRM in tourism, two consistent problems that feature in the reports include skill shortage at the senior and technical levels and poor manpower planning. In a study of human resource management problems in the Thai tourism industry, it was found that there was a shortage of trained personnel, especially at the managerial level and there was no single agency responsible for human resource development in the tourism industry .Among human resource management problems in the Latin American tourism industry were a lack of effective managerial training, lack of co-ordination between the education sector and the tourism industry, inadequate investment in training by private sector, insufficient and inadequately designed in-house training programmes, lack of travel agency training programmes and poor regulation of training institutions .

All these challenges can be overcome by efficient and skilled manpower. For medium-sized and large tourism enterprise, human resource issues and the factors affecting their performance are usually linked to the staff and workforce and therefore recognizing the role of on-going development of the staff resource to achieve strategic goals become essential. Re-investment in the human resource through on-going training and development

of the employee skills and ability to create and add value to the organization are inherent qualities for which successful tourism enterprises are recognized throughout the world. Training of the tourism professionals is extremely important. Improving the skills and knowledge of the workforce can assist destination competitiveness and help to establish and maintain a viable industry.

10.2.1 Enhancing skills to increase employability

The need for skills, knowledge and vision is being felt more and more today. With new offers and services emerging in tourism, the need for adequately qualified staff becomes even more critical. Thus, training and development plays an important role in developing professionalism in the business of tourism and travel agency operations. In fact, it is only exceptional learning and performance that will create a world that works better. Only those employees who keep themselves equipped with pertinent knowledge and competence in the workplace learning and performance field will excel. And, those who focus their efforts on developing human potential will survive in the long run.

10.3 CAREER PLANNING FOR TOURISM AND HOSPITALITY

Following must be considered while implementing a tourism training strategy

- Include training for local communities,
- To explain the role of parks and protected areas in sustaining ecosystems,
- to create an awareness of the economic opportunities and benefits of tourism,
- to identify and teach customer service standards,
- to adhere to sustainable tourism practices,
- to achieve consistent quality in guiding, accommodation, and customer service and to establish a basic community level knowledge of tourism marketing.
- Dovetail training programmes and methodologies to create sustainable tourism products and services.
- Adopt appropriate model for cooperation amongst various stakeholders.
- Identify in consultation with NGOs, UN Organizations at least one pilot project in each state.
- Establish occupational skills capacity building activities for tour operations, guiding, accommodations management, cuisine preparation and transportation.

- To improve professionalism and innovation, establish an executive board for a Tourism Training Forum, encourage tourism MSMEs to develop their own training strategies linked to investment in people, and propagation of Best Practices.

10.4 SUCCESSION PLANNING

Definition: Succession planning is a process by which individuals are scanned to pass on the leadership role within a company. The process ensures that business continues to operate efficiently without the presence of people who were holding key positions as they must have retired, resigned etc.

Succession Planning - Step Process

Step 1: Identify critical positions

Critical positions are the focus of succession planning efforts. Without these roles, the department or agency would be unable to effectively meet its business objectives. Workforce projection data or demographic analysis is essential in identifying risk areas. A risk assessment may also be conducted and compared to current and future vacancies to identify critical positions within your organization.

Step 2: Identify competencies

A clear understanding of capabilities needed for successful performance in key areas and critical positions is essential for guiding learning and development plans, setting clear performance expectations, and for assessing performance. By completing the process of competency or position profiling within your organization, current and future employees gain an understanding of the key responsibilities of the position including the qualifications and behavioural and technical competencies required to perform them successfully.

Step 3: Identify succession management strategies

Now that critical positions have been identified and have been profiled for competencies, the next step is to choose from a menu of several human resource strategies, including developing internal talent pools, on boarding and recruitment to address succession planning.

Step 4: Document and implement succession plans

Once strategies have been identified, the next step is to document the strategies in an action plan. The Succession Planning: Action Plan provides a mechanism for clearly defining timelines and roles and responsibilities.

Step 5: Evaluate Effectiveness

To ensure that the department or agency's succession planning efforts are successful, it is important to systematically monitor workforce data, evaluate activities and make necessary adjustments

10.5 BENEFITS OF SUCCESSION PLANNING

Corporate **succession planning** is the process of identifying and internally developing talent with the specific objective of replacing key business leadership positions in the company.

Reduce organizational risks by realizing the benefits of succession planning. The benefits of succession planning are numerous, but not always well recognized. Most corporate entities today, regardless of size and location, cannot do without a carefully crafted management succession plan. In order to minimize risks associated with the loss of valuable personnel, companies must engage in talent pool management by first realizing the benefits of succession planning.

Even though the concept of **corporate succession planning** is not new, it has received increased attention due to numerous advantages of **succession management**. These benefits are particularly important in a global business environment.

4 Benefits of Succession Planning

What distinguishes high-performing organizations from underperforming ones is that successful entities understand the benefits of succession planning and thus engage in it on a continuous basis. In other words, their leadership perceives **corporate succession planning** as an investment and not an expense.

Here are the 4 benefits of succession planning:

1st Benefit: Availability of capable individuals for management positions is increased. Effective **corporate succession planning** increases the availability of capable individuals

who are prepared to assume such roles as they become readily available. **Leadership roles** can easily be filled as senior executives retire or if the **senior management** positions are vacated due to resignation of key officers.

It then becomes imperative to realize that effective **talent management** is not simply about a position-driven replacement. The **succession planning process** is a well-planned-out, long-term procedure building a number of so-called "feeder groups" of qualified candidates, able to fill vacancies as they emerge.

2nd Benefit: The risk of losing experienced corporate leaders is minimized.

The most prominent potential benefit of **workforce planning** is associated with decreased risk of the loss of experienced corporate leaders. The existence of effective **corporate succession planning** diminishes the need for an external search of qualified candidates for a particular position.

3rd Benefit: Less financial resources will be spent in the external search and development of candidates.

It also minimizes use of time and financial resources looking for new people capable to run senior management positions in the company. In situations of abrupt personnel changes, the benefits of succession planning become very apparent. There will be less time and reduced financial expenditure on recruitment and leadership development as qualified internal candidates have been already identified and trained.

4th Benefit: HR departments can establish formal procedures to support the process of selecting top and middle management.

One of the **advantages of succession planning** concerns the ability of the HR department to engage and establish formal procedures to support the process of selecting top and middle management. Such actions minimize random or rushed selections, and re-establish the much-needed degree of commitment to corporate **succession planning** from everyone in the firm.

Even though organizations are often dissatisfied with the manner of its implementation, they cannot operate successfully without a well-developed **succession plan**. The key to a successful **leadership** management approach is to continuously engage and implement corporate **succession planning** and **talent management**.

10.6 Keywords

Tourism: is a diverse industry which offers long-term career opportunities for enthusiastic individuals who want to put their education and skills to work in various environments.

Enhancing skills to increase employability: The need for skills, knowledge and vision is being felt to acquire jobs.

Corporate succession planning : is the process of identifying and internally developing talent with the specific objective of replacing key business leadership positions in the company.

10.7 Self Assessment Questions

1. What are the career opportunities that are available in Tourism.
2. What are the skills that one must possess to do well in Tourism sector.
3. Explain the areas that must be considered while implementing a tourism training strategy?
4. What is Succession planning in an Organization? what are its benefits?

10.8 Further Readings

- De Cenzo, D.A. & Robbins S.P. Human Resource Management, 5th ed., New York, JohnWiley, 1994.
- Guy, Madhava & Mattock J. The New International Manager, London, Kogan Page, 1993.
- Aswathappa, Human Resource Management, TMH, 2006.

Lesson Writer:

Mrs. N. Geetha Sony

Lesson - 11**PERFORMANCE APPRAISAL****11.0 Learning Objectives:**

After reading this Lesson you should be able to understand

- To understand Performance Appraisal
- To know the process of Performance appraisal
- To know about the different methods of Performance Appraisal

Structure:

- 11.1 Introduction
- 11.2 Process of Performance Appraisal
- 11.3 Methods of Performance Appraisal
- 11.4 Keywords
- 11.5 Self-Assessment Questions
- 11.6 Further Readings

11.1 INTRODUCTION:

Performance appraisal is also known as employee evaluation, merit rating, employee assessment, etc. It is a systematic process of appraising an employee's current and past performance relative to his/her performance parameters. The employee's performance should be based on organizational expectations and employee's actual performance. The idea that performance evaluation improves employee's performance is not a new one but it is seen in the roots of development of mankind. Each person is motivated when he is told about his actual performance and accepts what were his/her previous mistakes. Performance appraisal process may be held annually or monthly as per needed.

Performance appraisal has been defined by different scholars in various ways. Some of the important definitions are as follows:

Definitions:

Dale S. Beach, "Performance appraisal is systematic evaluation of the individual with respect to his or her performance on the job and his or her potential for development".

Randall S. Schuler, "Performance appraisal is a formal, structured system of measuring and evaluating an employees job, related behaviour and outcomes to discover how and why the employee is presently performing on the job and how the employee can perform more effectively in the future so that the employee, organisation, and society all benefit."

Heyel, "It is the process of evaluating the performance and qualifications of the employees in terms of the requirements of the job for which he is employed, for purposes of administration including placement, selection for promotions, providing financial rewards and other actions which require differential treatment among the members of a group as distinguished from actions affecting all members equally."

