

# **HUMAN RESOURCE MANAGEMENT**

**MASTER OF BUSINESS ADMINISTRATION (MBA)**

**SEMESTER-II, PAPER-V**

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# **M.B.A. Human Resource Management**

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## **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+' grade from the NAAC in the year 2024, Acharya Nagarjuna University is offering educational opportunities at the UG, PG levels apart from research degrees to students from over 221 affiliated colleges spread over the two districts of Guntur and Prakasam.*

*The University has also started the Centre for Distance Education in 2003-04 with the aim of taking higher education to the door step of all the sectors of the society. 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 to housewives desirous of pursuing higher studies. Acharya Nagarjuna University has started offering B.Sc., B.A., B.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 be part of 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 endeavors.*

**Prof. K. Gangadhara Rao**  
**M.Tech., Ph.D.,**  
**Vice-Chancellor I/c**  
**Acharya Nagarjuna University**

**MBA  
YEAR – I, SEMESTER – II**

**205EM24: HUMAN RESOURCE MANAGEMENT  
Syllabus**

**COURSE LEARNING OUTCOMES (CLOS):**

- On successful completion of the course the learner will be able to:
- To develop an understanding on various issues, approaches and practices of Human Resource Management and ability to identify potential employees, evaluate competences, design workforces & build HR driven corporate strategies.
- Transform Human beings into Human Resources
- Build Global Level HR Managers & Create Agile Workforce
- Innovate Winning Organizations

**Unit-I: Human Resource Management:** Nature and Significance, Functions of HRM, Qualities and Role of HR Manager, HRM Models, HRM in a Changing Environment, Emerging HR Trends. International HRM, Global HRM, Strategic HRM, HR Analytics. HR Score Card. Job Analysis -Objectives and Methods of job analysis.

**Unit-II: Human Resource Planning:** Objectives, Process, Factors affecting HR Planning. Recruitment Purpose, Process, Factors influencing Recruitment, Sources of Recruitment. Selection Process,: Testing & Interviews, Placement, Induction and Socialization.

**Unit-III: Employee Training:** Significance, Types, Process of Training, On the job & Off the job methods of Training, Management Development Programmes: Methods of MDP/EDP, Performance Appraisal Objectives, Process, Methods; Traditional & Modern, Problems of Performance Appraisal. Potential Appraisal.

**Unit-IV:** Job Evaluation: Significance, Process, Methods and Problems: Career Planning: Concept, Career Stages, Process. Career Development: Individual Career Development & Organisational Career Development. Succession Planning.

**Unit-V:** Employee Grievances and Discipline: Grievance Need, Causes, Model Grievance Procedure. Discipline: Causes of Indiscipline, Approaches, Red Hot Stove Rule. Disciplinary Procedure according to Standing orders. Quality of Work Life(QWL):Meaning. Conditions, Strategies for improvement of QWL.

**Reference Books:**

1. Aswathappa K., Human Resource and Personnel Management, 2nd Edition, Tata MC Graw Hill, New Delhi, 2001.
2. De Cenzo, & Stephen P. Robbins, Personnel/Human Resource Management, Pearson Publications,
3. Edwin B.Flippo, Personnel Management, MCGraw-Hill.
4. Dessler, Human Resource Management 10th Edition Pearson Education
5. P. Subba Rao, Human Resource Management, and Industrial Relations Himalaya Publishing House, New Delhi.
6. VS.P. Rao, Human Resource Management, Excel Books, New Delhi.



**M.B.A DEGREE EXAMINATION**  
**Second Semester**  
**M.B.A.: Paper V - HUMAN RESOURCE MANAGEMENT**

**MODEL QUESTION PAPER**

**Time: Three hours**

**Maximum: 70 marks**

**Section –A**

**Answer Any FIVE of the following (5X3=15 M)**

1.
  - a. Define HRM? Explain its Importance?
  - b. Role of a HR Manager
  - c. Induction
  - d. Sources of Recruitment
  - e. Potential Appraisal
  - f. Process of Training
  - g. Succession Planning
  - h. Career Stages
  - i. Define Grievances? What are the causes of Grievances?
  - j. Red Hot Stove Rule

**Section –B**

**Answer the following questions (5X8=40 M)**

- 2 . a) Explain the various Models of HRM?  
(or)  
b) Explain briefly the various Functions of HRM?
- 3 .a) Explain briefly the various steps involved in the Human Resource Planning(HRP) Process?  
(or)  
b) What are the various steps in the Selection Process? Explain briefly the types of Interviews?
4. a) What are the objectives of Training? Explain the various methods of Executive Development Programmes (EDP)?  
(or)  
b) Explain briefly the various Modern Methods of Performance Appraisal?
5. a) What is Career Planning? Explain the steps in Career Planning process?  
(or)  
b) Explain the various methods of Job Evaluation?
- 6 . a) What is QWL? What are the various strategies for improvement of QWL in any organization?  
(or)  
b) Explain the Model Grievance Procedure given by NCL?

## SECTION-C

### CASE STUDY (COMPULSORY)

1X15=15 Marks

7. Answer the following questions:

Ivan Gandoo has been working in I.G. Ferns and Advertisers for about 5 years as a copy man. His job as copy man is to design advertisements for use in newspapers and magazines for the company's clients. He must work closely with the girls in the photography section, with members of the sales and promotion department and with the vice-president who is in-charge of the whole sales & promotion department.

Ivan is an extremely enthusiastic worker with many good ideas. But he has considerable trouble in dealing with people. He is too impatient with the girls in the photography section and is constantly chasing them to finish his own work in time. On one occasion he went into the ladies dressing room where the girls were putting make up and asked them to speed up. The girls were annoyed, but through they expressed their displeasure they did not complain.

He makes it clear to everyone that his ideas are always the best and this is not taken kindly by others in the sales and promotion department. On another occasion, when there was a conference, and the vice-president was making a speech, Ivan cut the speech short by an aggressive answer. It was a good answer and the vice president took it sportingly. He even congratulated Ivan on his innovative ideas.

Through the girls did not complain and the vice president did not mind, some other people in the department thought that Ivan did not behave properly. Ivan always created Unpleasantness wherever he went.

As a manager you are concerned about the animosity he is creating in your department. As per the performance appraisal policy of the company, each employee has to undergo an performance evaluation interview every year. The rating of the employee is based in terms of achievement and evaluation of behavioural attributes. Based on the rating the employee will be given an increment.

1. As Ivan's manager, what should your strategy be in handling the performance evaluation interview with Ivan?
2. What remedial measures do you suggest to tackle the situation?
3. As a appraiser do you suggest with holding Ivan's increment or not? Give reasons?

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# LESSON – 1

## HUMAN RESOURCE MANAGEMENT

### 1.0 LEARNING OBJECTIVES:

After studying this lesson, you will be able to:

- Explain the Meaning, Features & Importance of HRM
- Identify the various Functions of HRM
- Understand the Role & Qualities of a HR Manager
- 

### LESSON STRUCTURE:

- 1.1 Introduction To Human Resource Management (HRM)
- 1.2 Meaning & Definitions of HRM
- 1.3 Nature/ Features of HRM
- 1.4 Scope of HRM
- 1.5 Objectives of HRM
- 1.6 Importance/Significance of HRM
- 1.7 Functions of HRM
- 1.8 Roles of HR Manager
- 1.9 Qualities of HR Manager
- 1.10 Summary
- 1.11 Technical Terms
- 1.12 Self Assessment Questions
- 1.13 Suggested Readings

### 1.1 INTRODUCTION TO HUMAN RESOURCE MANAGEMENT (HRM)

Why name Human Resource Management?

**Human:** Refer to the skilled workforce in the organisation.

**Resource:** Refer to limited availability or scarce.

**Management:** Refer to maximise or proper utilisation and make best use of limited and a scarce resource.

The success of any organization depends upon how it manages its resources. While several resources are the non-human resource such as land, capital, and equipment, it is the human resource and its management which is at the heart of an organization's success.

Human Resource (HR) refers to all the people who work in an organization called **personnel**. Human Resource Management refers to the organizational function which includes practices that help the organization to deal effectively with its people during the various phases of the employment cycle. HRM is management function concerned with hiring, motivating, and maintaining people in an organisation. It focuses on people in the organisation.

## 1.2 MEANING AND DEFINITIONS

Essentially, the Human Resource Management (HRM) is a management function that deals with recruiting, selecting, training and developing human resource in an organization. It is concerned with the "people" dimension in management. It includes activities focusing on the effective use of human resources in an organization. It is concerned with the development of a highly motivated and smooth functioning workforce. It also includes planning, acquiring, developing, utilising and maintaining 'human resources' in the achievement of organizational goals.

According to **Edwin B. Flippo**, "Human resource management is the planning, organizing, directing, and controlling of the procurement, development, compensation, integration, maintenance and separation of human resources to the end that individual, organizational and societal objectives are accomplished."

**The Indian Institute of Personnel Management** defines HRM as, "Human resource management is a responsibility of all those who manage people as well as being a description of the work of those who are employed as specialists. It is that part of management which is concerned with people at work and with their relationships within an enterprise. It applies not only to industry and commerce but to all fields of employment."

According to **Tead and Metcaff**, "Human resource management is the planning, supervision, direction and co-ordination of those activities of an organization which contribute to realising the definite purpose of that organization, with an animating spirit of co-operation and with a proper regard for the well-being of all the members of the organization."

**Milkovich and Boudreau** view HRM as, "A series of integrated decisions that form the employment relationship; their quality contributes to the ability of the organizations and the employees to achieve their objective."

It is thus clear that human resource management is a specialized knowledge and practice concerned with the management of human resources in an organization. It constitutes a significant activity of the management. It attracts and selects capable men, organises them in productive groups, develops their potential, gives them necessary motivation and maintains their high morale.



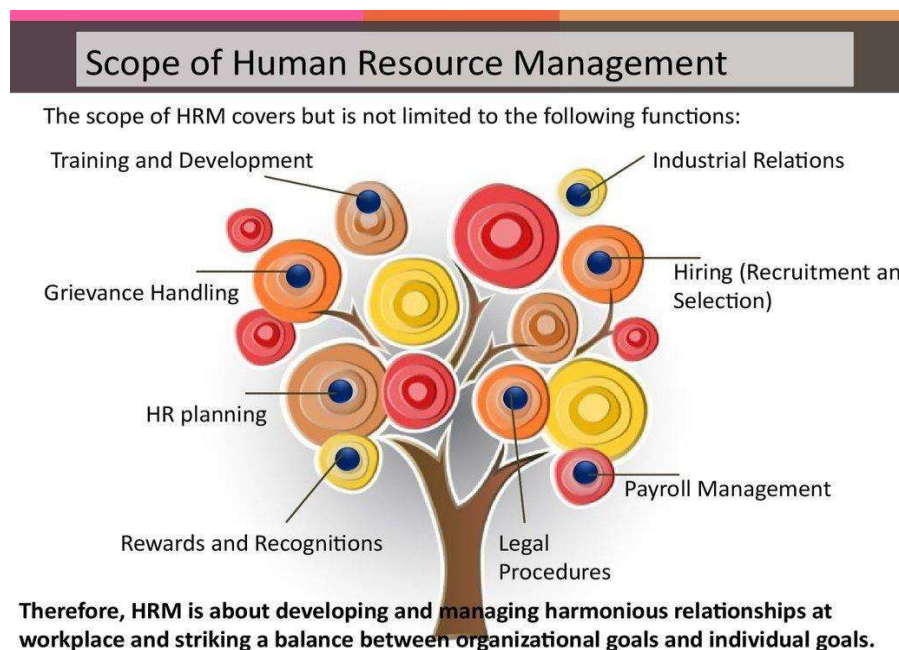
Source: <https://vacancycentre.com/wp-content/uploads/2015/03/human-resource-management-malta-hr-consultancy.jpg>

### 1.3 Characteristic Features of Human Resource Management (HRM)

1. **People-Oriented:** HRM focuses on managing and developing people as key organizational resources.
2. **Integrative Function:** It aligns employee goals with organizational objectives for mutual benefit.
3. **Continuous Process:** HRM activities like recruitment, training, and performance appraisal go on continuously.
4. **Development-Oriented:** Emphasizes employee growth through training, skill development, and career planning.
5. **Pervasive Function:** HRM is applicable at all levels and in all departments of an organization.
6. **Strategic in Nature:** It connects HR policies and practices with the overall business strategy.
7. **Mutual Relationship:** Aims to maintain harmonious relations between management and employees.
8. **Performance-Oriented:** Focuses on improving individual and organizational performance.
9. **Dynamic Function:** Adapts to changes in technology, economy, and work environment.
10. **Human Relations Approach:** Treats employees as valuable assets, ensuring their motivation and job satisfaction.

### 1.4 Scope of HRM

The scope of HRM is indeed vast. All major activities in the working life of a worker -from the time of his or her entry until he or she leaves- come under the purview of HRM.



Source: <http://cf.ppt-online.org/files/slide/I/11zGK5pQWmvhq3ljBEUfu8d2OgNT4nr7ta6xkD/slide-19.jpg>

According to **Dale Yoder**, the scope of Human Resource Management consists of the following functions:

- 1.4.1 Setting general and specific management policy for organisational relationships, and establishing and maintaining a suitable organisation for leadership and co-operation.
- 1.4.2. Collective bargaining, contract negotiation, contract administration and grievance handling.
- 1.4.3. Staffing the organisation, finding, getting and holding prescribed types and number of workers.
- 1.4.4. Aiding in the self-development of employees at all levels providing opportunities for personal development and growth as well as for acquiring requisite skill and experience.
- 1.4.5. Developing and maintaining motivation for workers by providing incentives.
- 1.4.6. Reviewing and auditing manpower management in the organisation.
- 1.4.7. Industrial relations research – carrying out studies designed to explain employee behavior

**The Indian Institute of Personnel Management** has described the scope of human resource management into the following aspects:

*1.4.8. **The Labour or Personnel Aspect:** It is concerned with manpower planning, recruitment, selection, placement, induction, transfer, promotion, demotion, termination, training and development, layoff and retrenchment, wage and salary administration (remuneration), incentives, productivity, etc.*

*1.4.9. **The Welfare Aspect:** This aspect is concerned with working conditions and amenities such as canteens, creches, rest rooms, lunch rooms, housing, transport, education, medical help, health and safety, washing facilities, recreation and cultural facilities, etc.*

*1.4.10. **The Industrial Relations Aspect:** This is concerned with the company's relations with the employees. It includes union-management relations, joint consultation, negotiating, collective bargaining, grievance handling, disciplinary actions, settlement of industrial disputes, etc.*

## **1.5. OBJECTIVES OF HRM**

The primary objective of HRM is to ensure the availability of a competent and willing workforce to an organization. Apart from this, there are other objectives too.

Specifically, HRM objectives are four fold: societal, organisational, functional, and personal.

### **1.5.1 Societal Objectives**

The societal objectives are socially and ethically responsible for the needs and challenges of society. While doing so, they have to minimize the negative impact of such demands upon the organisation. The failure of organisations to use their resources for society's benefit in ethical ways may lead to restrictions. For example, the society may limit human resource decisions to laws that enforce reservation in hiring and laws that address discrimination, safety or other such areas of societal concern.

### **1.5.2 Organisational Objectives**

The organisational objectives recognise the role of human resource management in bringing about organisational effectiveness. Human resource management is not an in itself; it is only

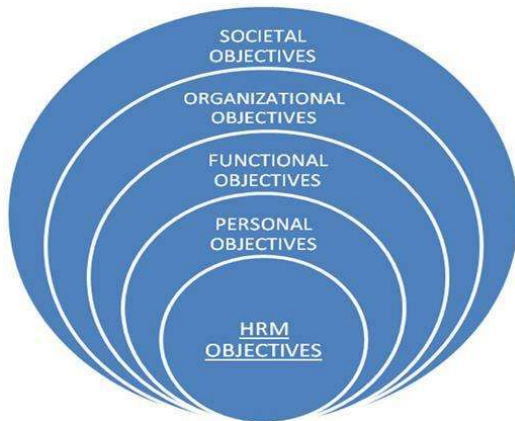
a means to assist the organisation with its primary objectives. Simply stated the human resource department exists to serve the rest of the organisation.

### 1.5.3 Functional Objectives

Functional objectives try to maintain the department's contribution at a level appropriate to the organisation's needs. Human resources are to be adjusted to suit the organisation's demands. The department's level of service must be tailored to fit the organisation it serves.

### 1.5.4. Personal Objectives

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



## 1.6 SIGNIFICANCE / IMPORTANCE OF HRM

### 1. Efficient Utilization of Human Resources

HRM ensures that the right people are placed in the right jobs, leading to maximum productivity and efficiency.

### 2. Employee Motivation and Development

Through training, incentives, and career development, HRM helps in motivating employees and improving their performance.

### 3. Improved Employer–Employee Relations

HRM maintains healthy communication and resolves conflicts, promoting harmony and cooperation in the workplace.

### 4. Organizational Growth

By aligning human resources with organizational goals, HRM contributes directly to the success and growth of the organization.

### 5. Recruitment and Retention of Talent

HRM plays a vital role in attracting skilled individuals and retaining them through effective policies and a positive work environment.



**6. Legal Compliance**

HRM ensures adherence to labour laws and employment regulations, avoiding legal disputes.

**7. Adaptation to Change**

HRM helps organizations and employees adapt to technological, structural, and market changes smoothly.

**8. Enhancement of Organizational Culture**

HRM promotes ethical practices, teamwork, and a positive work culture, leading to better morale and job satisfaction.

**1.7 FUNCTIONS OF HRM**

Human Resources management has an important role to play in equipping organizations to meet the challenges of an expanding and increasingly competitive sector. Increase in staff numbers, contractual diversification and changes in demographic profile which compel the HR managers to reconfigure the role and significance of human resources management.

Human Resource or Personnel Department is established in most of the organisations, under the charge of an executive known as Human Resource/Personnel Manager. This department plays an important role in the efficient management of human resources.

Some of the major functions of human resource management are as follows:

- Managerial Functions
- Operative Function
- Advisory Function

**1.7.1. Managerial Functions:**

The Human Resource Manager is a part of the organisational management. So he must perform the basic managerial functions of planning, organising, directing and controlling in relation to his department. These functions are briefly discussed below:

**1.7.1.1 Planning:** To get things done through the subordinates, a manager must plan ahead. Planning is necessary to determine the goals of the organisation and lay down policies and

procedures to reach the goals. For a human resource manager, planning means the determination of personnel programs that will contribute to the goals of the enterprise, i.e., anticipating vacancies, planning job requirements, job descriptions and determination of the sources of recruitment.

The process of personnel planning involves three essential steps.

- A supply and demand forecast for each job category is made. This step requires knowledge to both labour market conditions and the strategic posture and goals of the organization.
- Net shortage and excess of personnel by job category are projected for a specific time horizon.
- Plans are developed to eliminate the forecast shortages and excess of particular categories of human resources.
- **1.7.1.2 Organizing:** Once the human resource manager has established objectives and developed plans and programs to reach them, he must design and develop organisation structure to carry out the various operations. The organisation structure basically includes the following:
  - Grouping of personnel activity logically into functions or positions;
  - Assignment of different functions to different individuals;
  - Delegation of authority according to the tasks assigned and responsibilities involved;
  - Co-ordination of activities of different individuals.

**1.7.1.3. Directing:** The plans are to be put into effect by people. But how smoothly the plans are implemented depends on the motivation of people. The direction function of the personnel involved encouraging people to work willingly and effectively for the goals of the enterprise.

In other words, the direction function is meant to guide and motivate the people to accomplish the personnel programs. The personnel manager can motivate the employees in an organisation through career planning, salary administration, ensuring employee morale, developing cordial relationships and provision of safety requirements and welfare of employees.

The motivational function poses a great challenge for any manager. The personnel manager must have the ability to identify the needs of employees and the means and methods of satisfy those needs. Motivation is a continuous process as new needs and expectations emerge among employees when old ones are satisfied.

**1.7.1.4. Controlling:** Controlling is concerned with the regulation of activities in accordance with the plans, which in turn have been formulated on the basis of the objectives of the organisation. Thus, controlling completes the cycle and leads back to planning. It involves the observation and comparison of results with the standards and correction of deviations that may occur.

Controlling helps the personnel manager to evaluate the control the performance of the personnel department in terms of various operative functions. It involves performance appraisal, critical examination of personnel records and statistics and personnel audit.

### 1.7.2 . Operative Functions:

The operative functions are those tasks or duties which are specifically entrusted to the human resource or personnel department. These are concerned with employment, development, compensation, integration and maintenance of personnel of the organisation. The operative functions of human resource or personnel department are discussed below:

**1.7.2.. Employment:** The first operative function of the human resource of personnel department is the employment of proper kind and number of persons necessary to achieve the objectives of the organisation. This involves recruitment, selection, placement, etc. of the personnel.

Before these processes are performed, it is better to determine the manpower requirements both in terms of number and quality of the personnel. Recruitment and selection cover the sources of supply of labour and the devices designed to select the right type of people for various jobs. Induction and placement of personnel for their better performance also come under the employment or procurement function.

**1.7.2.2 Development:** Training and development of personnel is a follow up of the employment function. It is a duty of management to train each employee properly to develop technical skills for the job for which he has been employed and also to develop him for the higher jobs in the organisation. Proper development of personnel is necessary to increase their skills in doing their jobs and in satisfying their growth need. For this purpose, the personnel departments will device appropriate training programs. There are several on- the-job and off-the-job methods available for training purposes. A good training program should include a mixture of both types of methods. It is important to point out that personnel department arranges for training not only of new employees but also of old employees to update their knowledge in the use of latest techniques.

**1.7.2.3. Compensation:** This function is concerned with the determination of adequate and equitable remuneration of the employees in the organisation of their contribution to the organisational goals. The personnel can be compensated both in terms of monetary as well as non-monetary rewards. Factors which must be borne in mind while fixing the remuneration of personnel are their basic needs, requirements of jobs, legal provisions regarding minimum wages, capacity of the organisation to pay, wage level afforded by competitors etc. For fixing the wage levels, the personnel department can make use of certain techniques like job evaluation and performance appraisal.

**1.7.2.4 Maintenance (Working Conditions and Welfare):** Merely appointment and training of people is not sufficient; they must be provided with good working, conditions so that they may like their work and workplace and maintain their efficiency. Working conditions certainly influence the motivation and morale of the employees. These include measures taken for health, safety, and comfort of the workforce. The personnel department also provides for various welfare services which relate to the physical and social well-being of the employees.

These may include provision of cafeteria, rest rooms, counseling, group insurance, education for children of employees, recreational facilities, etc.

**1.7.2.5 Motivation:** Employees work in the organisation for the satisfaction of their needs. In many of the cases, it is found that they do not contribute towards the organisational goals as much as they can. This happens because employees are not adequately motivated. The human resource manager helps the various departmental managers to design a system of financial and non-financial rewards to motivate the employees.

**1.7.2.6 Personnel Records:** The human resource or personnel department maintains the records of the employees working in the enterprise. It keeps full records of their training, achievements, transfer, promotion, etc. It also preserves many other records relating to the behaviour of personnel like absenteeism and labour turnover and the personnel programs and policies of the organisation.

**1.7.2.7 Industrial Relations:** These days, the responsibility of maintaining good industrial relations is mainly discharged by the human resource manager. The human resource manager can help in collective bargaining, joint consultation and settlement of disputes, if the need arises. This is because of the fact that he is in possession of full information relating to personnel and has the working knowledge of various labour enactments. The human resource manager can do a great deal in maintaining industrial peace in the organisation as he is deeply associated with various committees on discipline, labour welfare, safety, grievance, etc. He helps in laying down the grievance procedure to redress the grievances of the employees. He also gives authentic information to the trade union leaders and conveys their views on various labour problems to the top management.

**1.7.2.8 Separation:** Since the first function of human resource management is to procure the employees, it is logical that the last should be the separation and return of that person to society. Most people do not die on the job. The organisation is responsible for meeting certain requirements of due process in separation, as well as assuring that the returned person is in as good shape as possible. The personnel manager has to ensure the release of retirement benefits to the retiring personnel in time.

### **1.7.3 Advisory Functions:**

Human resource manager has specialised education and training in managing human resources. He is an expert in his area and so can give advice on matters relating to human resources of the organisation. He offers his advice to:

**1.7.3.1 Advised to Top Management:** Personnel manager advises the top management in formulation and evaluation of personnel programs, policies and procedures. He also gives advice for achieving and maintaining good human relations and high employee morale.

**1.7.3.2 Advised to Departmental Heads:** Personnel manager offers advice to the heads of various departments on matters such as manpower planning, job analysis and design, recruitment and selection, placement, training, performance appraisal, etc.

The functions are responsive to current staffing needs, but can be proactive in reshaping organizational objectives. All the functions of HRM are correlated with the core objectives of HRM

## 1.8 ROLE OF A HR MANAGER

According to **Henry Mintzberg**, a manager performs ten key roles that fall under three broad categories: Interpersonal, Informational, and Decisional.

### 1. Interpersonal Role

These involve relationships and communication with others in the organization.

- **a. Figurehead:**  
The HR manager represents the organization in formal and ceremonial duties — such as welcoming new employees, conducting induction programs, or attending official meetings and events.
- **b. Leader:**  
The HR manager motivates, guides, and supervises employees. They ensure team morale, build leadership pipelines, and create a positive organizational culture.
- **c. Liaison:**  
The HR manager serves as a link between management and employees. They maintain good communication with other departments, unions, and external stakeholders like recruiters and training institutions.

### 2. Informational Role

These focus on collecting, sharing, and analyzing information.

- **a. Monitor:**  
The HR manager gathers information about employee performance, labor laws, workplace trends, and organizational needs through surveys, reports, and feedback systems.
- **b. Disseminator:**  
The HR manager shares relevant policies, updates, and information with employees — for example, about benefits, training programs, or safety regulations.
- **c. Spokesperson:**  
The HR manager represents the organization's human resource policies and practices to outsiders — such as job applicants, media, or government officials.

### 3. Decisional Role

These involve making important organizational choices and taking actions.

- **a. Entrepreneur:**  
The HR manager initiates and implements new HR strategies — such as performance appraisal systems, employee wellness programs, or digital HR solutions.
- **b. Disturbance Handler:**  
The HR manager resolves conflicts, grievances, or disciplinary issues, and manages crises like strikes or layoffs.

- **c. Resource Allocator:**  
The HR manager decides how to allocate resources such as training budgets, recruitment funds, and human capital across departments.
- **d. Negotiator:**  
The HR manager participates in negotiations with employees, unions, and external agencies regarding compensation, work conditions, or contracts.

## 1.9 QUALITIES OF A HR MANAGER

### 1. Communication Skills

An HR manager must be an excellent communicator — both verbal and written — to explain policies, resolve conflicts, and maintain clear communication between management and employees.

### 2. Leadership Ability

They should inspire, guide, and motivate employees, while maintaining discipline and promoting teamwork within the organization.

### 3. Decision-Making Skills

HR managers often face sensitive and complex issues such as hiring, promotion, or conflict resolution. Good judgment and quick, fair decision-making are essential.

### 4. Empathy and Emotional Intelligence

Understanding employee feelings, needs, and problems helps in building trust and maintaining a positive work environment.

### 5. Integrity and Confidentiality

They must handle confidential employee information with honesty and maintain ethical standards in all HR practices.

### 6. Organizational and Planning Skills

HR managers need to plan recruitment, training, and development programs efficiently and manage multiple HR functions simultaneously.

### 7. Knowledge of Labor Laws and HR Policies

A good HR manager should be well-versed in employment laws, labor relations, and organizational policies to ensure legal compliance.

## 8. Conflict Management Skills

They should be capable of handling grievances, disputes, and employee issues tactfully and fairly.

## 9. Adaptability

Since organizations and workforces keep changing, HR managers must adapt to new technologies, policies, and work trends (like remote work, AI tools, etc.).

## 10. Team-Building and Interpersonal Skills

They should create a cooperative atmosphere, promote team spirit, and ensure healthy relationships among employees.

### 1.10 . SUMMARY

- Human Resource Management is the management function that helps the managers to plan, recruit, select, train, develop, remunerate and maintain members for an organization.
- Maintaining good human resources is the manager's responsibility. Providing human satisfaction from work output and relationship is a manager's obligation
- The scope of HRM is very large. All major activities in the working life of a worker i.e. from the time of his or her entry until he or she leaves the organisation comes under the purview of HRM.
- HRM has four objectives of societal, organizational, functional and personal development.
- HR manager performs three functions within organizations like managerial, operative and advisory functions

### 1.11 TECHNICAL TERMS

1. **Human Resource (HR):**  
Refers to the people who work for an organization — its workforce or employees.
2. **Human Resource Management (HRM):**  
A process of recruiting, selecting, training, developing, and retaining employees to achieve organizational objectives.
3. **Personnel Management:**  
The traditional approach that focuses mainly on employee administration, welfare, and labor relations.
4. **Recruitment:**  
The process of attracting and encouraging suitable candidates to apply for jobs in an organization.
5. **Selection:**  
The process of choosing the most suitable candidate from the pool of applicants.



6. **Training:**  
A method used to enhance the job-related skills and knowledge of employees to perform their work effectively.
7. **Development:**  
A long-term educational process focused on improving the overall capabilities and growth potential of employees.
8. **Performance Appraisal:**  
The systematic evaluation of an employee's performance against established standards.
9. **Compensation / Remuneration:**  
The total of all rewards — monetary and non-monetary — given to employees in return for their work.
10. **Industrial Relations:**  
The relationship between management and employees or trade unions within the organization.
11. **Retention:**  
The organizational efforts aimed at keeping competent and talented employees from leaving.

## 1.12 SELF ASSESSMENT QUESTIONS

### Short Answer Questions

1. Explain the importance of Human Resource Management in modern organizations.
2. Describe the difference between Personnel Management and Human Resource Management.
3. What are the main functions of HRM?
4. Explain the Scope of HRM?

### Essay Type Questions

1. Discuss the nature, scope, and importance of HRM in an organization.
2. Explain the Significance of HRM?
3. Explain the Role of a Human Resource Manager in achieving organizational goals.
4. Describe the Functions of HRM in detail with a suitable diagram.
5. What qualities do you think are essential for an effective HR manager?