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

11.2 PROCESS OF PERFORMANCE APPRAISAL:

The six steps involved in process of performance appraisal are as follows:

1. Establish Performance Standards
2. Communicate Performance Expectation to Employee
3. Measure Actual Performance
4. Compare Actual Performance with Standards
5. Discuss the Appraisal with the Employee
6. Initiate Corrective Actions.

1. Establish Performance Standards:

The appraisal process begins with the establishment of performance standards. The managers must determine what outputs, accomplishments and skills will be evaluated. These standards should have evolved out of job analysis and job descriptions.

These performance standards should also be clear and objective to be understood and measured. Standards should not be expressed in an articulated or vague manner such as "a good job" or "a full day's work" as these vague phrases tells nothing.

2. Communicate Performance Expectations to Employees:

Once the performance standards are established, this need to be communicated to the respective employees so that they come to know what is expected of them. Past experience indicates that not communicating standards to the employees compounds the appraisal problem.

Here, it must be noted that mere transference of information (relating to performance standards, for example) from the manager to the employees is not communication. It becomes communication only when the transference of information has taken place and has been received and understood by the employees'.

The feedback from the employees on the standards communicated to them must be obtained. If required, the standards may be modified or revised in the light of feedback obtained from the employees. It is important to note that communication is a two-way street.

3. Measure Actual Performance:

This is the third step involved in the appraisal process. In this stage, the actual performance of the employee is measured on the basis of information available from various sources such as personal observation, statistical reports, oral reports, and written reports.

Needless to mention, the evaluator's feelings should not influence the performance measurement of the employee. Measurement must be objective based on facts and findings.

This is because what we measure is more critical and important to the evaluation process than how we measure.

4. Compare Actual Performance with Standards:

In this stage, the actual performance is compared with the predetermined standards. Such a comparison may reveal the deviation between standard performance and actual performance and will enable the evaluator to proceed to the fifth step in the process, i.e., the discussion of the appraisal with the concerned employees.

5. Discuss the Appraisal with the Employee:

The fifth step in the appraisal process is to communicate to and discuss with the employees the results of the appraisal. This is, in fact, one of the most challenging tasks the manager's face to present an accurate appraisal to the employees and then make them accept the appraisal in a constructive manner.

A discussion on appraisal enables employees to know their strengths and weaknesses. This has, in turn, impact on their future performance. Yes, the impact may be positive or negative depending upon how the appraisal is presented and discussed with the employees.

6. Initiate Corrective Action:

The final step in the appraisal process is the initiation of corrective action when it is necessary. The areas needing improvement are identified and then, the measures to correct or improve the performance are identified and initiated.

The corrective action can be of two types. One is immediate and deals predominantly with symptoms. This action is often called as “putting out fires.” The other is basic and delves into causes of deviations and seeks to adjust the difference permanently.

This type of action involves time to analyse deviations. Hence, managers often opt for the immediate action, or say, “put out fires”. Training, coaching, counselling, etc. is the common examples of corrective actions that managers initiate to improve the employee performance.

11.3 Methods of Performance Appraisal In Tourism:

Traditional methods:

Following are the tools used by the organizations for Performance Appraisals of their employees. We will be discussing the important **performance appraisal tools and techniques** in detail.

1. Ranking Method

The ranking system requires the rater to rank his subordinates on overall performance. This consists in simply putting a man in a rank order. Under this method, the ranking of an employee in a work group is done against that of another employee. The relative position of each employee is tested in terms of his numerical rank. It may also be done by ranking a person on his job performance against another member of the competitive group.

Advantages of Ranking Method

- i. Employees are ranked according to their performance levels.
- ii. It is easier to rank the best and the worst employee.

Limitations of Ranking Method

- iii. The “whole man” is compared with another “whole man” in this method. In practice, it is very difficult to compare individuals possessing various individual traits.
- iv. This method speaks only of the position where an employee stands in his group. It does not test anything about how much better or how much worse an employee is when compared to another employee.

- v. When a large number of employees are working, ranking of individuals become a difficult issue.
- vi. There is no systematic procedure for ranking individuals in the organization. The ranking system does not eliminate the possibility of snap judgments.

2. Forced Distribution Method

This is a ranking technique where raters are required to allocate a certain percentage of rates to certain categories (eg: superior, above average, average) or percentiles (eg: top 10 percent, bottom 20 percent etc). Both the number of categories and percentage of employees to be allotted to each category are a function of performance appraisal design and format. The workers of outstanding merit may be placed at top 10 percent of the scale, the rest may be placed as 20 % good, 40 % outstanding, 20 % fair and 10 % fair.

Advantages of Forced Distribution

- i. This method tends to eliminate raters bias
- ii. By forcing the distribution according to pre-determined percentages, the problem of making use of different raters with different scales is avoided.

Limitations of Forced Distribution

- iii. The limitation of using this method in salary administration, however, is that it may lead low morale, low productivity and high absenteeism.

Employees who feel that they are productive, but find themselves in lower grade (than expected) feel frustrated and exhibit over a period of time reluctance to work.

3. Critical Incident techniques

Under this method, the manager prepares lists of statements of very effective and ineffective behaviour of an employee. These critical incidents or events represent the outstanding or poor behaviour of employees or the job. The manager maintains logs of each employee, whereby he periodically records critical incidents of the workers behaviour. At the end of the rating period, these recorded critical incidents are used in the evaluation of the worker's performance. Example of a good critical incident of a Customer Relations Officer is : March 12 - The Officer patiently attended to a customers complaint. He was very polite and prompt in attending the customers problem.

Advantages of Critical Incident techniques

- i. This method provides an objective basis for conducting a thorough discussion of an employees performance.
- ii. This method avoids recency bias (most recent incidents are too much emphasized)

Limitations of Critical Incident techniques

- iii. Negative incidents may be more noticeable than positive incidents.
- iv. The supervisors have a tendency to unload a series of complaints about the incidents during an annual performance review sessions.
- v. It results in very close supervision which may not be liked by an employee.
- vi. The recording of incidents may be a chore for the manager concerned, who may be too busy or may forget to do it.

4. Checklists and Weighted Checklists

In this system, a large number of statements that describe a specific job are given. Each statement has a weight or scale value attached to it. While rating an employee the supervisor checks all those statements that most closely describe the behaviour of the individual under assessment. The rating sheet is then scored by averaging the weights of all the statements checked by the rater. A checklist is constructed for each job by having persons who are quite familiar with the jobs. These statements are then categorized by the judges and weights are assigned to the statements in accordance with the value attached by the judges.

Advantages of Checklists and Weighted Checklists

- i. Most frequently used method in evaluation of the employees performance.

Limitations of Checklists and Weighted Checklists

- ii. This method is very expensive and time consuming
- iii. Rater may be biased in distinguishing the positive and negative questions.
- iv. It becomes difficult for the manager to assemble, analyze and weigh a number of statements about the employees characteristics, contributions and behaviors.

Modern methods:**Assessment Centre Method**

This method is used to test the individual in various social situations by using a number of procedures and assessors. The performance, as well as the potential of an employee, is evaluated by this method by assessing his performance on the job-related simulations.

It includes all the characteristics which the concerned manager feel is important for a candidate to get success in his job. This method uses different techniques such as business games role play and in-basket exercises. It also includes a personal interview and projective tests to assess the career orientation, motivation and dependence on others of an employee. To assess the intellectual capacity of an employee, written tests are used. Experienced managers are the ones who evaluate this method and then prepare a summary report for the employees as well as the management. This **performance appraisal technique** is used to measure the planning ability, organizational skills, and interpersonal skills of an employee.

Human Resource Accounting Method

Organizations, who want to evaluate the net contribution of an employee to the company in terms of monetary aspects, use this **performance evaluation method**. It is used for assigning, budgeting and reporting the cost of the human capital in an organization which includes the salaries, wages and all other training expenses. Organizations, who consider their human capital as valuable assets, use this method to find out the relative worth of their assets in terms of money. The method assesses the cost of employees and their contribution to the company, ideally, the contribution part should be greater than the cost incurred on them. The difference then shows the performance of the employees.

Behaviorally Anchored Rating Scale (BARS)

This method combines the critical incident and graphic rating scale method. This **appraisal technique** gives emphasis on the job related behaviours of the employees. The method breakdowns the job into various behaviours which are listed on the rating scale. Then the actual behaviors of the employee are compared with the predetermined behaviors rated on the scale.

Management By Objectives (MBO)

This concept was introduced in 1954, by Peter Drucker, to overcome the flaws of traditional appraisal methods. In this method, the superior and the subordinates of an organization together identify its common goals; firstly the organizational goals are defined based on which individual goals are defined by the employees. The performance of the employees is then reviewed on the basis of achievements of individual goals. The method consists of four steps: setting of goals, setting performance standards, comparing the achieved goals with the goals agreed on, and periodic review to take corrective steps for better performance.

Psychological Appraisal Method of Performance Appraisal

It is one of the **new methods of performance appraisal** which is widely used by the organizations to assess the employee's potential for the future performance instead of the past performance, by a psychologist. The psychologist conducts various psychological tests, in-depth interviews, discussions with the supervisors and considers reviews of other evaluations. This **appraisal technique** is used to determine the emotional, intellectual, motivational and other concerned characteristics of an employee which are mandatory to predict his/her potential for the future performance.