**1.13 SUGGESTED READINGS**

1. Gary Dessler – Human Resource Management, Publisher: Pearson Education, Edition: 16th Edition (Global Edition, 2023)
2. K. Aswathappa – Human Resource Management: Text and Cases, Publisher: McGraw Hill Education (India), Edition: 9th Edition (2022)
3. P. Subba Rao – Personnel and Human Resource Management, Publisher: Himalaya Publishing House, Mumbai, Edition: 6th Revised Edition (2021)
4. V.S.P. Rao – Human Resource Management: Text and Cases, Publisher: Excel Books, New Delhi, Edition: 4th Edition (2020)
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## LESSON- 2

# HRM MODELS & FACTORS INFLUENCING HRM

### 2.0 OBJECTIVES:

After studying this lesson, you will be able to:

- Explain the Importance of various HRM Models
- Identify the various Environmental Factors influencing HRM
- Understand the Recent Trends in HRM

### LESSON STRUCTURE:

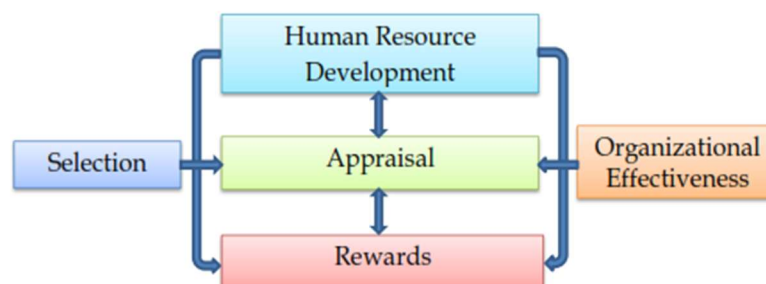
- 2.1 Models of Human Resource Management (HRM)
- 2.2 HRM in a Changing Environment
- 2.3 Emerging Trends in HRM
- 2.4 Summary
- 2.5 Technical Terms
- 2.6 Self Assessment Questions
- 2.7 Suggested Readings

### 2.1 MODELS OF HUMAN RESOURCE MANAGEMENT (HRM)

Human Resource Management (HRM) models provide theoretical frameworks to understand how people are managed within organizations. They explain different approaches and philosophies that guide HR practices, policies, and strategies. The main HRM models include the Fombrun (Michigan) Model, the Harvard Model, the Guest Model, and the Warwick Model.

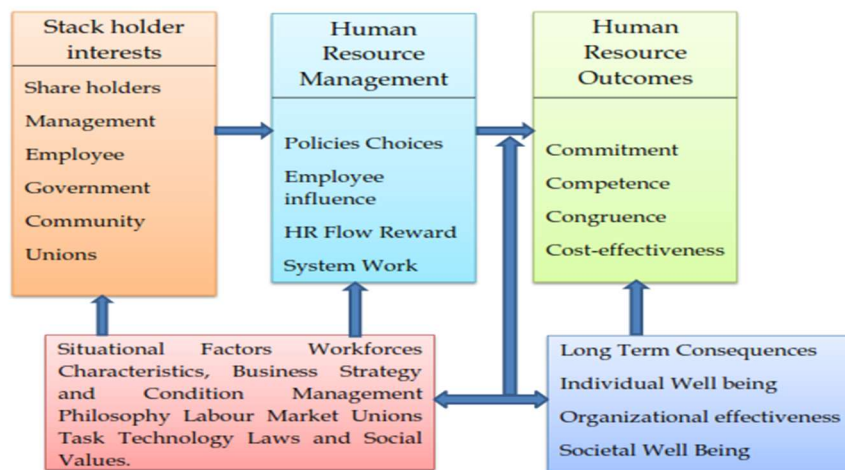
#### 2.1.1. Fombrun, Tichy and Devanna Model (1984)

This model is also known as the **Michigan Model**. It emphasizes that HR systems and organizational structure should be closely aligned with the overall strategy of the organization. The model identifies four key functions of HRM — Selection, Appraisal, Development, and Rewards. These elements must be interconnected and support organizational performance. The model adopts a hard HRM approach, focusing more on performance, control, and cost-effectiveness rather than employee welfare. It views employees as resources to be used efficiently to achieve business goals.



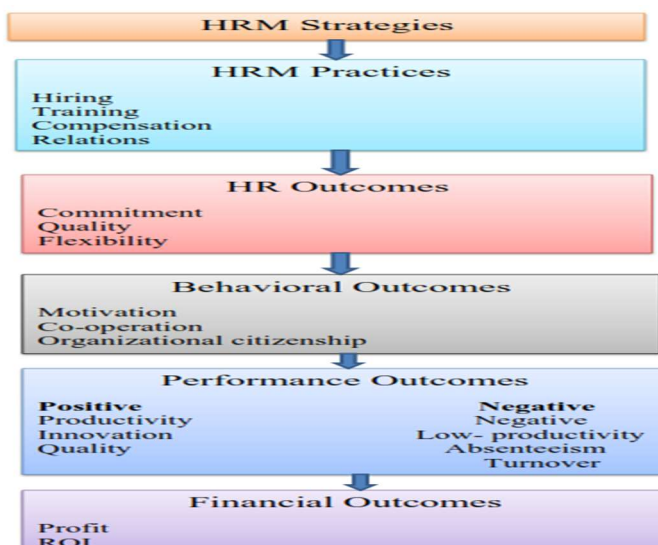
### 2.1.2 Harvard Model (Beer et al., 1984)

The **Harvard Model** takes a more humanistic approach, considering employees as valuable assets and stakeholders in the organization. It emphasizes the importance of balancing the interests of various groups such as employees, management, government, and the community. The model includes factors such as stakeholder interests, situational factors, HRM policy choices, and HR outcomes like commitment, competence, and cost-effectiveness. It represents a soft HRM approach, focusing on employee motivation, development, and involvement in decision-making.



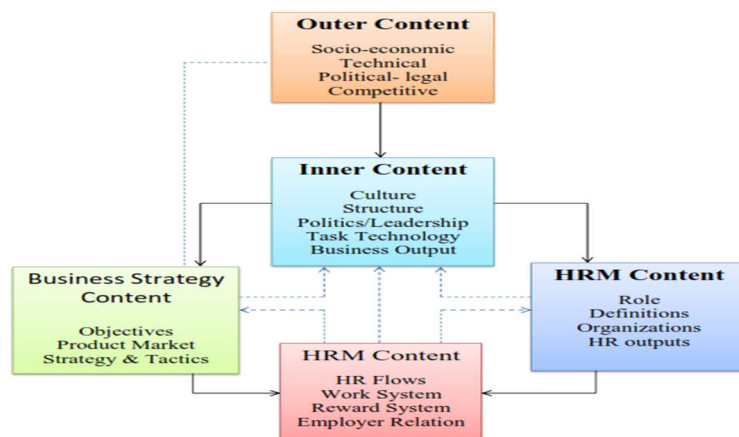
### 2.1.3 Guest Model (David Guest, 1987)

The **Guest Model** highlights the need for strategic integration of HRM with business goals. It argues that a well-designed HR strategy leads to improved performance, higher commitment, and better quality outcomes. According to Guest, effective HRM policies influence HR outcomes, which in turn affect behavioral outcomes, performance outcomes, and ultimately financial results. This model combines both hard and soft HRM features, aiming to align employee interests with organizational success through strategic HR practices.



### 2.1.4 Warwick Model (Hendry and Pettigrew, 1990)

The **Warwick Model** focuses on the connection between the organization's strategy, HRM practices, and its internal and external environments. It stresses that HRM decisions are influenced by both inner context (organizational culture, structure, leadership) and outer context (economic, political, and social conditions). This model highlights the dynamic relationship between the environment and HR policies. It is more contextual and strategic, showing that HRM cannot be isolated from external factors.



## 2.2 HRM IN A CHANGING ENVIRONMENT

### Environmental Factors Influencing HRM

Human Resource Management (HRM) does not function in isolation. It operates within a wider environment that continuously influences its policies, practices, and decisions. These **environmental factors** — both internal and external — affect how an organization manages its people. Understanding these factors helps HR managers design effective strategies to attract, develop, and retain talent.

### 2.2.1 Internal Environmental Factors

Internal factors exist **within the organization** and can be controlled or modified by management. These factors shape the internal working conditions and directly affect HR operations.

#### a. Organizational Culture

The beliefs, values, and norms shared by employees form the organizational culture. A positive and open culture promotes teamwork, motivation, and employee satisfaction, while a rigid culture may lead to resistance to change.

#### b. Organizational Structure

The structure (whether tall, flat, or matrix) determines communication flow, authority, and responsibilities. HR policies must align with the organization's structure for smooth coordination and efficiency.

*c. Leadership Style*

Leadership influences employee morale, motivation, and productivity. Democratic leadership encourages participation and creativity, whereas autocratic leadership may limit innovation.

*d. Nature of the Workforce*

The composition of employees in terms of age, education, gender, skills, and attitudes affects HR decisions related to recruitment, training, and welfare policies.

*e. Trade Unions*

The presence and strength of trade unions impact wage policies, grievance handling, and industrial relations. HR managers must maintain good relations with unions to ensure harmony.

## 2.2.2 External Environmental Factors

External factors exist **outside the organization** and are generally beyond the control of management. However, HR must adapt to these changes to remain effective.

*a. Economic Factors*

Economic conditions like inflation, unemployment, and growth rate affect wages, employee turnover, and recruitment. During economic downturns, organizations may reduce hiring and training budgets.

*b. Political and Legal Factors*

Government policies, labor laws, and industrial regulations influence HR functions such as compensation, safety, and employee rights. Compliance with legal requirements like the Factories Act or Minimum Wages Act is essential.

*c. Technological Factors*

Rapid technological advancements require continuous employee training and skill development. Automation and AI have changed job structures, demanding HR to manage technological transitions smoothly.

*d. Socio-Cultural Factors*

Social values, traditions, lifestyles, and education levels influence employee behavior and expectations. HR policies should reflect cultural sensitivity and promote diversity and inclusion.

*e. Demographic Factors*

Changes in population size, age distribution, literacy rate, and workforce diversity affect manpower planning and recruitment strategies.

#### *f. Global and Competitive Factors*

Globalization and competition require HR to focus on innovation, talent retention, and international HR practices. Multinational operations demand awareness of different cultures and labor laws.

#### *g. Natural and Environmental Factors*

Environmental awareness and sustainability have become crucial. HR departments promote eco-friendly policies and employee participation in green initiatives.

## 2.3 EMERGING TRENDS IN HUMAN RESOURCE MANAGEMENT

Human Resource Management (HRM) has evolved from a traditional administrative function into a strategic partner that contributes to organizational success. With rapid technological advancements, globalization, and changing employee expectations, several new trends have emerged in the HR field. These trends focus on improving efficiency, employee experience, and overall business performance.

Emerging trends in HRM reflect the transformation of the workplace and workforce. Technology, globalization, diversity, and employee well-being are redefining the HR function. Modern HR managers must be adaptive, data-driven, and people-oriented to meet these new challenges. These trends ensure that HR remains a vital part of organizational growth and success in the 21st century.

### 2.3.1 Digital Transformation in HR

Technology is reshaping the HR function. Digital tools like **HR analytics, cloud-based HR software, and Artificial Intelligence (AI)** are being used for recruitment, performance appraisal, payroll, and employee engagement. Automation reduces manual work and improves decision-making.

*Example:* Using AI for screening resumes or chatbots for answering employee queries.

### 2.3.2 Remote Work and Hybrid Models

After the COVID-19 pandemic, many organizations have adopted **remote and hybrid work models**. HR departments now focus on managing virtual teams, ensuring productivity, and maintaining employee engagement through digital communication platforms.

*Example:* Flexible working arrangements and virtual meetings via Zoom or Microsoft Teams.

### 2.3.3 Employee Well-being and Mental Health

Employee well-being has become a major HR priority. Companies are introducing wellness programs, counseling, stress management workshops, and flexible work options to support mental and physical health.

*Example:* Providing access to online therapy and mindfulness sessions.

### 2.3.4 Diversity, Equity, and Inclusion (DEI)

Modern organizations emphasize building **diverse and inclusive workplaces**. HR policies aim to eliminate discrimination and ensure equal opportunities for all, regardless of gender, age, ethnicity, or background.

*Example:* Inclusive hiring policies and diversity training sessions.

### 2.3.5 Upskilling and Reskilling

Due to technological changes, employees need continuous learning to stay relevant. HR focuses on **training, e-learning platforms, and career development programs** to upgrade employee skills and prepare them for future roles.

*Example:* Offering online certification courses or digital skills training.

### 2.3.6 Data-Driven HR and People Analytics

HR decisions are increasingly based on data analysis. **People analytics** uses employee data to make informed decisions on hiring, promotions, engagement, and retention.

*Example:* Using analytics to identify high-performing employees or predict turnover.

### 2.3.7 Gig Economy and Freelance Workforce

Many organizations now hire **freelancers, consultants, and part-time employees** for specific projects. This flexible workforce model allows cost savings and access to specialized talent. HR must adapt policies to manage this diverse workforce effectively.

*Example:* Hiring freelance designers or developers for short-term tasks.

### 2.3.8 Employee Experience and Engagement

Modern HRM focuses on creating a positive employee experience throughout the employee lifecycle — from recruitment to retirement. Engaged employees are more productive, loyal, and innovative.

*Example:* Conducting regular employee surveys and recognition programs.

### 2.3.9 Artificial Intelligence (AI) and Automation

AI tools help automate repetitive HR tasks such as scheduling interviews, analyzing employee feedback, and handling payroll. It allows HR professionals to focus on strategic and creative activities.

*Example:* Chatbots assisting employees with HR queries 24/7.

### 2.3.10 Sustainable HRM and Green HR

Organizations are now focusing on **sustainability** and environmentally responsible HR practices. Green HRM involves paperless offices, virtual meetings, and promoting environmental awareness among employees.

*Example:* Encouraging recycling and digital record-keeping to reduce waste.

### 2.3.11 Focus on Employee Retention

In the competitive job market, retaining talented employees has become a challenge. HR is adopting strategies like career development, recognition, flexible benefits, and positive culture to improve retention rates.

### 2.3.12 Strategic HRM

HR is no longer limited to hiring and administration. It plays a key role in shaping business strategy by aligning HR practices with organizational goals. HR leaders are now part of top management teams involved in decision-making.

## 2.4 SUMMARY

HRM models provide frameworks for understanding how human resource functions align with organizational goals. The **Fombrun, Tichy & Devanna Model** highlights the HR cycle – selection, appraisal, development, and rewards – emphasizing strategic alignment with business goals. The **Harvard Model** focuses on stakeholder interests and situational factors, promoting employee commitment and well-being through a “soft HRM” approach.

The **Guest Model** integrates HRM with organizational strategy, aiming for high commitment, high quality, and flexibility. The **Warwick Model** extends the Harvard framework by including external environmental and business context. Together, these models illustrate the strategic, human, and environmental dimensions of HRM.

The HRM environment is continuously shaped by globalization, technological innovation, economic shifts, and socio-cultural changes. HR managers must adapt to these changes by developing new strategies for workforce management, skill development, and employee engagement.

Human Resource Management is continuously evolving to meet the demands of a dynamic business world. Major emerging trends include digital transformation, AI-driven HR processes, and data-based decision-making through HR analytics. Organizations are increasingly adopting remote and hybrid work models, focusing on employee engagement, mental health, and work-life balance.



## 2.5 Technical Terms

1. Globalization: Managing diverse workforces across cultures and countries.
2. Workforce Diversity: Managing different ages, genders, cultures, and backgrounds.
3. Legal and Ethical Challenges: Compliance with labour laws, ethical HR practices, and data privacy.
4. Environmental Sustainability: HR promoting green initiatives, CSR, and eco-conscious behaviour.
5. Strategic Integration :The alignment of HR policies and practices with the overall organizational strategy. It ensures that HR activities directly contribute to achieving business goals.
6. HR Cycle : A continuous process involving Selection, Appraisal, Development, and Rewards, as explained in the Fombrun, Tichy & Devanna Model.
7. Situational Factors : External and internal conditions that influence HR policies, such as technology, laws, market conditions, and organizational culture.