360 Degree Appraisal

It is another **staff appraisal** method wherein the details of an employee's performance are collected from other stakeholders which include the peers, superiors, colleagues and self. It is used to make the appraisal process more objective, participative, and transparent. It is called a 360 degree appraisal because it involves the persons above him, alongside him, below him as well as a self-appraisal to evaluate an employee's performance.

720 Degree Appraisal

It is also one of the **new methods of performance appraisal** wherein the assessment is not only done by the stakeholders within the organization but also by the groups outside the organizations including the customers, suppliers, investors, etc. This is one of the methods which is used to determine the success of the organization as whole

All these **modern methods of performance appraisal** have a broader scope than any of the traditional method and provide a more comprehensive as well as accurate evaluation of a candidate. Amongst all these **appraisal techniques**, organizations can choose which one will be the **best performance appraisal methods** for them to identify the performance of their employees.

11.4 Keywords:

Performance Appraisal: A *performance appraisal* is a regular review of an *employee's job performance* and overall contribution to a company.

Assessment: the action of assessing someone or something.

Rating scale: Rating scale is defined as a closed-ended survey question used to represent respondent feedback in a comparative form for specific particular features/products/services

Employees: a person employed for wages or salary, especially at non-executive level.

11.5 Self-Assessment Questions:

1. Define Performance Appraisal
2. Explain the process of performance appraisal?
3. Bring out the various traditional methods of performance appraisal in tourism sector
4. Bring out the various modern methods of performance appraisal in tourism sector

11.6 Further readings:

1. Noe, Hollenbek-Fundamentals of Human resource Management, 7th Edition, Mc Graw Hill.
2. K.Aswathappa- Human Resource Management 8th edition Mc Graw Hill
3. Tanuja Agarwala- Strategic Human Resource Management, Oxford Publication
4. P.Subba Rao-Essentials of Human Resource Management and Industrial Relations, Himalaya Publishing
5. P.Subba Rao, Sohlal Somani- Human Resource Management, Himalaya Publishing

Lesson Writer

Sri I. Satyanarayana Raju

Lesson – 12**WAGE AND SALARY ADMINISTRATION****12.0 Learning Objectives:**

After reading this Lesson you should be able to understand

- To understand the wage and Salary Administration
- To know the objectives of the salary Administration
- To know about Principles of wage and Salary Administration
- Understand the influencing factors of wages and Salaries

Structure:

12.1 Introduction

12.2 Wage and Salary Administration

12.3 Objectives of wage and salary administration

12.4 Principles of wage and salary administration

12.5 Factors influencing the wage and salary administration

12.6 Self-Assessment Questions

12.7 Further Readings

12.1 INTRODUCTION:

Wage and salary administration is a collection of practices and procedures used for planning and distributing company-wide compensation programs for employees. These practices include employees at all levels and are usually handled by the accounting department of a company. Employees' compensation is one of the major determinants of employee satisfaction in an organization. The compensation policy and the reward system of an organization are viewed by the employee as indicators of the management's attitude and concern for them. It is not just the compensation in total, but its fairness as perceived by the employees that determines the success of a wage and salary administration system. Hence, it is very important for the management to design and implement its compensation system with utmost care and tact. A good wage and salary administration should be able to attract and retain employees, give them a fair deal, keep the organization competitive and motivate employees to perform their best. Wage and salary determination and its administration has

always remains sensitive issue for an organizational management, since employees moral, motivation, productivity and their relationship with the management more or less associated with the compensation management system. Furthermore compensation has always remained as a major yardstick for the success or failure or concern for the employees by an organization. Traditionally, pay scales in companies reflected the importance of the work and the responsibility level. Today organization tries more to assess the worth of an individual in terms of his performance and contribution to the organization. With the growing demands of the workforce and the constant challenges in the business environment, organizations have to evolve an accurate system for evaluating jobs.

12.2 WAGE AND SALARY ADMINISTRATION

Wage and salary administration affect levels of employee commitment to the organization. However, fascinating the individual's job assignment is, the employee must be paid. Pay affects the way people work-how much and how well. A large part of the compensation that people receive from work is monetary. Although managers are expected to conserve money and distribute it wisely, many employees feel that they should get more of it for what they do. Wages, salaries and many employee benefits and services are form of compensation.

Administration of employee compensation is called **wage and salary administration**. According to D.S. Beach "**Wage and Salary Administration** refers to the establishment and implementation of sound policies and practices of employee compensation. It includes such areas as job evaluation, surveys of wage and salaries, analysis of relevant organizational problems, development and maintenance of wage structure, establishing rules for administrating wages, wage payment incentives, profit sharing, wage changes and adjustments, supplementary payments, control of compensation costs and other related items."

The **wage and salary administration** aims to establish and maintain an equitable wage and salary structure and an equitable labor cost structure.

12.3 Objectives Of Wage And Salary Administration:

A sound plan of wage and salary administration seeks to achieve the following objectives:

- To establish a fair and equitable compensation offering similar pay for similar work.
- To attract competent and qualified personnel.

- To retain the present employees by keeping wage levels in tune with competitive units.
- To keep labor and administrative costs in line with the ability of the organization to pay.
- To improve motivation and morale of employees and to improve union management relations.
- To project a good image of the company and to comply with legal needs relating to wages and salaries.
- To establish job sequences and lines of promotion wherever applicable.
- To minimize the chances of favoritism while assigning the wage rates.

12.4 Principles of Wage and Salary Administration:

The following principles should be followed for an effective wage and salary administration;

- Wage policy should be developed keeping in view the interests of all concerned parties viz., employer, employees, the consumers and the society.
- Wage and salary plans should be sufficiently flexible or responsive to changes in internal and external conditions of the organization.
- Efforts should be made to ensure that differences in pay for jobs are based on variations in job requirements such as skill, responsibility, efforts and mental and physical requirements.
- Wage and salary administration plans must always be consistent with overall organizational plans and programmes.
- Wage and Salary administration plans must always be in conformity with the social and economic objectives of the country like attainment of equality in income distribution and controlling inflation, etc.
- These plans and programmes should be responsive to the changing local and national conditions.
- Wage and salary plans should expedite and simplify administrative process.
- Workers should be associated, as far as possible, in formulation and implementation of wage policy.
- An adequate data base and a proper organizational set up should be developed for compensation determination and administration.

- The general level of wages and salaries should be reasonably in line with that prevailing in the labor market.
- There should be a clearly established procedure for hearing and adjusting wage complaints. This may be integrated with the regular grievance procedure, if it exists.
- The workers should receive a guaranteed minimum wage to protect them against conditions beyond their control.
- Prompt and correct payments to the employees should be ensured and arrears of payment should not accumulate.
- The wage and salary payments must fulfil a wide variety of human needs including the need for self actualization.
- Wage policy and programme should be reviewed and revised periodically in conformity with changing needs. For revision of wages, a wage committee should also be preferred to the individual judgement however unbiased of a manager.

12.5 Factors Influencing Wage and Salary Administration

The wage payment is an important factor affecting the labor management relations. Workers are very much concerned with the rates of wages as their standard of living is linked to the amount of remuneration they get. Managements, however, do not come forward to pay higher wages because cost of production goes up and profits decrease to that extent. A number of factors, thus, influence the remuneration payable to the employees. The **factors influencing Wage and Salary Administration** can be categorized into (i) External Factors and (ii) Internal Factors.

1. External factors influencing Wage and Salary Administration

- **Demand and supply:** The labor market conditions or demand and supply forces operate at the national and local levels and determine organizational wage structure. When the demand of a particular type of labor is more and supply is less then the wages will be more. On the other hand, if supply of labor is more demand on the other hand, is less then persons will be available at lower wage rates also. In the words of Mescon, 'the supply and demand compensation criterion is very closely related to the prevailing pay, comparable wage and on going wage concepts since, in essence all of these remuneration standards are determined by immediate market forces and factors.
- **Cost of living:** The wage rates are directly influenced by cost of living of a place. The workers will accept a wage which may ensure them a minimum standard of living. Wages

will also be adjusted according to price index number. The increase in price index will erode the purchasing power of workers and they will demand higher wages. When the prices are stable then frequent wage increases may not be undertaken.

- **Trade unions bargaining power:** The wage rates are also influenced by the bargaining power of trade unions. Stronger the trade union higher will be the wage rates. The strength of a trade union is judged by its membership, financial position and type of leadership. Union's last weapon is strike which may also be used for getting wage increases. If the workers are disorganized and disunited then employers will be successful in offering low wages.
- **Government legislation:** To improve the working conditions of workers, government may pass a legislation for fixing minimum wages of workers. This may ensure them a minimum level of living. In under developed countries bargaining power of labor is weak and employers try to exploit workers by paying them low wages. In India, Minimum Wages Act, 1948 was passed to empower government to fix minimum wages of workers.
- **Psychological and social factors:** Psychological the level of compensation is perceived as a measure of success in life. Management should take into consideration the psychological needs of the employees while fixing the wage rates so that the employees take pride in their work. Sociologically and ethically, the employees want that the wage system should be equitable, just and fair. These factors should also be taken into consideration while devising a wage programme.
- **Economy:** Economy also has its impact on wage and salary fixation. While it may be possible for some organizations to thrive in a recession, there is no doubt that economy affects remuneration decisions. A depressed economy will probably increase the labor supply. This, in turn, should lower the going wage rate.
- **Technological development:** With the rapid growth of industries, there is a shortage of skilled resources. The technological developments have been affecting skills levels at faster rates. Thus, the wage rates of skilled employees constantly change and an organization has to keep its level up-to-the mark to suit the market needs.
- **Prevailing market rates:** No enterprise can ignore prevailing or comparative wage rates. The wage rates paid in the industry or other concerns at the same place will form a base for fixing wage rates. If a concern pays low rates then workers leave their jobs whenever they get a job somewhere else. It will not be possible to retain good workers for long.