## 2.6 SELF ASSESSMENT QUESTIONS

1. What is a Human Resource Management (HRM) model? Explain its purpose.
2. Describe the key features of the **Fombrun, Tichy, and Devanna Model**.
3. What are the four main functions included in the Fombrun HRM model?
4. What are the main components of the **Guest Model of HRM**?
5. How does the Guest Model link HRM practices with organizational performance?
6. Describe the significance of the **Warwick Model** in understanding HRM strategy.
7. What is meant by *Emerging Trends* in Human Resource Management?
8. What do you understand by the term *Changing Environment* in Human Resource Management?
9. Explain how **globalization** has influenced modern HR practices.
10. What are the major **technological changes** affecting HRM today?

## 2.7 SUGGESTED READINGS

1. Gary Dessler – Human Resource Management, Publisher: Pearson Education, Edition: 16th Edition (Global Edition, 2023)
2. K. Aswathappa – Human Resource Management: Text and Cases, Publisher: McGraw Hill Education (India), Edition: 9th Edition (2022)
3. P. Subba Rao – Personnel and Human Resource Management, Publisher: Himalaya Publishing House, Mumbai, Edition: 6th Revised Edition (2021)
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## **LESSON-3**

### **IHRM, GHRM, SHRM, HR ANALYTICS, HR SCORECARD**

#### **3.0 OBJECTIVES:**

After studying this lesson, you will be able to:

- Explain the Meaning & Importance of IHRM
- Explain the concept and significance of GHRM in a globalized business environment.
- Differentiate between IHRM and GHRM.
- Understand the strategic role of HR in achieving business success.
- Understand the concept, process, and application of HR Analytics.
- Understand the concept and framework of the HR Scorecard.

#### **LESSON STRUCTURE:**

- 3.1 International Human Resource Management (IHRM)
- 3.2 Global Human Resource Management (GHRM)
- 3.3 Strategic Human Resource Management (SHRM)
- 3.4 Human Resource Analytics
- 3.5 Human Resource Scorecard
- 3.6 Summary
- 3.7 Technical Terms
- 3.8 Self Assessment Questions
- 3.9 Suggested Readings

#### **3.1 INTERNATIONAL HUMAN RESOURCE MANAGEMENT (IHRM) – INTRODUCTION**

##### **3.1.1 Meaning & Definition**

International Human Resource Management (IHRM) refers to the process of managing and developing human resources in global organizations that operate across multiple countries. It focuses on recruiting, managing, and developing employees working in international or multicultural environments.

According to **Dowling, Schuler & Welch**,

“International Human Resource Management is concerned with the human resource problems of multinational firms in foreign subsidiaries and the human resource issues that cross national boundaries.”

##### **3.1.2 Scope of IHRM**

IHRM deals with:

- Managing employees working abroad (expatriates).

- Understanding cultural differences and global labor markets.
- Designing international training and compensation systems.
- Ensuring compliance with international labor laws and ethical standards.

### **3.1.3 Objectives of IHRM**

1. To ensure effective utilization of human resources globally.
2. To develop global leaders and managers.
3. To manage expatriate assignments successfully.
4. To build cross-cultural understanding and communication.
5. To align HR strategies with global business goals.

### **3.1.4 Importance of IHRM**

- Helps multinational companies (MNCs) achieve competitive advantage.
- Facilitates smooth international operations.
- Promotes cultural adaptability and diversity.
- Ensures compliance with local and international regulations.

### **3.1.5 Key Functions of IHRM**

1. Human Resource Planning – forecasting global manpower needs.
2. Recruitment and Selection – hiring employees across borders.
3. Training and Development – preparing employees for international assignments.
4. Performance Appraisal – evaluating global workforce performance.
5. Compensation and Benefits – designing equitable pay systems across nations.
6. Labor Relations – maintaining good relations with local unions and governments.

### **3.1.6 Challenges in IHRM**

- Cultural differences and communication barriers.
- Legal and political variations among countries.
- Expatriate failure and adjustment issues.
- Managing diversity and inclusion.

## **3.2 GLOBAL HUMAN RESOURCE MANAGEMENT – INTRODUCTION**

### **3.2.1 Meaning & Definition**

Global Human Resource Management (GHRM) refers to the process of managing people in a globalized business environment where organizations operate and compete across multiple countries. It focuses on integrating HR practices worldwide while maintaining flexibility for local conditions.

**According to Stone,**

“Global Human Resource Management is the process of acquiring, allocating, and effectively utilizing human resources in a global business to achieve organizational objectives.”

GHRM extends beyond managing employees in a few countries—it aims to create a globally integrated HR strategy that supports worldwide business operations, develops global talent, and promotes organizational culture across borders.

### 3.2.2 Objectives of GHRM

1. To build a globally competent and culturally adaptable workforce.
2. To align HR strategies with global business goals.
3. To develop international leaders and managers.
4. To enhance communication and collaboration across countries.
5. To ensure compliance with global labor standards and ethics.

### 3.2.3 Features of GHRM:

- Cross-border recruitment and mobility.
- Standardization of HR policies with local adaptation.
- Focus on global leadership and talent management.
- Emphasis on diversity, inclusion, and cultural intelligence.
- Use of technology and HR analytics for global coordination.

### 3.2.4 Importance of GHRM:

- Helps multinational firms gain a competitive edge globally.
- Promotes effective management of a diverse workforce.
- Facilitates global expansion and smooth international operations.
- Enhances employee engagement and organizational culture worldwide.

### 3.2.5 Challenges in GHRM:

- Cultural and linguistic differences.
- Varying labor laws and employment regulations.
- Managing global teams and remote work.
- Balancing global consistency with local responsiveness.
- Political and economic instability in different regions.

### 3.2.6 Comparison between IHRM and GHRM

Basis of Comparison	International Human Resource Management (IHRM)	Global Human Resource Management (GHRM)
<b>1. Meaning</b>	Managing human resources in multinational companies that operate in more than one country.	Managing human resources on a global scale, integrating HR strategies worldwide for a unified global workforce.
<b>2. Focus</b>	Focuses on managing employees in foreign subsidiaries or specific international locations.	Focuses on managing a global workforce as a whole, regardless of national boundaries.
<b>3. Scope</b>	Limited to multinational corporations (MNCs) and their	Broader scope — applies to any organization with a global vision or

<b>Basis of Comparison</b>	<b>International Human Resource Management (IHRM)</b>	<b>Global Human Resource Management (GHRM)</b>
	international operations.	operations.
<b>4. Objective</b>	To manage expatriates and handle HR issues arising from international assignments.	To develop global talent and integrate HR policies across all countries consistently.
<b>5. Approach</b>	Country-specific (polycentric or regiocentric approach).	Global and standardized (geocentric approach).
<b>6. Strategy</b>	Focuses on balancing home-country and host-country HR practices.	Focuses on creating uniform global HR policies and practices.
<b>7. Key Activities</b>	Expatriate management, cross-cultural training, compensation, and repatriation.	Global leadership development, knowledge sharing, global mobility, and strategic HR integration.
<b>8. Orientation</b>	More operational and administrative.	More strategic and integrative.
<b>9. Cultural Perspective</b>	Deals with cross-cultural challenges between home and host countries.	Promotes a single global culture and shared values across all locations.
<b>10. Example</b>	A U.S. company managing employees in its branch in India or Japan.	A truly global company like Google or IBM managing employees as part of one global workforce.

### 3.3 STRATEGIC HUMAN RESOURCE MANAGEMENT – INTRODUCTION

#### 3.3.1 Meaning & Definition

Strategic Human Resource Management (SHRM) refers to the process of aligning human resource policies and practices with the overall strategic goals of an organization to improve business performance and develop an organizational culture that fosters innovation and flexibility.

According to Armstrong (2014),

“Strategic Human Resource Management is an approach to making decisions on the intentions and plans of the organization concerning the employment relationship and its recruitment, training, development, performance management, and reward strategies.”  
SHRM integrates HRM into the strategic planning process of an organization. It ensures that human resources are not just administrative support but **strategic partners** contributing directly to long-term goals, competitive advantage, and business success.

#### 3.3.2 Objectives of SHRM

1. To align HR policies with the organization's vision, mission, and strategy.
2. To develop a skilled, motivated, and high-performing workforce.
3. To enhance organizational flexibility and adaptability to change.
4. To improve employee commitment and productivity.
5. To create sustainable competitive advantage through people.

### 3.3.3 Features of SHRM

- Long-term and forward-looking orientation.
- Integration of HR strategy with business strategy.
- Focus on organizational performance and competitiveness.
- Emphasis on proactive rather than reactive HR policies.
- Involvement of top management in HR decision-making.

### 3.3.4 Importance of SHRM

- Enhances organizational effectiveness and efficiency.
- Improves coordination between departments and management levels.
- Encourages innovation and continuous improvement.
- Builds a strong organizational culture and leadership pipeline.
- Ensures better adaptability to market and technological changes.

### 3.3.5 Process of SHRM:

1. **Environmental Scanning** – analyzing internal and external factors.
2. **Strategy Formulation** – defining HR strategies aligned with business goals.
3. **Strategy Implementation** – executing HR plans and initiatives.
4. **Evaluation and Control** – monitoring outcomes and adjusting strategies.

### 3.3.6 Challenges in SHRM:

- Rapid technological and market changes.
- Global competition.
- Managing workforce diversity.
- Balancing short-term and long-term HR objectives.

## 3.4 HR ANALYTICS – INTRODUCTION

### Meaning&Definition:

HR Analytics, also known as **People Analytics** or **Workforce Analytics**, is the process of collecting, analyzing, and interpreting data related to human resources in order to improve decision-making and organizational performance. It uses statistical methods, data mining, and predictive modeling to understand workforce trends and outcomes.

According to Heuvel and Bondarouk (2017),

“HR Analytics is the systematic identification and quantification of the people drivers of business outcomes.”

HR Analytics transforms HR data into meaningful insights. Instead of relying on intuition or guesswork, it helps HR managers make **data-driven decisions** about hiring, training, performance, engagement, and retention.

### 3.4.1 Objectives of HR Analytics

1. To measure and improve HR effectiveness.
2. To link HR activities with business performance.
3. To predict future workforce needs and challenges.
4. To support strategic decision-making through evidence-based insights.
5. To optimize employee performance and organizational growth.

### 3.4.2 Features of HR Analytics

- Data-driven approach to HR management.
- Use of technology, metrics, and dashboards.
- Focus on predictive and prescriptive analytics.
- Integration of HR data with business data.
- Continuous monitoring and evaluation of workforce trends.

### 3.4.3 Importance of HR Analytics

- Helps in identifying the right talent and reducing turnover.
- Improves employee engagement and productivity.
- Enables better workforce planning and budgeting.
- Enhances transparency and accountability in HR decisions.
- Supports strategic HR initiatives with measurable results.

### 3.4.4 Process of HR Analytics

1. **Data Collection** – Gathering HR data from various sources (e.g., attendance, performance, payroll).
2. **Data Analysis** – Applying statistical tools and software to analyze data.
3. **Interpretation** – Deriving insights and identifying key patterns or issues.
4. **Decision-Making** – Using insights to make strategic HR decisions.
5. **Evaluation** – Measuring the impact of implemented HR actions.

### 3.4.5 Challenges in HR Analytics:

- Lack of data accuracy and integration.
- Limited analytical skills among HR professionals.
- Resistance to data-driven culture.
- Privacy and ethical issues related to employee data.

#### HR ANALYTICS



### 3.5 HR SCORECARD – INTRODUCTION

#### 3.5.1 Meaning & Definition

The **HR Scorecard** is a strategic tool used to measure how effectively the Human Resource (HR) department contributes to an organization's overall success. It aligns HR practices with business strategy and evaluates HR's performance in terms of value creation and organizational impact.

According to Becker, Huselid, and Ulrich (2001),

“The HR Scorecard is a measurement system that shows how HR activities contribute to the company's strategic success.”

The HR Scorecard extends the idea of the Balanced Scorecard (developed by Kaplan and Norton) to the HR function. It provides a framework for assessing HR efficiency, effectiveness, and its strategic role in driving business outcomes. It moves HR from being merely administrative to being a strategic partner.

#### 3.5.2 Objectives of HR Scorecard

1. To link HR strategies and activities with business goals.
2. To measure HR's contribution to organizational performance.
3. To improve accountability and transparency in HR functions.
4. To identify areas for improvement in HR policies and practices.
5. To ensure HR adds measurable value to the organization.

#### 3.5.3 Features of HR Scorecard

- Focuses on both financial and non-financial HR measures.
- Translates HR strategy into quantifiable results.
- Connects HR metrics to key business outcomes.
- Encourages continuous performance improvement.
- Emphasizes strategic alignment and long-term value.

#### 3.5.4 Key Perspectives in HR Scorecard

1. **HR Competence** – Skills, abilities, and knowledge of HR professionals.
2. **HR Practices** – Recruitment, training, compensation, performance management.
3. **HR Systems** – Technology and processes that support HR operations.
4. **Employee Contribution** – Employee productivity, engagement, and satisfaction.
5. **Business Outcomes** – Financial performance, customer satisfaction, innovation, etc.

#### 3.5.5 Importance of HR Scorecard

- Demonstrates HR's strategic value to top management.
- Improves HR planning and decision-making.
- Enhances the alignment between HR and business strategies.
- Provides a balanced and objective way to assess HR performance.



### 3.6 SUMMARY

International Human Resource Management plays a crucial role in ensuring that multinational corporations can effectively manage their diverse workforce across borders. It focuses on building global competencies and creating strategies that balance both global integration and local responsiveness.

Global Human Resource Management is essential in today's interconnected world. It focuses on creating strategies that unify global HR practices, nurture international talent, and help organizations succeed in diverse global markets. Strategic Human Resource Management is essential for modern organizations as it transforms the HR function from a traditional administrative role into a strategic partner. It ensures that human resources are effectively utilized to achieve long-term organizational success and sustainability.

HR Analytics is a powerful tool that transforms HR from a traditional administrative function into a strategic, evidence-based discipline. By using data and analytics, organizations can make smarter decisions that enhance both employee satisfaction and business performance. The HR Scorecard is a modern approach to HR performance measurement that links people, strategy, and performance. It enables organizations to evaluate HR's strategic impact and ensures that human capital contributes directly to achieving business success.

### 3.7 TECHNICAL TERMS:

1. **Expatriate** – Employee sent from home country to work in a foreign country.
2. **Repatriation** – Process of bringing an expatriate back to the home country.
3. **Third Country National (TCN)** – Employee working in a country that is neither their home nor the headquarters country.
4. **Global Integration** – Unifying HR policies across all countries.
5. **Workforce Diversity** – Managing employees from different countries, cultures, and backgrounds.
6. **Human Capital** – The knowledge, skills, and abilities of employees that create value.
7. **Competency Mapping** – Identifying key skills required for organizational success.
8. **HR Metrics** – Quantitative indicators like turnover rate, absenteeism, and productivity.
9. **Balanced Scorecard Approach** – Framework measuring performance from multiple perspectives.
10. **HR Deliverables** – Outcomes or results expected from HR activities.
11. **Lag Indicators** – Measure outcomes of past HR actions (e.g., retention rate).
12. **Lead Indicators** – Predict future HR outcomes (e.g., training hours).

### 3.8 SELF ASSESSMENT QUESTIONS

1. Define International Human Resource Management.
2. Explain the objectives and importance of IHRM.
3. What are the main challenges faced by IHR managers in multinational companies?
4. How does GHRM differ from IHRM?
5. Explain the importance of cultural intelligence in GHRM.
6. Discuss the role of technology in managing a global workforce.
7. What is Strategic Human Resource Management?
8. Explain how HR strategy aligns with business strategy.