2. Internal factors influencing Wage and Salary Administration

- **Ability to pay:** The ability to pay of an enterprise will influence wage rates to be paid. If the concerns is running into losses then it may not be able to pay higher wage rate. A profitable concern may pay more to attract good workers. During the period of prosperity, workers are paid higher wages because management wants to share the profits with labor.
- **Job requirements:** Basic wages depend largely on the difficulty level, and physical and mental effort required in a particular job. The relative worth of a job can be estimated through job evaluati. Simple, routine tasks that can be done by many people with minimum skills receive relatively low pay. On the other hand, complex, challenging tasks that can be done by few people with high skill levels generally receive high pay.
- **Management strategy:** The overall strategy which a company pursues should determine to remuneration to its employees. Where the strategy of the organization is to achieve rapid growth, remuneration should be higher than what competitors pay. Where the strategy is to maintain and protect current earnings, because of the declining fortunes of the company, remuneration level needs to be average or even below average.
- **Employee:** Several employee related factors interact to determine his remuneration.
- **Performance or productivity** is always rewarded with a pay increase. Rewarding performance motivates the employees to do better in future.
- **Seniority.** Unions view seniority as the most objective criteria for pay increases whereas management prefer performance to effect pay increases.
- **Experience.** Makes an employee gain valuable insights and is generally rewarded.
- **Potential.** Organization do pay some employees based on their potential. Young managers are paid more because of their potential to perform even if they are short of experience.

Keywords:

Salary Administration: salary administration is a collection of practices and procedures used for planning and distributing company-wide compensation programs for employees. These practices include employees at all levels and are usually handled by the accounting department of a company.

Wages: A fixed regular payment earned for work or services, typically paid on a daily or weekly basis.

Salary: a fixed regular payment, typically paid on a monthly basis but often expressed as an annual sum, made by an employer to an employee, especially a professional or white-collar worker.

12.6 Self-Assessment Questions:

1. Difference between the wages and salaries
2. Describe about the salary administration
3. Briefly describe about the objectives of wages and salary administration?
4. Explain the various principles of wages and salary administration?
5. What are the factors influencing of the wages and salaries?

12.7 Further Readings:

* Tanuja Agarwala- Strategic Human Resource Management, Oxford Publication

*P.Subba Rao-Essentials of Human Resource Management and Industrial Relations,
Himalaya Publishing

*P.Subba Rao, Sohlal Somani- Human Resource Management, Himalaya Publishing

Lesson Writer

Sri I. Satyanarayana Raju

Lesson - 13**EMPLOYEE EMPOWERMENT****13.0 Learning Objectives:**

After reading this Lesson you should be able to understand

- To understand about the Employee Empowerment
- To know the importance of employee empowerment
- To know about advantages of employee empowerment
- Understand the disadvantages of employee empowerment

Structure:

13.1 Introduction

13.2 Importance of Employee Empowerment

13.3 Advantages of Employee Empowerment

13.4 Disadvantages of Employee Empowerment

13.5 Self-Assessment Questions

13.6 Further Readings

13.1 INTRODUCTION:

Empowering employees is a win-win situation for both the employee and the organization. From the employee point of view, it helps them improve their skills and develop and on the other side organizations can expect more productivity and growth from their employees. Empowerment helps employees to think practically and take decisions as per the required situation, it is an opportunity for them to take control of the situation and be independent.

Employee empowerment can be done by,

- Obtaining opinions and suggestions from the employees
- Motivating the employee for sharing information and required resources
- Trying out the employee ideas
- Help the employee to develop their communication skills

13.2 Importance of Employee Empowerment:

- Employee empowerment helps in developing productivity and cost reduction
- Providing employee complete freedom to take up judicious decisions
- Employees feel self-esteem, self-efficacy and self-confidence.
- Allocating right authority for the betterment of the organization
- Helps employees feel self-reliant
- Better decision making can lead to great self-confidence
- Motivates employee to take independent decisions
- Helps in increasing the organization efficiency
- Provides the organization an opportunity to assign projects to test the employee competence
- Boosts the employee morale

Necessity of Employee Empowerment Process:

- Importance of responding on time
- The employee must be ready to take up vital decisions
- Helps the employee to build and manage their life fully
- Aid in developing the potential in employees

13.3 Advantages of Employee Empowerment:

Some of the benefits of employee empowerment include the following:

1. Boosts productivity and reduces costs:

An expert from an educational foundation once said that employees usually have great ideas when it comes to **boosting productivity and reducing costs**.

But companies have to know how they must ask for such ideas and pay attention to the employees as well.

Often it will take an employee who is stepping outside their territory and show the benefits of empowering employees.

Employees who are confident about their input and think it has been valued, will listen to it, act upon and will be likely to share the ideas, benefiting the employer and the employee.

2. Having better service:

He is also experienced in this field and thinks that empower employees do have the power to make such decisions without taking help from the supervisor.

They also have the right to go and do something else, bend those rules and do what they can see and fit if they know that it is the correct thing to do for their customers.

Apart from any other feeling, the empowered employees will be able to create the feelings of a true customer service which will yield customer loyalty.

Companies which give their employees the freedom to make such decisions may end up becoming more successful in the near future.

3. Can embrace change:

Empowered employees are always free to change and challenge the status quo that is considered quite critical for companies that are changing fast and are driven by environment and technology.

Companies and employees are feeling comfortable about questioning their status quo, these companies will most probably stay stagnant since companies may swiftly get past them.

By establishing an environment where the employees are feeling free to question, offer and challenge new ideas may avoid such a problem and help the employers and employees in the same process.

4. Improves the quality of work:

When you empower your employees, you make them feel like they have been participating in the organization and helping it grow.

They also want to know what they are contributing towards and if the success of the organization is growing or not.

The employees are hence given the flexibility and the freedom to help make a change in their working environment. They feel empowered and deliver work of very high quality.

Not just that, empowered employees also take a personal ride in their work and do take the responsibility for doing a good and proper job.

As a result of this, the organization will reap such benefits of employees by delivering higher quality services and products.

5. Collaboration:

Since employees have been treated and empower as essential components within the organization, they gain a lot of self confidence as well as their abilities to influence the organization.

They will be a lot more comfortable when it comes to changing and giving each other new ideas, collaborating with other people and in a manner that is honest and open.

Their behaviour will also **promote and boost team work** and increase involvement to support the company wide goals which cannot be achieved in any work force that is not connected to one another.

Collaboration will allow the organization to achieve a lot more than any individual can achieve on their own.

6. Communication is boosted:

In order to combat that, managers should be willing to work on themselves and communicate within the reaches of appropriateness, the staff and keeping them informed when it comes to environment and jobs.

The management has to be receptive when it comes to input of employees and gives them a better sense of control over strategic and financial decision.

Once the culture takes root, the employees will become more comfortable and share their ideas with management and improve the morale of the workplace. In return, the employees shall become more receptive to any positive coaching from their managers.

7. Clients are much happier:

When the clients have been given a lot of power, they feel very happy and satisfied with their position. They become more enthusiastic and feel better. This happens to be a key area when financial improvements have been realized from empowering their employees.

The clients always communicate with the attentive and friendly staff, regardless of their enterprise!

And the empowered personnel will take a much more personal approach with their clients and focus on creative and better ways to solve problems that appear much less tied to the policy of the company.

In turn, the company will feel increased concern and improve retention and loyalty.

13.4 Disadvantages of Employee Empowerment

Here are some disadvantages that come with employee empowerment:

1. Abusing power:

Most empowered employees tend to abuse their power when they have been given the power to make decisions the way they want to.

But there is a slight chance and a huge possibility of these employees and them taking advantage of the empowered for better and even more personal gain.

This also means that the employees may become less responsible for efficient based decisions they have made.

For example, the employee may want to spend some time on non work related things such as breaks and committee meetings.

2. Interpersonal relations:

With empowering employees comes the complexity of interpersonal relations. They could bring conflicts and misunderstanding between employees and their managers.

In any organization or culture that we belong to, we have a rigid and high hierarchy where the managers have a tough time while trying to accept a better culture of empowering employees. These conflicts could result on any environment where the employees as well as management cannot have proper working relations.

Even when empowerment could provide you with subordinate employees as well as job satisfaction, it could deprive their managers at the same time.

3. Additional costs of training:

Empowering employees may need you to have a proper training program for educating employees regarding assertiveness, leadership skills as well as group dynamics.

Even though the training is beneficial, the extra costs as well as time could be incurred by the business in order to make it happen.

Additionally, the training program will guarantee that the employee empowerment process will get you positive results.

4. Poor knowledge and understanding:

Even though the capacity to make decisions could be considered laudable, it comes with a few negative points as well.

Employees will not have enough knowledge regarding various decisions of business which can undermine the success of company and may cause more interrelation conflicts.

Having little knowledge could be due to lack of enough training or maybe because an employee could be competent when a task has been assigned.

For example, when a team leader is in charge of such sales and feels the need to contribute towards the IT department, will operate and make poor decisions at the same time. The team leader will also have conflict with the department employees.

5. Arrogance:

When employees have been given enough power, their confidence level is highly increased. Though it could be a great thing to be confident, the sad part is that too much confidence is not a great thing either.

Confidence levels in this case are far too high up and they also cross the line into becoming arrogant. People who are arrogant are quite difficult to handle and don't take up the direction properly which does become insubordinate in the future.

When you are working with such a kind of environment, it could take a toll on all employees and once again become all dissatisfied with the productivity levels and job.

6. Risks of security and confidentiality:

One way that all employees empower is that the employees end up sharing information that is not supposed to be shared with others.

The exchange of ideas which are free and the information which makes the employees feel very important and appreciated will end up helping and empowering them a lot too.

However there is a lot of information that has been exchanged freely with people through the company and has a boosted and increased risk when it comes to security and confidentiality and is leaked to all parties that usually don't have any access to that kind of information.

Keywords:

Employee: a person employed for wages or salary, especially at non-executive level.

Employer: Employer stands for the one who provides employment which means owner or organization who is paying you salary.

Empowerment: Employment is a paid work agreement between an employer and an employee.

13.5 Self-Assessment Questions:

1. Define Employee Empowerment
2. Explain the important of employee empowerment?
3. Bring out the advantages of employee empowerment?
4. Elucidate the disadvantages of employee empowerment?

13.6 Further Readings:

1. Noe, Hollenbek-Fundamentals of Human resource Management,7th Edition,Mc Graw Hill.
2. K.Aswhappa- Human Resource Management 8th edition Mc Graw Hill
3. Tanuja Agarwala- Strategic Human Resource Management, Oxford Publication
4. P.Subba Rao, Sohnal Somani- Human Resource Management, Himalaya Publishing

Lesson Writer

Sri I. Satyanarayana Raju

Lesson - 14**EMPLOYEE WELFARE AND JOB SATISFACTION****14.0 Learning Objectives:**

After reading this Lesson you should be able to understand

- To understand about the Employee welfare
- To know the types of welfare measures of inside the workplace.
- To know about welfare measures outside the workplace.

Structure:

14.1 Introduction

14.2 Types of welfare measure of inside the workplace

14.3 Welfare measures outside the workplace.

14.4 Self-Assessment Questions

14.5 Further Readings

14.1 INTRODUCTION:

Meaning & definition of Employee Welfare Employee welfare means “the efforts to make life worth living for workmen. According to Todd “employee welfare means anything done for the comfort and improvement, intellectual or social, of the employees over and above the wages paid which is not a necessity of the industry. Maintaining a healthy and safe work environment and improving staff motivation and productivity are critical issues for every workplace. Significant social, economic and demographic changes have led organisations to review how they manage and support individuals and the level of flexibility that they can make available.

14.2 Types of Welfare Measures

Welfare measures

A comprehensive list of welfare activities on labour welfare into two broad groups, namely:

1. Welfare measures inside the work place; and
2. Welfare measures outside the work place.

1. Welfare Measures inside the Work Place**a) Conditions of the work Environment**

Safety and cleanliness: attention to approaches.

Housekeeping

Workshop sanitation and cleanliness.

Control of effluents

Convenience and comfort during work

Distribution of work hours

Workmen's safety measures

Supply of necessary beverages

Notice Boards

b) Conveniences

Provision of drinking water

Urinals and bathrooms

Provision for spittoons

Canteen services

Rest rooms and reading rooms

C) Worker's Health Services

Factory health center

Dispensary

Ambulance

Emergency aid

Health education

d) Women and Child Welfare

Services Crèche and child care

Separate services for woman workers

Family planning

e) Workers' recreation

Indoor games; strenuous games to be avoided during intervals of work

f) Economic services

Co operatives, loans, financial grants

Thrift and savings schemes

Un employment insurance

Profit sharing and bonus schemes

Gratuity and pension

g) Labour management participation

Formation and working of various committees

Workmen's arbitration council

Research bureau

h) Workers education

Reading room

Library

Adults education

Daily news review

Factory news bulletin

14.3 Welfare Measures Outside The Workplace:

- a) Water, sanitation, waste disposal.
- b) Roads, lighting, parks, recreation, playgrounds.
- c) Schools: nursery, primary, secondary and high school.
- d) Markets, co operatives, consumer and credit societies.
- e) Bank
- f) Transport
- g) Communication: post, telegraph and telephone.
- h) Health and medical services: dispensary, emergency ward, outpatient and in-patient care, family visiting, family planning
- i) Recreation: games; clubs; craft centers; cultural programmes

- j) Watch and ward; security.
- k) Administration of community services and problems.

Welfare facilities may also be categorized as (a) intra- mural and (b) extra-mural

Intra-mural facilities

Intra-mural activities consist of facilities provided with in the factories and include medical facilities, compensation for accidents, provision of crèches and canteens, supply of drinking water, washing and bathing facilities, provision of safety measures, activities relating to improving conditions of employment, and the like.

Extra-mural facilities

Extra-mural activities cover the services and facilities provided outside the factory such as housing accommodation, indoor and out door recreational facilities, amusement and sports, educational facilities for adults and children, and the like. It may be stated that the welfare activities may be provided by the employer, the government, non-government organization and the trade unions, while, what employees provide will be started later; the activities undertaken by other agencies are mentioned here.

Keywords:

Welfare Measures: Welfare measures are something that is available to employees in addition to regular wages and other economic benefits under legal provisions

Job Satisfaction: Job satisfaction is defined as the extent to which an employee feels self-motivated, content & satisfied with his/her job. Job satisfaction happens when an employee feels he or she is having job stability, career growth and a comfortable work life balance.

14.4 Self-Assessment Questions:

1. Define Welfare Measures
2. Define Job Satisfaction
3. Explain the different types of inside welfare measures?
4. Explain the different types of outside welfare measures?

14.5 Further Readings:

*Noe, Hollenbek-Fundamentals of Human resource Management, 7th Edition, Mc Graw Hill.

*K. Aswathappa- Human Resource Management 8th edition Mc Graw Hill

*Tanuja Agarwala- Strategic Human Resource Management, Oxford Publication

*P. Subba Rao- Essentials of Human Resource Management and Industrial Relations,
Himalaya Publishing

*P. Subba Rao, Sohlal Somani- Human Resource Management, Himalaya Publishing

Lesson Writer

Sri I. Satyanarayana Raju

Lesson – 15

QUALITY OF WORKLIFE & WORKLIFE BALANCE

15.0 Learning Objectives:

After reading this Lesson you should be able to understand

- To understand about the Quality of work life
- To know the nature and scope of work life balance
- Why because the quality of work life balance.
- Significance of good work life quality
- To know about work life balance.
- To know about benefits of work life balance.

Structure:

- 15.1 Introduction
- 15.2 Quality of work life
- 15.3. Nature and scope of work life
- 15.4 Importance of quality of work life
- 15.5 Significance of good work life quality
- 15.6 Problems in improving the Quality work life
- 15.7 Work life Balance
- 15.8 Steps to improve Work life balance
- 15.9 Benefits of Work life balance
- 15.10 Self-Assessment Questions
- 15.11 Further Readings

15.1 INTRODUCTION:**Introduction to Quality of Work Life (QWL):**

Dissatisfaction with working life affects the workers some time or another, regardless of position or status. The frustration, boredom and anger common to employees can be costly to both individuals and organizations.

Managers seek to reduce job dissatisfaction at all organizational levels, including their own. This is a complex problem, however, because it is difficult to isolate and identify the attributes which affect the quality of working life.

Profitability of a company is linked to satisfaction of its work force. A company that does not measure and improve employee satisfaction may face increasing turnover, declining productivity and limited ability to attract and retain qualified replacements.

Employee satisfaction and quality of work life directly affect company's ability to serve its customers. Efforts towards QWL measurement help in efficient and effective allocation of resources to enhance productivity and stability of the workforce.

It leads to:

- i. Positive employee attitudes toward their work and the company.
- ii. Increased productivity and intrinsic motivation.
- iii. Enhanced organizational effectiveness and competitive advantage.

15.2 Quality of work life involves three major parts:

1. Occupational health care:

Safe work environment provides the basis for people to enjoy his work. The work should not pose health hazards for the employees.

2. Suitable working time:

Companies should observe the number of working hours and the standard limits on overtime, time of vacation and taking free days before national holidays.

3. Appropriate salary:

The employee and the employer agree upon appropriate salary. The Government establishes the rate of minimum salary; the employer should not pay less than that to the employee. Work represents a role which a person has designated to himself. On the one hand, work earns one's living for the family, on the other hand, it is a self-realization that provides enjoyment and satisfaction.

Work-Life Quality — defined, as the balance between an employee's work demands and outside interests or pressures — is a long-standing but ever-evolving area of corporate social responsibility. Some organizations view QWL as important, but do not formally link it to their strategic or business plans.

15.3 Nature and Scope of Quality of Work Life:

Quality of work life is the quality of relationship between employees and total working environment.

A Great Place to work is where “You Trust the people you work for, have pride in what you do, and enjoy the people you work with.”

Quality of work life represents concern for human dimensions of work and relates to job satisfaction and organisational development.

The following aspects improve the QWL:

1. Recognition of work life issues:

Issues related to work life should be addressed by the Board and other important officials of the company like why people are not happy, do they need training, why employee morale is poor and numerous other issues. If these are addressed properly, they will be able to build, “People-Centred Organisations”.