9. Discuss the process of SHRM.
10. Explain the difference between traditional HRM and SHRM.
11. What is competency mapping and how is it used in SHRM?
12. Define HR Analytics. What are the objectives of HR Analytics?
13. Explain the process of HR Analytics.
14. Explain the purpose of using an HR Scorecard.
15. What are the key components of an HR Scorecard?

### 3.9 SUGGESTED READINGS

1. Gary Dessler – *Human Resource Management*, Publisher: Pearson Education, Edition: 16th Edition (Global Edition, 2023)
2. K. Aswathappa – *Human Resource Management: Text and Cases*, Publisher: McGraw Hill Education (India), Edition: 9th Edition (2022)
3. P. Subba Rao – *Personnel and Human Resource Management*, Publisher: Himalaya Publishing House, Mumbai, Edition: 6th Revised Edition (2021)
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# LESSON- 4

## JOB ANALYSIS

### 4.0 OBJECTIVES:

After studying this lesson, you will be able to:

- **Define Job Analysis** and explain its meaning, purpose, and importance in Human Resource Management.
- **Understand the process** of Job Analysis and the key steps involved in collecting job-related data.
- **Differentiate between Job Description and Job Specification** and explain their significance.
- **Identify various Methods** and Techniques used for conducting Job Analysis.

### LESSON STRUCTURE:

- 4.1 Meaning & Definition
- 4.2 Job Description
- 4.3 Job Specification
- 4.4 Difference between Job Description and Job Specification
- 4.5 Importance of Job Analysis
- 4.6 Process of Job Analysis
- 4.7 Methods of Job Analysis
- 4.8 Disadvantages of Job Analysis
- 4.9 Summary
- 4.10 Technical Terms
- 4.11 Self Assessment Questions
- 4.12 Suggested Readings

### 4.1 MEANING & DEFINITION OF JOB ANALYSIS

In a country like India, jobs are very important to individuals. They help to determine standards of living, places of residence, status and even one's sense of self-worth. They are important to organizations also because they are the means of accomplishing organizational objectives. Traditionally, organizations used to define jobs in a rigid way. Job analysis is an important step in ensuring that the right candidate is selected. Job analysis helps the employer in recruitment and selection, performance management, choosing compensation and benefits, etc. It helps the employees to have a clear picture of what is actually required of them.

Job analysis is a systematic and detailed examination of jobs. It is the process of collecting information about a job — that is, the knowledge, skills, and the experience needed to carry

out a job effectively. The jobholder is supposed to possess job-related knowledge useful to carry out the job easily.

He must possess relevant skills to put the knowledge into practice quickly and effectively. He should have the ability to understand how the tools, equipment, materials, resources, machines need to be deployed in order to produce results. Only after a careful examination of the requirements of job, the job incumbent's qualifications are generally determined.

(1) According to Edwin B. Flippo – “Job analysis is the process of studying and collecting information relating to the operations and responsibilities of a specific job. The immediate products of this analysis are job descriptions and job specifications.”

(2) Further, David A. De Cenzo and Stephen P. Robbins has defined “job analysis is a systematic exploration of the activities within a job. It is a basic technical procedure, one that is used to define the duties, responsibilities and accountabilities of a job.”

(3) Herbert G. Hereman III has said “A job analysis is a collection of tasks that can be performed by a single employee to contribute to the production of some product or service provided by the organisation. Each job has certain ability requirements (as well as certain rewards) associated with it. It is the process used to identify these requirements.”

## 4.2 JOB DESCRIPTION

A Job Description is a written statement that explains the duties, responsibilities, working conditions, and scope of a specific job.

It tells what the job involves and what tasks the employee is expected to perform.

According to Edwin B. Flippo:

“A job description is an organized, factual statement of the duties and responsibilities of a specific job.”

Job Description = What the job involves.

## 4.3 JOB SPECIFICATION

A Job Specification is a detailed statement of the qualifications, qualities, and skills required from a person to perform a particular job effectively.

It focuses on the *person* rather than the *job itself*.

According to Dale Yoder:

“Job specification is a statement of the minimum acceptable human qualities necessary to perform a job properly.”

Job Specification = What kind of person is needed for the job.

**Job Analysis = Job Data → Job Description + Job Specification → HR Decisions**

#### **4.4 DIFFERENCE BETWEEN JOB DESCRIPTION AND JOB SPECIFICATION**

<b>Basis of Comparison</b>	<b>Job Description</b>	<b>Job Specification</b>
<b>1. Meaning</b>	Describes the duties, responsibilities, and nature of the job.	Describes the qualifications, skills, and attributes required from the employee.
<b>2. Focus</b>	Focuses on the <i>job itself</i> .	Focuses on the <i>person performing the job</i> .
<b>3. Purpose</b>	To describe what the job demands.	To describe what kind of person fits the job.
<b>4. Content</b>	Includes job title, duties, responsibilities, working conditions, and reporting relationships.	Includes education, experience, skills, physical and mental abilities, and personality traits.
<b>5. Use</b>	Used for job evaluation, role clarity, and performance appraisal.	Used for recruitment, selection, and training of employees.
<b>6. Preparation Basis</b>	Prepared after analyzing the job's functions and duties.	Prepared after defining the job description.
<b>7. Orientation</b>	Functional or task-oriented.	Employee or qualification-oriented.
<b>8. Example</b>	"Prepares monthly reports, supervises staff, manages office communication."	"Graduate with 3 years' experience, strong communication and leadership skills."

#### **4.5 IMPORTANCE OF JOB ANALYSIS**

##### **Manpower Planning**

Job analysis is a qualitative aspect of manpower needs, as it determines job requirements in terms of skills, qualities and other human characteristics. This facilitates the division of labor into different occupations.

##### **Recruitment, Selection and Placement**

In order to hire a good person for the job, it is very important to know the requirements of the job and the qualities of the person who will be doing the job. Information on these two elements comes from the job description or job description and helps management to tailor the job requirements as closely as possible to the attitudes, skills, interests of employees, etc.

**Training and Development**

Job analysis determines standard levels for job performance. Helps manage learning development programs.

**Job Evaluation**

Job analysis provides the basis for job evaluation. The purpose of a job appraisal is to determine the relative value of the job which in turn helps determine job compensation.

**Performance Appraisal**

Job analysis data provides a clear standard of performance for each job. Employee performance can be objectively evaluated against the job performance standard.

**Job Designing**

Industrial engineers may use the job analysis information in designing the job by making the comprehensive study of the job elements.

**Safety and Health**

Management can take corrective actions to ensure the safety of workers and reduce the risk of various hazards to eliminate harmful conditions.

**Promotions**

The job analysis is mainly based on the effective policies. Effective policies may be formulated in regard to promotions and transfers.

**Employment Guidance**

Job description, which is basically carried out on the basis of Job analysis, helps the aspirates in ascertaining the job, for which they have the necessary ability and skills.

**Labour Relations**

Job analysis serves as the basis for resolving disputes that may arise due to quality of performance expected of workers.

**4.6 PROCESS OF JOB ANALYSIS****Step 1- Identify Purpose of Job Analysis**

First of all we should identify the purpose of job analysis. Otherwise we will not be able to collect all the pertinent information concerning job analysis and job analysis methods.

**Step 2- Selection of Analyst**

We have to choose analyst to whom responsibilities will be assigned for job analysis. The analysts will be taken from professional human resource, line managers, incumbents or consultants.

**Step 3- Selection of Method**

We will select representative positions to analyze because it may not be necessary to analyze all jobs and there may be too many similar jobs to analyze. After selecting representative jobs we must identify the appropriate method which is the best one in order to analyze a particular job.

**Step 4 -Train the Analyst**

If we use internal analyst then we have to give them appropriate training so that they can use the selected methods of job analysis in an efficient and effective way.

**Step 5- Preparation of Job Analysis**

It includes communicate the project in the organization and preparing the documentation.

**Step 6- Collection of Data**

Job analysts will collect data relating to job activities, employee behaviours, working conditions, human traits and abilities to perform the job, etc.

**Step 7- Review and Verify**

Analysts must verify the collected data to confirm that the information is factually correct and complete.

**Step 8- Develop a Job Description and Job Specification**

Develop a job description and job specification from the job analysis information. A job description is a written statement that describes the activities and responsibilities of the job, working conditions, safety and hazards. A job specification summarizes the personal qualities, traits, skills, and background required for getting the job done.

**4.7 METHODS OF JOB ANALYSIS**

Methods of collecting job analysis information include Direct Observation, Work Method Analysis, Critical Incident Technique, Interview and Questionnaire Method.

**1. Direct Observation Method**

Direct Observation is a method of job analysis to observe and record behaviour / events / activities / tasks / duties when the worker or group engaged in doing the job. Observation method can be effective only when the job analyst is skilled enough to know what is to be observed, how to analyze, and what is being observed.

## **2. Work Method Analysis**

Work methods analysis is used to describe manual and repetitive production jobs, such as factory or assembly-line jobs. Work methods analysis includes time and motion study and micro-motion analysis.

## **3. Critical Incident Technique**

Critical incident technique is a method of job analysis used to identify work behaviours that classify in good and poor performance. Under this method, jobholders are asked to describe critical incidents concerning the job and the incidents so collected are analyzed and classified according to the job areas they describe.

## **4. Interview Method**

Interview method is a useful tool of job analysis to ask questions to both incumbents and supervisors in either an individual or a group setting. Interview includes structured interviews, unstructured interview, and open-ended questions.

## **5. Questionnaire Method**

It includes 6 techniques, which are as follows:

### **a. Position Analysis Questionnaire (PAQ Model):**

PAQ model is a questionnaire technique of job analysis. It developed by Mc Cormick, Jeanneret, and Mecham (1972), is a structured instrument of job analysis to measure job characteristics and relate them to human characteristics. It consists of 195 job elements that describe generic human work behaviours.

### **b. Functional Job Analysis (FJA Model):**

FJA model is a technique of job analysis that was developed by the Employment and Training Administration of the United States Department of Labour. It includes 7 scales (numbers) that measure- 3 worker-function scales- measure percentage of time spent with: data, people, things; 1 worker-instruction scale; 3 scales that measure reasoning, mathematics, and language.

### **c. Work Profiling System (WPS Model):**

WPS model is a questionnaire technique of job analysis, is a computer-administered system for job analysis, developed by Saville & Holdsworth, Ltd.

### **d. MOSAIC Model:**

MOSAIC model is a questionnaire technique of job analysis used to collect information from incumbents and supervisors. It contains 151 job tasks rated in terms of importance for



effective job performance and 22 competencies rated in terms of importance, and needed proficiency at entry.

**e. Common Metric Questionnaire (CMQ Model):**

CMQ model is a technique of job analysis that was developed by Harvey as a “worker-oriented” job analysis instrument designed to have applicability to a broad range of exempt and nonexempt jobs. It includes 41 general questions of background section, 62 questions of contacts with people, 80 items of decision making, 53 items of physical and mechanical activities, 47 items of work setting.

**f. Fleishman Job Analysis System (FJAS Model):**

FJAS model is a technique of job analysis that describes jobs from the point of view of the necessary capacities. It includes 52 cognitive, physical, psycho-motor, and sensory ability; each of the categories consists of two parts – an operational and differential definition and a grading scale.

## **4.8 DISADVANTAGES OF JOB ANALYSIS**

### **Time Consuming**

The biggest drawback of the job review process is being very time consuming. This is a serious limitation, especially when jobs change frequently. This emphasizes personal bias: if the supervisor or analyst is an employee of the same organization, the process may involve their personal likes and dislikes. This is a major obstacle for the collection of reliable and accurate data.

### **Too much Human Effort**

The process involves a lot of human effort. Because each job has different information and there is no set pattern, custom information must be collected for different jobs. The process must be carried out separately to collect and record order-related data.

### **Lack of Skills**

If the analyst is unaware of the purpose of the job analysis process and doesn't have the proper skills to carry it out, it is a waste of company resources. You must be trained to obtain reliable data.

### **Lack of Mental Abilities**

Last but not least, mental abilities such as intelligence, emotional characteristics, knowledge, competence, mental and endurance are intangible things that cannot be directly observed or measured. People work differently in different situations. Therefore, general standards for mental abilities cannot be set.

## 4.9 SUMMARY

- **Job Analysis** is a **systematic process** of collecting, examining, and interpreting information about a job's duties, responsibilities, and the qualities required to perform it effectively.
- It serves as the **foundation for all HR activities**, such as recruitment, selection, training, performance appraisal, compensation, and job design.
- The process involves identifying **what a job requires** (tasks, duties, responsibilities) and **what an employee must possess** (skills, knowledge, abilities, and other characteristics).
- The **main outputs** of job analysis are:
  - **Job Description** – Explains *what the job involves*.
  - **Job Specification** – Explains *what kind of person is needed* to do the job.
- Job Analysis helps ensure **role clarity, fair evaluation, and effective workforce planning**, leading to improved organizational efficiency.
- Various **methods** used for job analysis include **observation, interviews, questionnaires, and checklists**.
- The information obtained supports **strategic HRM** by aligning people, roles, and organizational goals.
- In today's dynamic environment, **technological changes and flexible work structures** require continuous updating of job data.
- Overall, Job Analysis is a **critical HR tool** that bridges the gap between **employee capabilities** and **organizational needs**.

## 4.10 TECHNICAL TERMS

1. **Job Analysis** – A systematic process of collecting and analyzing information about the duties, responsibilities, and requirements of a job.
2. **Job Data** – Information gathered about the job tasks, duties, and required human qualities.
3. **Job Design** – Process of organizing tasks, duties, and responsibilities into a productive unit of work.
4. **Competency Analysis** – Identifying the key knowledge, skills, and abilities required to perform a job effectively.
5. **Job Title** – The official name or designation of a job (e.g., HR Executive, Clerk).
6. **Job Summary** – A brief overview of the job's main purpose and scope.
7. **Duties and Responsibilities** – Specific functions and accountabilities of the job holder.
8. **Job Summary Statement** – One-line description highlighting the overall purpose of the position.
9. **Physical Requirements** – Physical attributes such as strength, stamina, or vision needed for the job.
10. **Mental Abilities** – Cognitive capacities like problem-solving, reasoning, and memory.

## 4.11 SELF-ASSESSMENT QUESTIONS

### A. Short Answer Type Questions

1. Define **Job Analysis** in your own words.
2. What are the **main objectives** of job analysis?

3. Distinguish between **Job Description** and **Job Specification**.
4. Mention two **limitations** or challenges of job analysis.

#### B. Long Answer / Essay Type Questions

1. Explain the **process of job analysis** in detail with a neat diagram.
2. Discuss the **importance of job analysis** in Human Resource Management.
3. Describe the **methods and techniques** used in job analysis.
4. Explain the **steps involved in preparing** a Job Description and Job Specification.

#### 4.12 SUGGESTED READINGS

1. Gary Dessler – *Human Resource Management*, Publisher: Pearson Education, Edition: 16th Edition (Global Edition, 2023)
2. K. Aswathappa – *Human Resource Management: Text and Cases*, Publisher: McGraw Hill Education (India), Edition: 9th Edition (2022)
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## **LESSON-5**

### **HUMAN RESOURCE PLANNING (HRP)**

#### **5.0 LEARNING OBJECTIVES:**

After studying this lesson, you will be able to:

- Define HRP and explain its significance.
- Describe the objectives and process of HRP.
- Forecast manpower demand and supply.
- Identify challenges in HRP implementation.
- Relate HRP to strategic organizational goals.

#### **LESSON STRUCTURE:**

- 5.1** Introduction To Human Resource Planning (HRP)
- 5.2** Meaning & Definitions of HRP
- 5.3** Objectives of HRP
- 5.4** Importance of HRP
- 5.5** Factors affecting HRP
- 5.6** Process of HRP
- 5.7 Techniques of HRP**
- 5.8** Summary
- 5.9** Technical Terms
- 5.10** Self Assessment Questions
- 5.11** Suggested Readings

#### **5.1 INTRODUCTION TO HUMAN RESOURCE PLANNING (HRP)**

Human Resource Planning (HRP) is the process of understanding the requirements of an organization in terms of how many and what kind of individuals are needed.

It is also known as workforce planning. It identifies the current and future demands of a business and helps in effectively achieving targets.

Human Resource Planning (HRP) revolves around the fundamental economic principles of supply and demand concerning an organization's workforce. Just like finding the right balance in a recipe, HRP ensures that a company has the right amount of workforce to meet its needs.

#### **5.2 MEANING & DEFINITIONS OF HUMAN RESOURCE PLANNING**

HRP or HR Planning, is the process of carefully and scientifically preparing a strategy to ensure the right people are available at the right time, in the right place, and at the right cost for the organization.

Employees are the best resources of a company. Hence, HRP is all about finding the ideal employees and making sure they're in the right job, that benefits both the individual and the organization.

**E.W. Vetter** defines HR Planning as “A process by which an organization should move from its current manpower position to the desired manpower position. Through planning the management strives to have the right number, right kind of people at the right place and at right time, doing things which results in both organization and individual receiving maximum long run benefits.”

**Robbins and Coulter** says “HR Planning is the process by which manager ensures that they have the right number and right kind of capable people in the right places and at the right times.”

According to **K Aswathappa**, “HR Planning is the process of forecasting a firm’s future demand for, and supply of, the right type of people in the right number.”

Thus, the meaning of Human Resource Planning (HRP) is quite clear. Let’s move forward and understand its crucial role in shaping organizational success.

### **5.3 OBJECTIVES OF HUMAN RESOURCE PLANNING (HRP)**

#### **1. Ensure Adequate Human Resources**

To make sure the right number of employees are available when required.

#### **2. Ensure the Right Type of Personnel**

To provide employees with the right skills, qualifications, and competencies.

#### **3. Forecast Future Manpower Needs**

To predict future demand based on organizational goals, technology, and expansion plans.

#### **4. Assess Human Resource Supply**

To evaluate internal and external availability of manpower.

#### **5. Minimize Manpower Shortages and Surpluses**

To avoid understaffing (which affects productivity) and overstaffing (which increases cost).

#### **6. Support Organizational Growth**

To plan manpower requirements for expansion, diversification, or new projects.

#### **7. Facilitate Employee Development**

To identify training, development, and career planning needs.

#### **8. Improve Utilization of Human Resources**

To ensure effective deployment of employees through transfers, promotions, or job rotation.

**9. Control Labour Costs**

To manage wage bills by planning recruitment, training, downsizing, and outsourcing.

**10. Prepare for Technological Changes**

To anticipate changes in skill requirements due to new technology.

**11. Ensure Continuity Through Succession Planning**

To identify and develop employees for key positions in the future.

**12. Strengthen HR Policies**

To build strong policies on recruitment, training, promotion, and retention.

**5.4 IMPORTANCE OF HUMAN RESOURCE PLANNING****1. Increasing productivity**

In HR planning, maximizing productivity is crucial. Efficient use of resources and minimizing waste, achieved through staffing activities like training, performance appraisal, and fair compensation, leads to higher productivity.

HR planning ensures employees are skilled, motivated, and properly rewarded, enhancing overall efficiency and productivity in the organization.

**2. Implementing Managerial Activities**

The success of managerial tasks like planning, organizing, directing, and controlling relies heavily on having the right people (human resources) in place. Human resources play a crucial role in making sure these managerial activities work effectively.

So, HRP, which is about having the right staff in the right positions, is essential for all managerial functions to succeed. In simpler terms, having the right people is vital for any business to run smoothly.

**3. Motivating Employees**

HR Planning goes beyond just placing the right people in the right roles. It also involves motivating employees through programs like incentives. These incentives are crucial because they encourage active participation and help in retaining employees within the organization.

So, within the scope of HR planning, designing effective incentive plans becomes extremely important. It ensures not only hiring suitable individuals but also keeping them engaged and motivated to contribute their best to the organization.

#### **4. Improving Employee Relations**

Strong human relations are vital for a company's stability. This strength is achieved through effective control, clear communication, and strong leadership. Human resources planning plays a key role in this.

By focusing on training and developing the workforce, HR Planning ensures that employees are skilled and cooperative. This in turn fosters better human relations within the organization. Essentially, HR planning helps create a positive work environment where employees understand their roles, communicate well, and cooperate effectively.

#### **5. Coping with Change**

Human resource planning is important for organizations to cope with changes in the external environment. It enables the development and implementation of strategies to enhance employee and organizational performance.

#### **6. Evaluating Demand and Supply of Resources**

Human resource planning ensures there is the right number of employees (demand) to meet the company's needs without overstaffing or understaffing. It's like finding the perfect balance, ensuring there are enough people to get the job done efficiently without unnecessary costs or gaps.

#### **7. Increasing Quality of Hire**

Human resource planning impacts the quality of applicants an organization attracts. Companies practicing HR planning know what qualities they need in applicants, making their hiring decisions more precise and effective. This results in attracting candidates who are better suited for the organization's needs.

#### **8. Growing a Competitive Advantage**

As discussed, organizations that invest in human resource planning can identify and nurture the best talents. By having the right people with the right skills in the right places, a company gains a competitive edge.

They can adapt to changes faster, innovate more effectively, and deliver superior products or services. In essence, human resource planning helps companies stay ahead of the competition by ensuring they have the right team to tackle challenges and seize opportunities.

### **5.5 FACTORS AFFECTING HUMAN RESOURCE PLANNING (HRP)**

Human Resource Planning is influenced by a variety of **Internal** and **External** factors that determine the availability and demand for human resources.

#### **A. Internal Factors**

These are factors within the organization that directly affect HRP.

**1. Organizational Strategy and Goals**

Future plans such as expansion, diversification, modernization, or downsizing influence HR demand.

**2. Organizational Structure**

Changes in structure (centralization, decentralization, mergers, new departments) affect staffing needs.

**3. Growth and Expansion Plans**

Increasing production, opening new branches, or entering new markets requires more employees.

**4. Technological Changes**

Automation, digitalization, and new machinery may reduce the need for unskilled labour and increase demand for skilled workers.

**5. Budgetary Constraints**

Availability of financial resources influences how many employees can be hired or trained.

**6. Employee Turnover**

High turnover increases the need for frequent recruitment and training.

**7. Internal Mobility**

Promotions, transfers, retirements, and resignations affect manpower availability.

**8. HR Policies**

Policies related to compensation, recruitment, promotion, and training affect HR planning decisions.

**9. Workforce Characteristics**

Age, skills, performance levels, and career aspirations of employees influence future HR needs.

**B. External Factors**

These are factors outside the organization that impact HRP.

**1. Economic Conditions**

Recession, inflation, or economic boom influence hiring plans and labour supply.



## 2. Labour Market Conditions

Availability of skilled workers in the market affects how easily vacancies can be filled.

## 3. Industry Trends

Technological advancements or demand changes in the industry influence HR requirements.

## 4. Demographic Factors

Population growth, age distribution, literacy rate, and migration trends affect labour supply.

## 5. Government Policies and Legal Regulations

Labour laws, reservation policies, minimum wage laws, work-hour rules affect HR planning.

## 6. Social and Cultural Factors

Work ethics, employee expectations, education levels, and social values influence workforce behavior.

## 7. Competition

Competitors' HR practices (salary, benefits, work culture) impact the organization's ability to attract talent.

## 8. Technological Environment

New technologies may require retraining or replacement of employees.

## 9. Globalization

International operations, outsourcing, and foreign competition affect HR planning strategies.

## SUMMARY TABLE: FACTORS AFFECTING HRP

Internal Factors	External Factors
Organizational goals	Economic conditions
Structure changes	Labour market trends
Growth plans	Demographic factors
Technology	Government laws
Budget	Social & cultural factors
Turnover	Competition
HR policies	Technological environment
Workforce characteristics	Globalization

## 5.6 HUMAN RESOURCE PLANNING PROCESS

The Human Resources Planning (HRP) process contains systematic steps in HRP that drive effective management of human resources. It is sometimes referred to as the process of human resources planning or manpower planning.

This methodical approach involves careful analysis, prediction, and strategic allocation of workforce resources. By understanding the process of manpower planning, businesses can ensure that the workforce remains a dynamic and responsive asset, vital for achieving long-term success.

The HRP process has been described below.

### Step 1: Analyzing the Environment

Analyzing the environment marks the starting point of Human Resource Planning (HRP). It involves scrutinizing both external and internal factors to identify potential issues, threats, and opportunities shaping the organization's strategic planning.

#### External environment:

- Competitors
- Legal environment

#### Internal environment:

- Strategy
- Technology factors

### Step 2: Predicting Labour Demands

Predicting labor demands is essential to avoid labor shortages that often impede business expansion. Various methods are employed to forecast how business needs will influence HR requirements. Here are two basic method categories:

- **Qualitative Methods:** Qualitative techniques like the Delphi and nominal group techniques involve expert collaboration to create forecast statements and assumptions. These methods, although time-consuming, allow for in-depth discussions and idea sharing among experts.
- **Quantitative Methods:** Quantitative techniques, such as trend analysis, rely on historical data to project future workforce needs. Crucial steps in trend analysis include selecting appropriate business factors, plotting historical records, computing productivity ratios, determining trends, and making necessary adjustments for future projections.

### Step 3: Assessing Labour Supply

Labour supply assessment focuses on both internal (existing workforce) and external (potential recruits) resources. These resources are crucial to determine the supply required in the present and the future.

Internal and external labor supply can be explained as:

- **Internal Supply:** Internal labor supply refers to the available individuals and jobs within the organization. Human Resource Information System (HRIS) data projects future trends based on current patterns.
- **External Supply:** External supply encompasses individuals in the broader labor force who are potential recruits. The relevant labor market varies based on job skills. For highly skilled positions, it might be a national or global market, whereas for unskilled jobs, it typically is the local community.

### Step 4: Bridging Gaps

Gap analysis merges labor demand and supply forecasts. This critical process identifies potential skill shortages or surpluses. By aligning environmental forecasts with supply and demand projections, HR planners evaluate the organization's readiness to pursue different business scenarios in alignment with its objectives.

### Step 5: Implementation Planning

Following the analysis, implementation planning outlines the necessary steps to put the chosen solution into action. This phase ensures that decisions made in the above steps are translated into actionable plans, setting the sequence of events in motion.

### Step 6: Oversight and Evaluation

Oversight and evaluation involve monitoring the effectiveness of human resource plans over time. Any deviations from the plans are identified, and corrective actions are taken as needed. Feedback from various outcomes is utilized to measure the extent to which human resource objectives have been achieved.

Now that we have explored all the steps involved in human resource planning, you might wonder how to effectively implement them in your daily life. Well, let's discuss the key tools and techniques used in making the above steps actionable in the next section.

## 5.7 TECHNIQUES OF HUMAN RESOURCE PLANNING (HRP)

HRP uses several **Quantitative** and **Qualitative** techniques to forecast manpower demand and supply.

## A. Quantitative Techniques

### 1. Trend Analysis

Uses past data (e.g., last 5–10 years) to predict future manpower based on historical growth patterns.

### 2. Ratio Analysis

Determines employee requirements by using ratios between employees and output.

Example: *1 supervisor for every 20 workers.*

### 3. Workload Analysis

Estimates manpower based on the volume of work and standard time required to complete tasks.

### 4. Workforce Analysis / Work Study

Examines the workload of each department to determine the exact number of employees needed.

### 5. Regression Analysis

Uses statistical models to identify relationships between output and manpower.

### 6. Forecasting Using Productivity Measures

Calculates manpower needs based on productivity standards or benchmarks.

### 7. Time Series Analysis

Uses patterns such as seasonal, cyclical, and trend variations across years to forecast HR needs.

## B. Qualitative Techniques

### 1. Managerial Judgment / Expert Opinion

Managers and supervisors estimate their future manpower needs based on experience.

### 2. Delphi Technique

A panel of experts gives forecasts anonymously; responses are refined until a common estimate is reached.

### 3. Nominal Group Technique

A structured group discussion to arrive at manpower estimates through brainstorming.

#### 4. Scenario Planning

Creating alternative future scenarios (best case, worst case) and estimating manpower requirements for each.

#### 5. Skills Inventory / HR Inventory

Analyzing current employee skills to forecast internal supply and identify gaps.

#### 6. Replacement Charts

Charts showing potential successors for each key position.

#### 7. Succession Planning

Identifying and preparing employees for future managerial or leadership roles.

### 5.8 SUMMARY

Human Resource Planning (HRP) is a systematic process of **forecasting an organization's future manpower needs** and developing strategies to ensure the **right number** and **right type** of employees are available at the right time. It bridges the gap between the organization's **current human resources** and its **future requirements**.

HRP begins with analyzing the **organizational objectives**, followed by **assessing the existing workforce** through HR inventory. It then involves **forecasting future demand and supply** of human resources. By comparing demand and supply, HRP identifies **manpower gaps**—whether shortages or surpluses—and prepares appropriate plans such as **recruitment, training, redeployment, promotion, downsizing, or outsourcing**.

HRP ensures the effective utilization of human resources and supports organizational growth. It helps in coping with **technological changes**, reducing future uncertainties, controlling labour costs, and ensuring continuity through **succession planning**. Various quantitative and qualitative techniques such as **trend analysis, ratio analysis, Delphi technique, Markov analysis, and workload analysis** are used to estimate manpower requirements.

Overall, HRP acts as the foundation of all HR activities and plays a vital role in achieving organizational efficiency by placing the **right person in the right job at the right time**.

### 5.9 TECHNICAL TERMS

#### 1. Human Resource Planning (HRP)

A systematic process of forecasting an organization's future human resource needs and developing strategies to meet those needs.

**2. Manpower / Workforce Forecasting**

Estimating the future quantity and quality of employees required to achieve organizational goals.

**3. Gap Analysis**

Identifying the difference between HR demand and HR supply—whether there is a surplus or shortage.

**4. HR Inventory / Skills Inventory**

A database containing information about employees' qualifications, skills, experience, and performance.

**5. Succession Planning**

A process of identifying and developing employees to fill key managerial positions in the future.

**6. Workload Analysis**

Determining the number of employees required based on the volume of work.

**7. Redeployment**

Reassigning employees to different roles, departments, or locations.

**8. Downsizing / Rightsizing**

Reducing the workforce to optimize cost and improve efficiency.

**9. Human Resource Information System (HRIS)**

A digital system used to collect, store, and analyze HR data for decision-making.

A strategic approach to attracting, developing, and retaining skilled employees.

**10. Competency Mapping**

Identifying the knowledge, skills, and abilities required for various roles.

### 5.10 SELF ASSESSMENT QUESTIONS

1. Define HRP? What are the objectives of HRP??
2. What are the factors influencing Human Resource Planning?
3. What is the purpose/importance of Human Resource Planning?
4. How does Human Resource Planning contribute to organizational success?
5. What are the key components of the Human Resource Planning process?
6. Explain briefly the various steps in the Human Resource Planning process?
6. What challenges are commonly faced during the Human Resource Planning Process?