2. Commitment to improvement:

QWL can be improved if the staff is committed to improvement in productivity and performance. This issue can be taken by the board through staff recognition and support programmes. Board should prepare QWL reports on periodic basis to boost the system. They can also introduce reward system which will be of help to them.

3. Quality of work life teams:

Board members should form the combined team of managers and workers and all the issues and common themes must be identified.

Work Life Teams = Managers + Staff

All issues must be addressed like loss of morale, lack of trust, increased intensity of work, reward, recognition etc. and commonly, managers and staff should arrive at solutions.

4. Training to facilitators:

Both the leader and staff can assess the job requirement and decide jointly what type of training is required to improve the quality of work life

5. Conduct focus groups:

Formation of focus groups can affect the QWL and discuss the questions in a positive way like:

- (a) What brought you here today?
- (b) What do you feel are the top three issues that affect your quality of work life?
- (c) What do you want the organisation should do for you?
- (d) Do you want company to increase the salary, etc.

6. Analyze information from focus group:

After the formation of focus groups and their discussion on different issues and collection of information, the information should be analysed to give right direction to organisational activities.

7. Identify and implement improvement opportunities:

It is important to identify and implement improvement opportunities like communication, recognition and non-monetary compensation. Improving support structure, constant review of reward and recognition system etc. would help in formulating communication strategies, focusing on linkages between managers and staff.

8. Flexible work hours:

The diverse work force of today does not want to work for fixed hours or days. They want flexibility in their work schedule so that professional and personal life can be managed together.

Flexibility can improve the QWL in the following ways:

- i. Work for longer hours in a day with less number of working days in a week.
 - ii. Going to office for fixed hours but in different time slots rather than fixed working hours.
- Many companies even provide the flexibility of work from home.

9. Autonomy to work:

Delegation is an essential element of organisation structure. People want freedom to work in their own way, in terms of forming teams and making decisions. If they are allowed to do so, it enhances the QWL. An organisation with high quality of work life is “an organisation that promotes and maintains a work environment that results in excellence in everything it does – by ensuring open communication, respect, recognition, trust, support, well being and satisfaction of its members, both, personally and professionally”.

15.4 Importance of Quality of Work Life:

Many companies find that paying attention to the needs of employees can benefit the company in terms of productivity, employee loyalty and company reputation.

QWL is important because of the following reasons:**1. Enhance stakeholder relations and credibility:**

A growing number of companies that focus on QWL improve their relationships with the stakeholders. They can communicate their views, policies, and performance on complex social issues; and develop interest among their key stakeholders like consumers, suppliers, employees etc.

2. Increase productivity:

Programmes which help employees balance their work and lives outside the work can improve productivity. A company's recognition and support — through its stated values and policies — of employees' commitments, interests and pressures, can relieve employees' external stress.

This allows them to focus on their jobs during the workday and helps to minimize absenteeism. The result can be both enhanced productivity and strengthened employee commitment and loyalty.

3. Attraction and retention:

Work-life strategies have become a means of attracting new skilled employees and keeping existing ones satisfied. Many job seekers prefer flexible working hours as the benefit they would look for in their job. They would rather have the opportunity to work flexible hours than receive an additional increment in annual pay.

- a. More employees may stay on a job, return after a break or take a job with one company over another if they can match their needs better with those of their paid work.
- b. This results in savings for the employer as it avoids the cost of losing an experienced worker and recruiting someone new.
- c. Employers who support their staff in this way often gain loyalty from the staff.

4. Reduces absenteeism:

- a. Companies that have family-friendly or flexible work practices have low absenteeism. Sickness rates fall as pressures are managed better. Employees have better methods of dealing with work-life conflicts than taking unplanned leave.
- b. Workers (including the managers) who are healthy and not over-stressed are more efficient at work.

5. Improve the quality of working lives

- a. Minimising work-life role conflict helps prevent role overload and people have a more satisfying working life, fulfilling their potential both in paid work and outside it.
- b. Work life balance can minimise stress and fatigue at work, enabling people to have safer and healthier working lives. Workplace stress and fatigue can contribute to injuries at work and home.
- c. Self-employed people control their own work time to some extent. Most existing information on work-life balance is targeted at those in employment relationships. However, the self-employed too may benefit from maintaining healthy work habits and developing

strategies to manage work flows which enable them to balance one with other roles in their lives.

6. Matches people who would not otherwise work with jobs:

- a. Parents, people with disabilities and those nearing retirement may increase their work force participation if more flexible work arrangements are made. Employment has positive individual and social benefits beyond the financial rewards.
- b. Employers may also benefit from a wider pool of talent to draw from, particularly to their benefit when skill shortages exist.

7. Benefiting families and communities:

- a. In a situation of conflict between work and family, one or other suffers. Overseas studies have found that family life can interfere with paid work. QWL maintains balance between work and family. At the extreme, if family life suffers, this may have wider social costs.
- b. Involvement in community, cultural, sporting or other activities can be a benefit to community and society at large. For instance, voluntary participation in school boards of trustees can contribute to the quality of children's education.

While such activities are not the responsibility of individual employers, they may choose to support them as community activities can demonstrate good corporate citizenship. This can also develop workers' skills which can be applied to the work place.

8. Job involvement:

Companies with QWL have employees with high degree of job involvement. People put their best to the job and report good performance. They achieve a sense of competence and match their skills with requirements of the job. They view their jobs as satisfying the needs of achievement and recognition. This reduces absenteeism and turnover, thus, saving organisational costs of recruiting and training replacements.

9. Job satisfaction:

Job involvement leads to job commitment and job satisfaction. People whose interests are protected by their employers experience high degree of job satisfaction. This improves job output.

10. Company reputation:

Many organizations, including Governments, NGOs, investors and the media, consider the quality of employee experience in the work place when evaluating a company. Socially responsible investors, including some institutional investors, pay specific attention to QWL when making investment decisions.

15.5 Significance of Good Work life Quality:

1. Decrease absenteeism and increase turnover,
2. Less number of accidents,
3. Improved labour relations,
4. Employee personification,
5. Positive employee attitudes toward their work and the company,
6. Increased productivity and intrinsic motivation,
7. Enhanced organizational effectiveness and competitive advantage, and
8. Employees gain a high sense of control over their work.

15.6 Problems in Improving the QWL:

Though every organisation attempts to improve the employer-employee relations and through it, the quality of work life of employees, problems may occur in effective implementation of QWL programmes.

These problems may occur because of:**1. Poor reward and recognition:**

People will not do their best when they feel that employers' commitment in terms of reward and recognition is lacking. Commitment is a mutual phenomenon. When employers want to get the best from employees but do not give them reward and recognition, people will not be committed to work.

2. Dead-end jobs:

Work which does not offer opportunities for growth and promotion is one of the greatest reasons for employees' de-motivation and non-commitment. Jobs which deprive employees of self-development and growth opportunities lead to high dissatisfaction and disloyalty.

3. Managing by intimidation:

Mistreating people and managing them by threats and embarrassment leads to employees' dissatisfaction and weakens their commitment. In a best seller book "The Loyalty Link" Dennis G. Mc Carthy has identified managing by intimidation as one of the seven ways which undermine employees' loyalty.

4. Negative working environment:

Non-acceptance by colleagues, non-cooperation, too much politics, and negative behaviour by colleagues, supervisors and other people in the company also hamper commitment. At the end of the day people want peace of mind, which if not available in the work environment will discourage them to show total support to the company.

5. No job security:

One of the major needs of employees is job security. If the employee feels that he can lose his job anytime, he would not be committed towards company's goals.

6. Negative attitude:

Some people by nature are not committed to anything and anyone and as such they would not be committed to their employers also. Commitment is an attitude and those who lack it will not be committed to their jobs.

15.7 Work Life Balance:**Definition: Work Life Balance**

Work life balance is a method which helps employees of an organization to balance their personal and professional lives. Work life balance encourages employees to divide their time on the basis on priorities and maintain a balance by devoting time to family, health, vacations etc along with making a career, business travel etc. It is an important concept in the world of business as it helps to motivate the employees and increases their loyalty towards the company.

Importance of work life balance

Working on a job for a company and making a career can be an extremely time consuming duty for any employee. Employees are busy at their offices throughout the day and sometimes even on weekends. This gives them very little time to interact with their family. Because of high pressure of work, often family members get neglected. Also, stressful jobs cause the health of employees to deteriorate. This is where work life balance come into the picture. Work life balance concept allows an employee to maintain a fine balance in the time he or she gives to work as well as to personal matters. By having a good balance, people can have a **quality of work life**. This helps to increase productivity at workplace as the employee is relaxed about his personal commitments. It also allows the employee to give quality time with family to spend vacations, leisure time, work on his/her health etc. Hence work life balance is extremely important for employees and increases their motivation to work for the company.

15.8 Steps to improve work life balance

There are specific guidelines to how an individual can maintain a proper work life balance, some of which are:

1. Creating a work leisure plan: Where an individual has to schedule his tasks, and divide time appropriately so that he has allocated appropriate time to his work and his career development goals and at the same time allotted time for leisure and personal development.

Employees also use a **compressed work week** plan to build a balance.

2. Leaving out activities that waste time and energy: Individual should judiciously avoid wasteful activities which demand large time and energy and in return not produce output for either the work life or the leisure life. Effective **time management** can help an employee be less stressed.

3. Outsourcing work: Delegate or outsource time consuming work to other individuals.

4. Set enough time for relaxation: Relaxation provides better work life balance, and tends to improve productivity on the professional or the work front along with providing ample scope to develop the life part of the balance.

5. Prioritizing work: Often employees do not give priority to work and end up doing a lot of work at the last minute. Better planning can help employees save unnecessary time delays, which can be utilized by employees for personal work.

15.9 Benefits of work life balance

There are several advantage of work life balance. Some of them are discussed below:

1. Work life balance increases the motivation of employees and helps them perform better at job
2. It helps people to relieve their stress as they can spend leisure time with their near and dear ones
3. Companies can maximize productivity from an employee who is rejuvenated and refreshed as compared to a over worked employee
4. Healthy lifestyles can be maintained by having a work life balance. This includes a good diet, regular exercises etc.
5. Employees who are highly motivated can help the business grow as they are more attached to their job and careers

Keywords:

Work Life: the part of a person's **life** when they do a **job** or are at **work**: His entire **working life** was spent with the same firm.

Work Life Balance: Work–life balance is the lack of opposition between work and other life roles. It is the state of equilibrium in which demands of personal life, professional life, and family life.

15.10 Self-Assessment Questions:

1. Define quality of work life
2. Explain the nature and scope of work life?
3. What is the importance of quality of work life
4. Describe the significance of good work life quality
5. What are the problems in improving the quality of work life?
6. Describe the work life balance ?
7. What are the steps involved to improve the work life balance?

15.11 Further Readings:

*K.Asathappa- Human Resource Management 8th edition Mc Graw Hill

*Tanuja Agarwala- Strategic Human Resource Management, Oxford Publication

*P.Subba Rao-Essentials of Human Resource Management and Industrial Relations, Himalaya Publishing

Lesson Writer
Sri I. Satyanarayana Raju

Lesson – 16**SOCIAL SECURITY MEASURES & JOB
SATISFACTION****16.0 Learning Objectives:**

After reading this Lesson you should be able to understand

- To understand social Security Measures & Job Satisfaction
- To know the objectives of Social security
- To Understand about job Satisfaction
- To know about the factors influencing the job satisfaction

STRUCTURE:

- 16.1 Introduction
- 16.2 Need for social security
- 16.3 Objectives of Social Security
- 16.4 Job satisfaction
- 16.5 Factors Influencing the job Satisfaction
- 16.6 Self-Assessment Questions
- 16.7 Further Readings

16.1 INTRODUCTION:**Social Security Measures & Job Satisfaction**

In general sense, social security refers to protection provided by the society to its members against providential mishaps over which a person has no control. The underlying philosophy of social security is that the State shall make itself responsible for ensuring a minimum standard of material welfare to all its citizens on a basis wide enough to cover all the main contingencies of life. In other sense, social security is primarily an instrument of social and economic justice

16.2 NEED FOR SOCIAL SECURITY:

One moot question to be answered is why there is a need for social security especially in India. As has already been mentioned, the underlying philosophy of social security is to

ensure a minimum level of material living to the needy or helpless ones of the society by the State.

Our accumulated experience reveals that in an industrial economy, the workers have been subjected to periodic unemployment due to cyclical fluctuations in business, sickness, industrial accidents and old age. In fact, there is nothing more disconcerting to worker and his/her family than unemployment.

16.3 THE OBJECTIVES OF SOCIAL SECURITY CAN BE SUB-SUMMED UNDER THREE, CATEGORIES:

1. Compensation
2. Restoration
3. Prevention

Compensation:

Compensation ensures security of income. It is based on this consideration that during the period of contingency of risks, the individual and his/her family should not be subjected to a double calamity, i.e., destitution and loss of health, limb, life or work.

Restoration:

It connotes cure of one's sickness, reemployment so as to restore him/her to earlier condition. In a sense, it is an extension of compensation.

Prevention:

These measures imply to avoid the loss of productive capacity due to sickness, unemployment or invalidity to earn income. In other words, these measures are designed with an objective to increase the material, intellectual and moral well-being of the community by rendering available resources which are used up by avoidable disease and idleness.

Scope:

The term 'social security' is all embracing. The scope of social security is, therefore, very wide. It covers the aspects relating to social and economic justice.

All social security schemes furnished by the government are broadly classified into two types:

- (i) Social Assistance, and
- (ii) Social Insurance.

According to the Social Security (Minimum Standards) Convention (No. 102) adopted by the ILO in 1952, the following are the nine components of social security that configure its scope:

- (i) Medical care,
- (ii) Sickness benefit,
- (iii) Unemployment benefit.
- (iv) Old age benefit,
- (v) Employment injury benefit,
- (vi) Family benefit,
- (vii) Maternity benefit,
- (viii) Invalidity benefit, and
- (ix) Survivor's benefit

16.4 JOB SATISFACTION

Job Satisfaction:

Job Satisfaction is the favorableness or un-favorableness with which the employee views his work. It expresses the amount of agreement between one's expectation of the job and the rewards that the job provides. Job Satisfaction is a part of life satisfaction. The nature of one's environment of job is an important part of life as Job Satisfaction influences one's general life satisfaction.

Job Satisfaction, thus, is the result of various attitudes possessed by an employee. In a narrow sense, these attitudes are related to the job under condition with such specific factors such as wages. Supervisors of employment, conditions of work, social relation on the job, prompt settlement of grievances and fair treatment by employer.

However, more comprehensive approach requires that many factors are to be included before a complete understanding of job satisfaction can be obtained. Such factors as employee's age, health temperature, desire and level of aspiration should be considered. Further his family relationship, Social status, recreational outlets, activity in the organizations etc. Contribute ultimately to job satisfaction.

16.5 FACTORS INFLUENCING JOB SATISFACTION

The major factors influencing job satisfaction are presented below:

Supervision

To a worker, Supervision is equally a strong contributor to the job satisfaction as well as to the job dissatisfaction. The feelings of workers towards his supervisors are usually similar to his feeling towards the company. The role of supervisor is a focal point for attitude formation. Bad supervision results in absenteeism and labor turnover. Good supervision results in higher production and good industrial relations.

Co-Workers

Various studies had traced this factor as a factor of intermediate importance. One's associates with others had frequently been motivated as a factor in job satisfaction. Certainly, this seems reasonable because people like to be near their friends. The workers derive satisfaction when the co-workers are helpful, friendly and co-operative.

Pay

Studies also show that most of the workers felt satisfied when they are paid more adequately to the work performed by them. The relative important of pay would probably changing factor in job satisfaction or dissatisfaction.

Age

Age has also been found to have a direct relationship to level job of satisfaction of employees. In some groups job satisfaction is higher with increasing age, in other groups job satisfaction is lower and in other there is no difference at all.

Marital status

Marital status has an important role in deciding the job satisfaction. Most of the studies have revealed that the married person finds dissatisfaction in his job than his unmarried counterpart. The reasons stated to be are that wages were insufficient due to increased cost of living, educations to children etc.

Education

Studies conducted among various workers revealed that most of workers who had not completed their school education showed higher satisfaction level. However, educated workers felt less satisfied in their job.

Working Condition

The result of various studies shows that working condition is an important factor. Good working atmosphere and pleasant surroundings help increasing the production of industry. Working conditions are more important to women workers than men workers.

Determinants of Job Satisfaction:

While analyzing the various determinants of job satisfaction, we have to keep in mind that: all individuals do not derive the same degree of satisfaction though they perform the same job in the same job environment and at the same time. Therefore, it appears that besides the nature of job and job environment, there are individual variables which affect job satisfaction. Thus, all those factors which provide a fit among individual variables, nature of job, and situational variables determine the degree of job satisfaction.

Let us see what these factors are.

Individual factors:

Individuals have certain expectations from their jobs. If their expectations are met from the jobs, they feel satisfied. These expectations are based on an individual's level of education, age and other factors.

Level of education: Level of education of an individual is a factor which determines the degree of job satisfaction. For example, several studies have found negative correlation between the level of education, particularly higher level of education, and job satisfaction. The possible reason for this phenomenon may be that highly educated persons have very high expectations from their jobs which remain unsatisfied. In their case, Peter's principle which suggests that every individual tries to reach his level of incompetence, applies more quickly.

Age: Individuals experience different degree of job satisfaction at different stages of their life. Job satisfaction is high at the initial stage, gets gradually reduced, starts rising upto certain stage, and finally dips to a low degree. The possible reasons for this phenomenon are like this. When individuals join an organization, they may have some unrealistic assumptions about what they are going to derive from their work. These assumptions make them more satisfied. However, when these assumptions fall short of reality, job satisfaction goes down. It starts rising again as the people start to assess the jobs in right perspective and correct their assumptions. At the last, particularly at the fag end of the career, job satisfaction goes down because of fear of retirement and future outcome.

Other factors: Besides the above two factors, there are other individual factors which affect job satisfaction. If an individual does not have favourable social and family life, he may not feel happy at the workplace. Similarly, other personal problems associated with him may affect his level of job satisfaction. Personal problems associated with him may affect his level of job satisfaction.

Nature of job:

Nature of job determines job satisfaction which is in the form of occupation level and job content. *Occupation level:* Higher level jobs provide more satisfaction as compared to lower levels. This happens because high level jobs carry prestige and status in the society which itself becomes source of satisfaction for the job holders. For example, professionals derive more satisfaction as compared to salaried people: factory workers are least satisfied.