### 5.11 SUGGESTED READINGS

1. **Dessler, Gary (2015).** *Human Resource Management.* **Pearson Education.**
2. **Aswathappa, K. (2017).** *Human Resource Management.* **McGraw Hill Education.**
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# **LESSON-6**

## **RECRUITMENT**

### **6.0 OBJECTIVES:**

After studying this lesson, you will be able to:

- ☐ To understand the meaning and purpose of recruitment.
- ☐ To learn the steps involved in the recruitment process.
- ☐ To identify internal and external sources of recruitment.
- ☐ To examine the factors that influence recruitment decisions.
- ☐ To understand recruitment policies and their importance.
- ☐ To become familiar with modern recruitment methods.

### **STRUCTURE:**

- 6.1** Introduction To Recruitment
- 6.2** Meaning & Definitions of Recruitment
- 6.3** Purpose of Recruitment
- 6.4** Factors affecting Recruitment
- 6.5** Sources of Recruitment
- 6.6** Process of Recruitment
- 6.7** **Techniques/Methods of Recruitment**
- 6.8** Summary
- 6.9** Technical Terms
- 6.10** Self Assessment Questions
- 6.11** Suggested Readings

### **6.1 INTRODUCTION TO RECRUITMENT**

Recruitment is one of the most critical functions of Human Resource Management. It refers to the process of identifying, attracting, and encouraging potential candidates to apply for job openings in an organisation. In today's competitive business environment, organisations must ensure that they hire the right people with the right skills at the right time. A strong recruitment system not only fills vacancies but also strengthens organisational capability, builds a talented workforce, and supports long-term growth.

Recruitment begins with analysing manpower requirements and ends with receiving applications from interested candidates. It involves internal and external sources, various methods of attracting talent, and strategies that ensure fairness, transparency, and diversity.



Effective recruitment reduces employee turnover, improves morale, and contributes to the overall success of the organisation.

This lesson introduces the meaning, importance, objectives, and modern approaches to recruitment, enabling learners to understand how organisations build a strong talent base through scientific and systematic hiring practices.

## 6.2 MEANING & DEFINITIONS OF RECRUITMENT

Recruitment is a systematic process through which an organization identifies its manpower needs and attracts suitable candidates to apply for vacant positions. It involves searching for prospective employees and stimulating them to show interest in working for the organization. As the first step in the hiring process, recruitment helps create a pool of qualified applicants from which the most suitable candidates can be selected. It ensures that the organization has access to the right talent at the right time to achieve its goals effectively.

1. **General Definition**

Recruitment is the process of identifying, attracting, and encouraging potential candidates to apply for job positions within an organisation.

2. **Edwin B. Flippo**

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

3. **Dale Yoder**

“Recruitment is a process to discover sources of manpower to meet the staffing requirements of an organisation.”

4. **Decenzo and Robbins**

“Recruitment is the process of generating a pool of qualified applicants for organisational jobs.”

5. **Michael Armstrong**

“Recruitment is the activity that ensures the organisation has the number and quality of people needed to achieve its strategic objectives.”

### 6.2.1 Features of Recruitment

1. **A Positive Process**

Recruitment aims to attract a large number of suitable candidates by creating interest in available job opportunities.

2. **Link Between Job Seekers and Employers**

It connects organisations needing manpower with individuals seeking employment.

3. **Continuous Process**

Recruitment is ongoing because organisations regularly need employees due to expansion, retirement, resignation, or promotions.

4. **Goal-Oriented**

The main goal is to generate a pool of qualified candidates from which the best can be selected.

5. **Starts Before Selection**

Recruitment precedes selection and focuses on attracting candidates, not choosing them.

**6. Involves Various Sources**

It uses multiple internal and external sources such as promotions, transfers, job portals, colleges, and employment exchanges.

**7. Influenced by Internal and External Factors**

Organisational policies, labour market conditions, technology, and economic trends affect recruitment.

**8. Cost-Effective Activity**

Effective recruitment minimises hiring costs by attracting suitable candidates in the first attempt.

**9. Ensures Availability of Talent**

It helps maintain a talent pipeline to meet present and future manpower needs.

**10. Legal and Ethical Compliance**

Recruitment must follow labour laws and ensure fairness, transparency, and equal opportunity.

**6.3 OBJECTIVES/ PURPOSE OF RECRUITMENT**

Recruitment is a crucial function of Human Resource Management (HRM). Its primary purpose is to **attract, identify, and encourage potential candidates** to apply for job positions within an organization. It ensures that the organization has the **right number of people with the right skills** at the **right time**.

**KEY PURPOSES****1. To Attract a Large Pool of Qualified Candidates**

Recruitment aims to generate a wide range of applicants so that the organization can choose the best talent.

**2. To Meet Present and Future Manpower Needs**

It helps the organization staff vacancies immediately and also build a talent pipeline for future growth.

**3. To Reduce Hiring Costs and Time**

A systematic recruitment process minimizes delays, reduces expenses, and ensures timely filling of positions.

**4. To Improve the Quality of Workforce**

By attracting skilled and competent individuals, recruitment enhances overall organizational performance.

**5. To Ensure Fairness and Transparency**

Recruitment promotes equal opportunity for all applicants, ensuring that hiring is done based on merit.

**6. To Enhance Organizational Image**

A good recruitment process builds a positive employer brand, making the organization a preferred place to work.

**7. To Minimize Employee Turnover**

Effective recruitment helps select candidates who fit the job and organizational culture, reducing future turnover.

**8. To Comply with Legal and Policy Requirements**

Recruitment ensures adherence to labor laws, reservation policies, and organizational guidelines.

## 6.4 FACTORS AFFECTING RECRUITMENT

Recruitment in any organization is influenced by a variety of **Internal** and **External** factors. These factors determine how easily or difficultly an organization can attract the right candidates.

### 6.4.1. Internal Factors

These are factors within the organization that influence recruitment.

#### a. Recruitment Policy

Clear, consistent, and transparent recruitment policies help attract suitable candidates.

#### b. Human Resource Planning (HRP)

The organization's manpower forecasts determine the number and type of employees required.

#### c. Size of the Organization

Large organizations recruit more frequently and often have a continuous requirement for manpower.

#### d. Growth and Expansion Plans

Organizations planning to expand or start new projects will require more employees.

#### e. Organizational Image / Employer Brand

Companies known for good working conditions attract more and better candidates.

#### f. Working Conditions & Compensation

Competitive salaries, benefits, and good workplace culture make recruitment easier.

#### g. Internal Sources Availability

If promotions and transfers can fill vacancies, external recruitment reduces.

### 6.4.2. External Factors

These are factors outside the organization that impact recruitment.

#### a. Labour Market Conditions

Availability of skilled workforce affects how easily candidates can be recruited.

#### b. Economic Conditions

During economic growth, recruitment is easier; during recession, candidates may be more abundant but budgets may be limited.

#### c. Legal and Political Environment

Labour laws, reservation policies, and government regulations directly influence recruitment.

#### d. Educational and Technical Level in the Country

The quality of educational institutions affects the skill level of job seekers.

**e. Demographic Factors**

Age, gender ratio, literacy rates, and population growth influence the talent pool.

**f. Competitors' Policies**

Compensation, job offers, and employer branding by competitors impact the ability to attract candidates.

**g. Social and Cultural Factors**

Social attitudes towards certain jobs or industries may influence people's willingness to apply.

**h. Technological Developments**

New technologies may demand new skills, affecting the type of candidates needed.

**6.5 SOURCES OF RECRUITMENT**

Recruitment sources are the pathways through which an organisation attracts potential candidates. They are broadly classified into **Internal Sources** and **External Sources**.

**1. Internal Sources of Recruitment**

Internal sources involve filling vacancies from within the organisation.

**(a) Promotion**

Existing employees are elevated to higher positions based on performance, experience, and merit.

**(b) Transfer**

Employees are shifted from one department, location, or job to another without change in rank or salary.

**(c) Internal Advertisements / Job Posting**

Vacancies are announced within the organisation through notice boards, intranet, or emails.

**(d) Employee Referrals**

Current employees recommend known candidates for vacancies, often encouraged through referral incentives.

**(e) Re-employment of Ex-employees**

Former employees who left on good terms are rehired because they are familiar with the organisation.

**Advantages**

1. Cost-effective
2. Saves time

3. Better knowledge of candidates
4. Boosts employee morale
5. Ensures cultural fit
6. Reduces training needs
7. Encourages loyalty and stability

### **Disadvantages**

1. Limited choice of candidates
2. No entry of fresh blood
3. Creates internal competition
4. Leads to stagnation
5. Vacancy chain problem
6. Possible bias/Favouritism
7. Not suitable for specialized skills
8. Discourages external talent

## **2. External Sources of Recruitment**

External sources bring in candidates from outside the organisation.

### **(a) Employment Exchanges**

Government-run agencies that provide job seekers for various positions.

### **(b) Campus Recruitment / Educational Institutions**

Hiring fresh graduates from colleges, universities, and technical institutions.

### **(c) Advertisements**

Posting job openings in newspapers, online job portals, social media, or company websites.

### **(d) Recruitment Agencies / Placement Consultants**

Specialised agencies that help organisations find suitable candidates.

### **(e) Direct Recruitment (Gate Hiring)**

Walk-in interviews or direct hiring from the factory gate, especially for casual and unskilled labour.

### **(f) Job Portals / Online Sources**

Websites like Naukri, Indeed, LinkedIn, etc., used to attract large pools of candidates.

**(g) Job Fairs**

Events where multiple companies meet job seekers at one place.

**(h) Professional Associations**

Institutes like ICAI, NIPM, Engineering Associations, etc., provide qualified professionals.

**(i) Labour Contractors**

Contractors supply labour for temporary or seasonal work.

**(j) Social Media Recruiting**

Using platforms like LinkedIn, Facebook, and Instagram to attract potential candidates.

**Advantages**

1. **Wider Talent Pool**  
Organisation has access to many qualified and skilled candidates.
2. **Fresh Ideas and Innovation**  
New employees bring new perspectives and creativity.
3. **Helps in Growth and Expansion**  
Skilled personnel can support new projects or expansions.
4. **Reduces Internal Conflicts**  
No internal rivalry since candidates are from outside.
5. **Specialised Skills Availability**  
Professionals with specific knowledge can be hired directly.

**Disadvantages**

1. **Expensive**  
Advertising, agency fees, and screening costs are high.
2. **Time-Consuming**  
Recruitment, selection, and joining formally take longer.
3. **Risk of Wrong Selection**  
Employers may not fully know the candidate's actual behaviour or abilities.
4. **Affects Employee Morale**  
Existing employees may feel ignored if outsiders are preferred.
5. **Need for Training and Orientation**  
New hires require induction to understand the organisation.

**6.6 PROCESS OF RECRUITMENT**

The recruitment process begins with identifying manpower requirements in the organization. Once vacancies are determined, job analysis is conducted to prepare job descriptions and job specifications. Based on this, the recruitment plan and strategy are formulated, and suitable sources of recruitment—internal or external—are selected. The organization then attracts potential candidates by issuing recruitment notifications or advertisements. Applications are received, screened, and shortlisted to create a pool of eligible candidates. Finally, the shortlisted applicants are forwarded to the selection process for further evaluation.

## Process of Recruitment (Steps)

### **1. Identifying Manpower Requirements / Vacancy Determination**

The process begins with determining the number and type of employees needed to fill current or future vacancies.

### **2. Job Analysis**

Job analysis involves preparing the **job description** (duties and responsibilities) and **job specification** (skills, qualifications, experience required).

### **3. Preparing Recruitment Strategy**

HR decides how, when, and where recruitment will take place, including the budget, timeline, and methods to be used.

### **4. Choosing Sources of Recruitment**

The organization selects appropriate internal or external sources depending on availability of suitable candidates.

### **5. Attracting Potential Candidates**

Efforts are made to draw job seekers by highlighting job benefits, career growth, and organizational reputation.

### **6. Issuing Recruitment Notification / Advertisement**

Job vacancies are communicated through advertisements, online portals, social media, campus drives, or internal notices.

### **7. Receiving Applications**

Candidates submit their applications, resumes, or online forms in response to the recruitment announcement.

### **8. Screening and Shortlisting**

Applications are examined to eliminate unqualified candidates and shortlist those who meet the job requirements.

### **9. Preparing a Pool of Eligible Candidates**

A list of shortlisted candidates is prepared to create a talent pool for the selection process.

### **10. Forwarding Candidates to Selection**

The final shortlisted candidates are handed over to the selection panel for tests, interviews, and further evaluation.

## 6.7 TECHNIQUES OF RECRUITMENT

Recruitment techniques are the methods used by organisations to attract potential candidates. These techniques can be **traditional** or **modern/technology-based**.

### 1. Traditional Techniques of Recruitment

#### (a) Advertisement Technique

Publishing job vacancies in newspapers, magazines, notice boards, company websites, and professional journals.

#### (b) Campus Recruitment

Visiting colleges, universities, and technical institutes to hire fresh graduates.

#### (c) Walk-in Interviews

Candidates directly appear for interviews without prior appointment.

#### (d) Employment Exchanges

Government-run agencies that match job seekers with employers (especially for blue-collar jobs).

#### (e) Internal Job Posting

Displaying vacant positions inside the organisation through notice boards, circulars, or intranet.

#### (f) Referrals Technique

Current employees recommend candidates for job vacancies.

#### (g) Direct Recruitment

Hiring casual or unskilled labour directly from the factory gate.

### 2. Modern / Technology-Based Techniques

#### (a) Online Recruitment / E-Recruitment

Using job portals (Naukri, Indeed, Monster, LinkedIn) to advertise vacancies and receive applications.

#### (b) Social Media Recruiting

Using platforms like LinkedIn, Facebook, Instagram, and Twitter to attract candidates.

#### (c) Recruitment through Mobile Apps

Using dedicated mobile apps for job search and hiring (e.g., LinkedIn app, Naukri app).

#### (d) AI-Based Screening

Using artificial intelligence tools to screen resumes, rank candidates, and automate initial communication.

#### (e) Video Interviews

Using Zoom, Google Meet, or Microsoft Teams for initial screening interviews.



**(f) Employer Branding**

Promoting the organisation's image, culture, and values to attract high-quality talent.

**(g) Recruitment Process Outsourcing (RPO)**

Hiring external agencies to handle the entire recruitment process.

**(h) Job Fairs / Career Expos**

Participating in industry or city-wide job fairs to meet many candidates at once.

**3. Headhunting & Executive Search Techniques****(a) Headhunters**

Specialised consultants who approach highly skilled or top-level professionals.

**(b) Poaching / Raiding**

Attracting talent from competitor organisations.

**(c) Professional Associations**

Recruiting through institutes like ICAI, NIPM, or engineering bodies.

**6.8 SUMMARY**

Recruitment is an essential function of Human Resource Management that focuses on attracting and encouraging potential candidates to apply for job vacancies in an organization. It involves identifying manpower needs, preparing job descriptions and specifications, choosing suitable recruitment sources, and inviting applications from qualified individuals. Recruitment aims to create a large pool of eligible candidates so that the organization can select the best talent. A systematic recruitment process improves the quality of the workforce, reduces hiring costs and time, and ensures fairness and transparency. Effective recruitment strengthens the employer brand, supports organizational growth, and minimizes employee turnover by selecting candidates who best fit the job and culture. Overall, recruitment acts as the first and most critical step in building a competent and committed workforce.