Job content: Job content refers to the intrinsic value of the job which depends on the requirement of skills for performing it, and the degree of responsibility and growth it offers. A higher content of these factors provides higher satisfaction. For example, a routine and repetitive lesser satisfaction; the degree of satisfaction progressively increases in job rotation, job enlargement, and job enrichment.

KEYWORDS:

“**Social security:** means the security of an income to take the place of earnings when they are interrupted by unemployment, sickness or accident to provide for the retirement through old age, to provide against loss of support by death of another person and to meet exceptional expenditure connected with birth, death.

Job Satisfaction: Job satisfaction is defined as the extent to which an employee feels self-motivated, content & satisfied with his/her job. Job satisfaction happens when an employee feels he or she is having job stability, career growth and a comfortable work life balance

16.6 SELF ASSESSMENT QUESTIONS:

1. Explain about social security measure and job satisfaction
2. What is the need for social security?
3. Describe about the job satisfaction?
4. What are the factors influencing the job security?

16.7 FURTHER READINGS:

- *K.Asathappa- Human Resource Management 8th edition Mc Graw Hill
- *Tanuja Agarwala- Strategic Human Resource Management, Oxford Publication
- *P.Subba Rao-Essentials of Human Resource Management and Industrial Relations, Himalaya Publishing

Lesson Writer
Sri I. Satyanarayana Raju

Lesson – 17**EMPLOYEE MORALE & MORALE VS
PRODUCTIVITY****17.0 Learning Objectives:**

After reading this Lesson you should be able to understand

- To understand employee morale
- How can we measure the morale of the employee
- To Understand different ways to boost employee morale
- To know about morale vs productivity

Structure:

- 17.1 Introduction
- 17.2 How we measure the morale of the employee
- 17.3 Ways to boost employee morale
- 17.4 Morale Vs Productivity
- 17.5 Self-Assessment Questions
- 17.6 Further Readings

17.1 INTRODUCTION:**Definition:**

Employee morale is defined as the attitude, satisfaction and overall outlook of employees during their association with an organization or a business. An employee that is satisfied and motivated at workplace usually tend to have a higher morale than their counterparts. Employee engagement and employee satisfaction play an important role for employees to be happy in their workplace.

On the contrary, employees who are not happy in their workplace, who constantly complain and crib about the various attributes in an organization, like employee policies, workplace culture, facilities at work etc. tend to have a low employee morale. This is quite evident in their behavior. Employee morale is a complex concept because it involves a lot of factors that affect their morale.

Employee morale is vital to organization culture- a positive collective attitude will create a positive working environment for everyone. If your organization has a poor morale

or a culture of suffering then there is a possibility that in your organization employees have a low or negative morale that can adversely affect the productivity of the organization. It can most certainly lead to greater employee attrition, just to begin with.

17.2 HOW CAN YOU MEASURE THE MORALE OF EMPLOYEES?

1. Stay connected with your employees: A feedback is an effective mechanism to stay in touch with your employees. Deploy an employee engagement survey at timely intervals to get first-hand feedback about how engaged or motivated are your employees. The responses to the survey will help you determine their attitude and in turn their morale.

2. Your managers must be coaches: Over the last decade or so, the definition of a manager has slightly shifted from being a taskmaster to a coach. Your managers should be like coaches. They should be able to help employees learn and grow within the organization. A good manager or a supervisor will not only motivate an employee to perform better but also help them resolve problems and related issues.

3. A good workplace culture: Like you cannot simply induce employee engagement, you cannot expect that a negative work culture will help induce a high morale. A good work culture will help employees settle in faster especially the new employees. New employees are most susceptible to workplace gossips. One negative word can make them doubt their decision to be in the organization thus affecting your employee Net Promoter Score.

17.2.1 FACTORS AFFECTING EMPLOYEE MORALE

Employee morale is a complex phenomenon and depends on various factors. Here is the different criterion that affects employee morale:

1. Organization Itself: While it may sound surprising, but the organization itself is one of the biggest and most important factors that affect employee morale. An organization influences an employee's attitude towards his/her work. The reputation of an organization can certainly build up for better or worse, their attitude towards it.

2. Type of work: The nature of work an employee is performing at his/her workplace also is greatly responsible to determine the morale. If the employee is expected to perform the same task day in and out, there is going to be boredom associated with it sooner or later. It can make situations worse for an employee. Unorganized organization structure also affects employees, if the employee feels that he/she is just a cog machine in a factory line, instead of a real person, this too may adversely affect their morale.

3. Personal attributes: Mental and physical health play an important role in determining employee morale. If the employee is not physically or mentally fit, this can be a potential obstacle in their progress and learning at their workplace. There are also other important factors that concern their progress and in turn their morale: age, education qualification, years of experience, occupational levels, reward perception, and similar factors.

4. Supervision and feedback: The level of supervision received by an employee is a tremendous factor that affects the morale. If the employees feel they have no direction or don't understand the organizational goals and commitments, then it the job of the superiors and the leadership in the organization to get them on the same page. But there should not be too much interference too if the employees are given the freedom to work their morale will be high.

5. Work-Life balance: Most organization fail to recognize the importance of a healthy work-life balance. It is important that the employees have some activities to relax while they are at work. It's not just about the foosball culture or an inventory stuffed with food. It is important that proper guidance and counseling is given to the employees whenever needed.

17.3 WAYS TO BOOST EMPLOYEE MORALE

Employee morale is determined by how employees view their work environment and their overall level of satisfaction in their workplace. Employee morale has a direct effect on employee retention. A disinterested or unhappy employee will not stay for long in an organization that he/she cannot rationalize their goals and progress with.

Here are the 4 simple ways of boosting employee morale in your workplace as mentioned by HR leaders across the globe:

1. Streamline work based on skills: It is important for the Human Resources to recruit and assign people based on their skill set. You cannot hire a lawyer and expect him/her to carry out tasks that you would expect an engineer to do. Allowing people to work based on their competency is a win-win situation for both employees and employers.

Talent management is complex, yet necessary. If you cannot manage your employees and assign them tasks that they are hired to carry out then it's time to rethink your strategies because clearly, they will not yield the expected results. Therefore, make sure you invest in a competent human resources team, so the talent that is acquired performs well and stays happy.

2. Train them well for professional development: Most organizations fail to understand the importance of training their staff. Be it employee on boarding or any other formal training

process, employees should be well-equipped to perform their tasks at work and achieve their goals. There should be a budget assigned at the start of the financial year that facilitates the training and development program.

These training will help employees sharpen their skills, which will not only benefit them but also the organization. A well organized and self-sufficient workforce is every organization's dream, so pay for these courses that ignite imagination and spark curiosity, build confidence and leads to a high morale workforce.

3. Recognize and reward employees: Employee recognition and reward keeps your workforce motivated. When, as a leader, you create an environment where good work is appreciated, employees feel empowered and take a personal interest in the tasks they are assigned to them.

The purpose of employee recognition should be to reinforce what an organization wants an employee to do more. When an employee performs well to make sure to applaud his/her hard work and achievements. This will bring confidence to them to align their personal goals with that of the organization's goals.

4. Be open to feedback: Many organizations today, promote the open door policy, where an employee is free to express what they feel to their superiors or their reporting authority because they are open to feedback. If your employees know their voice is being heard and they are considered as an integral part of the organization, this will reflect in their confidence. If the employees feel they cannot share information with you, there are greater chances that the information will never be conveyed to you rather will just make rounds within the team and you will be alienated from whatever is happening in your own team. Instead be receptive to feedback, transparency is the need of the hour for most organizations and so it should be.

Finally, employee morale is not just the employee's responsibility or attitude. It is a collective responsibility of the employees and the organization to provide a conducive working environment and a workplace culture that exudes positivity and goodwill. Work culture is because of the employees and they should know the importance of values and morale. To achieve the best, it is important to first be the best.

17.4. MORALE VS. PRODUCTIVITY

Generally it is considered that there is a direct relationship between Morale and Productivity. It is assumed that the person having high morale will have high productivity but this is not always true.

An increase in 20% morale does not guarantee 20% increase in productivity. An increase in morale may lead to favourable or unfavourable shift in productivity as morale is just one factor which influences productivity. Therefore there may be chance that high morale related to low productivity and low morale related to high productivity. There are four types of Relationship between morale and productivity.

High morale and high productivity.

High morale and low productivity.

Low morale and low productivity.

Low morale and high productivity.

High morale with high productivity means that workers are highly motivated and human resources can be best possibly used. The total opposite of this situation is low morale and low productivity.

High morale and low productivity means that employees are not properly motivated.

Thus, the relationship between morale and productivity is unpredictable and differ from organization to organization.

Keywords:

Morale: the confidence, enthusiasm, and discipline of a person or group at a particular time

Productivity: A measure of the efficiency of a person, machine, factory, system, etc., in converting inputs into useful outputs

17.5 Self-Assessment Questions

1. Define employee morale and productivity
2. How can we measure the morale of the employee?
3. Explain the different ways to boost employee morale?
4. Morale leads to productivity? Comment

17.6 Further Readings:

*Noe, Hollenbek-Fundamentals of Human resource Management, 7th Edition, Mc Graw Hill.

*K. Aswathappa- Human Resource Management 8th edition Mc Graw Hill

*Tanuja Agarwala- Strategic Human Resource Management, Oxford Publication

*P. Subba Rao- Essentials of Human Resource Management and Industrial Relations, Himalaya Publishing

Lesson Writer

Sri I. Satyanarayana Raju