**6.9 TECHNICAL TERMS**

- **Recruitment Policy** – Guidelines and principles governing the organization's recruitment activities.
- **Internal Recruitment** – Filling vacancies from within the organization (promotions, transfers).
- **External Recruitment** – Filling vacancies from outside the organization (ads, agencies, campuses).
- **Recruitment Sources** – Channels through which candidates are attracted (internal/external).
- **Application Pool / Talent Pool** – List of candidates who have applied or been shortlisted.
- **Employer Branding** – Promoting the organization as a desirable place to work.
- **Job Portal** – Online platform where employers post jobs and candidates apply.
- **Head Hunting** – Recruiting highly skilled or specialized professionals individually.

- **Campus Recruitment** – Hiring fresh graduates directly from educational institutions.
- **Walk-in Interviews** – Open interviews where candidates can attend without prior appointment.
- **Employee Referral** – Existing employees recommend candidates for vacancies.
- **Recruitment Metrics** – Measures used to evaluate recruitment (cost-per-hire, time-to-fill).
- **On-boarding** – Introducing and integrating new employees into the organization.

## 6.10 SELF ASSESSMENT QUESTIONS

### Short Answer Questions

1. Define recruitment.
2. What is the purpose of recruitment?
3. Distinguish between recruitment and selection.
4. Explain the process of recruitment.
5. Discuss the objectives of recruitment.
6. Describe the factors affecting recruitment.
7. Explain the advantages and disadvantages of internal sources of recruitment.
8. Explain the advantages and disadvantages of external sources of recruitment.

### Long Answer Questions

1. Explain recruitment in detail along with its importance in HRM.
2. Describe the various sources of recruitment with examples.
3. Explain the steps involved in the recruitment process.
4. Discuss internal and external recruitment in detail.
5. Explain the significance of recruitment for organizational effectiveness.

## 6.11 SUGGESTED READINGS

1. **Dessler, Gary (2015).** *Human Resource Management*. **Pearson Education.**
2. **Aswathappa, K. (2017).** *Human Resource Management*. **McGraw Hill Education.**
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## LESSON-7

### SELECTION PROCESS

#### 7.0 LEARNING OBJECTIVES

- ☐ To understand the meaning and importance of employee selection.
- ☐ To identify and explain the steps involved in the selection process.
- ☐ To evaluate candidates based on skills, qualifications, and job requirements.
- ☐ To use scientific and objective selection tools and tests.
- ☐ To improve the quality of manpower entering the organization.
- ☐ To promote consistency and standardization in hiring procedures.

#### LESSON STRUCTURE

- 7.1 Introduction to Selection
- 7.2 Meaning & Definitions
- 7.3 Objectives of Selection
- 7.4 Steps in the Selection Process
- 7.5 Summary
- 7.6 Technical Terms
- 7.7 Self Assessment Questions
- 7.8 Suggested Readings

#### 7.1 SELECTION: INTRODUCTION

Selection is the process of recognizing and choosing the best candidate out of several potential candidates for a job. The candidates who are not suitable for the job are eliminated. For selection, the candidates have to take several employment tests and interviews. At every step, many are shortlisted and some move on to the next round until the right candidate is found. The process of selection begins with going through the applications and continues even after the offer of employment, acceptance, and joining of the candidate. The reason for this is that the selection process is concerned with the evaluation of the employee's performance potential, just like in any other function of management.

#### 7.2 MEANING & DEFINITIONS

Selection is the process of choosing the most suitable candidate from a group of applicants who have applied for a job. It involves evaluating the qualifications, skills, experience, and attributes of candidates and picking the one who best fits the job and the organization's requirements. It is a **screening and filtering process** aimed at identifying the right person for the right job.

According to Edwin B. Flippo “Selection is the process of choosing individuals who have relevant qualifications to fill existing or projected job openings.”

According to Dale Yoder “Selection is the process by which candidates for employment are divided into two classes—those who will be offered jobs and those who will not.”

According to Keith Davis “Selection is the process of choosing the most suitable person for the job from the pool of applicants.”

According to Michael J. Jucius “Selection is the process of securing the right person for the right job.”

According to Stephen P. Robbins “Selection is the process of screening job applicants to ensure that the most appropriate candidates are hired.”

### 7.3 OBJECTIVES OF SELECTION

1. **To hire the right candidate** who best fits the job requirements.
2. **To ensure job–person fit** by matching skills, qualifications, and personality with job demands.
3. **To improve organizational performance** by selecting competent and capable employees.
4. **To reduce employee turnover** by choosing candidates who are likely to stay longer.
5. **To enhance productivity** through scientifically selected and skilled employees.
6. **To ensure fairness and objectivity** by using unbiased and standardized selection methods.
7. **To minimize selection errors** such as false positives (wrongly selecting) and false negatives (wrongly rejecting).
8. **To reduce hiring costs** by avoiding repeated recruitment due to wrong hiring decisions.
9. **To ensure legal compliance** with employment laws and ethical standards.
10. **To build a strong workforce** that contributes to long-term organizational growth.
11. **To promote consistency** by following structured and systematic selection procedures.
12. **To select candidates with growth potential** for future roles in the organization.

### 7.4 STEPS IN THE SELECTION PROCESS:

**1. Preliminary Screening:** Preliminary screening facilitates the manager of the organization to shortlist the candidates and eliminate those who are not suitable for the job based on the details mentioned in the application form. Preliminary interviews help avoid the unfit for

reasons that did not emerge in the application forms. In this interview round, the candidates are questioned by the interviewer on account of their qualifications, experiences, etc.

**2. Selection Test:** This type of test is a method that is either a written test or an exercise that tries to find out some particular skill or ability of the employees either based on their mental ability, personality, physical capacity, or mindset.

Some of the important selection tests that are performed for the selection of employees are as follows:

- **Intelligence / IQ test:** It refers to the measurement of one's intelligence based on memory, reasoning, etc. It is an indicator of one's ability to make decisions and judgments. It also Assess general mental ability, logical thinking, and problem-solving skills.
- **Aptitude test:** This test is taken to check if the candidate has the talent to learn new skills or the capability to grasp those skills that are needed to perform the specified job. It Measure a candidate's potential and ability to learn. Examples: numerical aptitude, verbal aptitude, reasoning ability.
- **Personality test:** This test of the employee is conducted to understand the personal characteristics of the candidates, such as their values, mindset, patience, beliefs, etc. It Evaluates traits such as attitude, emotions, motivation, leadership style, and behaviour. Examples: MBTI, Big Five personality test.
- **Trade test:** It is a test to determine a candidate's actual talents, i.e., they are given work according to their specified jobs. These tests are based on the employee's level of knowledge and competency in the professional areas.
- **Interest test:** Every individual has their own set of interests or particular fields that they would like to work in. The interest test helps determine the candidate's area of interest and the kind of job that would suit him. This ensures that the employees work with greater enthusiasm and efficiency.
- **Situational Tests:** It Measures how a candidate behaves in simulated job situations. Types:

- **In-basket exercise**
- **Group discussion**
- **Role play**

- **Work Sample Tests:** It Requires the candidate to perform actual job tasks. Example: preparing a report, teaching a demo class.

- Psychometric Tests: **They are** Scientific tests to evaluate mental abilities and personality traits.
- Integrity / Honesty Tests: **They** Assess ethical behaviour, reliability, and tendency toward rule-breaking.
- Medical / Physical Tests : **They** Check the physical fitness, health condition, stamina, and medical suitability.

**3. Employment Interview:** An interview is a formal conversation between two people, i.e., the candidate and the interviewer. It is conducted to test the individual's capability. The interviewer's job is to question the candidate and obtain as much information as possible, and that of the interviewee is to provide the information with confidence. Though in the present time, the contrary is also seen.

### **Interviews: Interview Process, Preliminary Interviews, and Final Interviews**

**A. Interview Process :** First, let us understand the process of interviewing, and later we will understand the significance of preliminary and final interviews. An interview process should focus on the following broad steps:

- Breaking the ice/putting the candidate at ease
- Getting and checking information.
- Summarizing/closure.
- Giving information- job/company.

Ice-breaking means putting the applicant at ease by introducing panel members to the interviewee. The panel should receive the candidate courteously and may be asked to relax. Water, light refreshments, tea/ coffee may also be offered to the applicant so that he/she feels that the panel members are quite friendly. From the body language, we can understand whether the interviewee is at ease or has stress. After ensuring that the applicant is at ease then he/she may be asked to introduce him or herself. During the interview process, the panel may cross-check the information provided in the application blank or resume and seek more information if necessary. Questions on job-related conceptual and technical issues may be asked and depending on the quality of the answers the interview may be continued to understand in depth about the suitability of the interviewee to the job under consideration. In case of the suitability of the interviewee, information about the job and company may be given and an indication of

whether the applicant will proceed for the next stage of the selection process may be hinted. The interview may be summarized and closed.

## B. Types of Interviews

Following are the different types of interviews. Depending on the nature of the job and the responses given by the interviewee the type of interview may be changed from time to time

- i. Directed Interview
  - ii. Non-Directed Interview
  - iii. . Patterned Interview
  - iv. Stress Interview
  - v. Group Interview/Group Discussion
  - vi. Vi. Board Interview/Panel Interview
  - vii. Vii. Exit Interview
- a. **Directed Interview:** This is a straightforward face-to-face question and answers interview in which the questions related to the job duties and responsibilities are addressed. This provides an opportunity to measure the job knowledge, personal characteristics, attitudes, and level of motivation of the interviewee.
  - b. **Non-directed interview**
  - b. **Non-Directed Interview:** Non-directed interview is also called a depth interview. Here the interviewee is kept at ease and is the panel can engage in an informal conversation with the candidate to explore the overall personality of the applicant. This is a conversational interview where the interviewee is free to express his ideas. Even though some answers are wrong the panel may continue with the interview to judge the suitability of the candidate for the job.
  - c. **Patterned Interview:** Patterned interviews are also called structured interviews. Based on the job requirements a set of questions are prepared in advance and a standard method of recording observations is indicated to all the panel members. This method is more suitable if a large number of candidates apply for the jobs or for filling many vacancies in the organizations. A combination of direct and non-direct interview approaches may be adopted to filter the interviewees.
  - d. **Stress Interview:** For certain jobs, there is a need for the emotional stability of the employees. Under any circumstances, the job demands that the employees should not lose their cool temperament. For example, employees working in customer relations or public relations departments or personal secretaries of senior managers should always maintain a

cool temperament and should not lose their temperaments. To judge this quality stress interview is conducted. Here the panel members try to annoy, embarrass or frustrate the candidate. They ask questions rapidly without giving enough time to answer. They often interrupt the candidates while answering and even criticize their answers. They even try to insult and frighten the interviewee. You should understand that all this is done to know the mental and emotional stability of the prospective candidates for jobs that require the ability to maintain calmness even during stressful situations

- e. **Group Interview/Group Discussion:** Group interviews are conducted through group discussion among the interviewees. A topic for discussion will be given for discussion within a time limit. In this method the interviewers will observe the characteristics like initiation, leading, influencing, coordination, empathy, clarifying, time sense, effectiveness, summarizing, etc. The underlying assumption is that the behavior displayed can be related to the potential success in the job.
- f. **Board Interview/Panel Interview :** An interview board or panel of experts will call interviewees one by one and assess the in-depth knowledge to screen the interviewees.
- g. **Exit Interview:** Exit interviews are conducted when an employee leaves the organization. This will help to know what the outgoing employee feels about the job or the organization. The purpose is to know the deficiencies in the plans, programmes, and policies of the organization so that corrective steps can be taken.

**C. Preliminary Interviews:** Preliminary interviews are conducted to personally verify whether the data provided in the application blanks are correct. This is a selection instrument where face-to-face interaction with the applicants takes place with the interview panel. Normally an interview panel consists of 2-3 people and sometimes it may have 10-12 people to judge the suitability of the applicants from various angles. The size of the interview panel depends on the level of the position to be filled. When a large number of vacancies are to be filled, parallel interviews panels may be established to take care of the time and technical constraints of the panel members. In the preliminary interview the panel members may judge the following during the interview process:

- Understand the data gaps in the application blanks/resume submitted by the candidates.
- A candidate may have high verbal but low quantitative scores and may want to go through a programme that has many quantitative courses.
- An MBA may be intelligent and have a good educational background but may have held relatively low jobs. Could this be because of his/ her inability to get along i.e. a personality problem, family problem, or job-related problem?
- A candidate with an arts



background may prefer a less structured/ defined job as compared to an engineer who needs precise instruction and guidance.

**D. Final Interviews:** A combination of the above approaches of recruitment and selection are used to filter the candidates for the final interview. In the final interview, a serious and in-depth analysis of the applicant is made to decide on the suitability of the candidates in terms of expertise, adaptability to the culture, and individual behavior.

**4. Reference and Background Checks:** Personal details such as names, addresses, and telephone numbers of the references may also be requested to be provided to attain extra information about the candidates. The references can be anyone who knows the applicant, teachers, professors, ex-employers, etc.

**5. Selection Decision:** The candidates who qualify for the tests, interview rounds, and reference checks ultimately get selected for the final decision. In this process, the opinion of concerned the manager makes the concluding decision as to who will be selected among those final candidates qualifying for that particular job.

**6. Medical Examination:** After the selection decision and before the job offer is provided, the candidate goes through a medical examination to prove that they are physically and mentally fit for that job. Only then the candidate is given the job offer.

**7. Job Offer:** The step following all the other steps is receiving the job offer. The job offer is provided to only those who have passed all the prior obstacles. The job offer is provided through a letter of appointment, which approves the candidate's acceptance. The letter of appointment normally contains the date on which the candidate has to report on duty. The [letter](#) also prescribes a specified time at which the candidate is supposed to report.

**8. Contract of Employment:** When the job offer is provided and accepted by the candidate, both the employer and the candidate are required to put into effect certain documents, like an attestation form. Such a form contains certain details that are verified and attested by the candidate. It is a document that may be beneficial in the future. It is also important to prepare a contract of employment. The information necessary to be written in the contract of employment may differ according to the level of the job. Some of the details that the contract include are as follows- Job Title, Duties, Responsibilities, Date of joining of the employee, rates of pay, allowances, the disciplinary procedure, work rules, working hours, leave rules, illness, grievance procedure, termination of employment, etc.



## 7.5 SUMMARY

Selection is a critical function of Human Resource Management that focuses on choosing the most suitable candidate from a pool of applicants. It is a **systematic and scientific process** that involves several stages such as preliminary screening, application scrutiny, employment tests, interviews, background verification, medical examination, and final placement. The main objective of selection is to ensure a **proper job–person fit**, so that the employee’s qualifications, skills, and personality match the job requirements.

Effective selection reduces employee turnover, improves productivity, enhances job satisfaction, and contributes to overall organizational success. Selection differs from recruitment: recruitment attracts candidates, while selection filters and chooses the **best** candidate. The process must be fair, unbiased, and legally compliant to maintain transparency and build trust.

In summary, selection is a vital step in building a competent workforce and ensuring that the organization hires individuals who can perform effectively and grow with the institution.

## 7.6 TECHNICAL TERMS

- **Screening** – Initial filtering of unsuitable applicants.
- **Shortlisting** – Selecting candidates who meet minimum criteria.
- **Selection Tests** – Scientific tests to assess skills, aptitude, and personality.
- **Aptitude Test** – Measures a candidate's potential and learning ability.
- **Psychometric Test** – Evaluates personality traits and behavior.
- **Proficiency Test** – Measures practical job-related skills.
- **Structured Interview** – Interview with predefined questions and scoring.
- **Panel Interview** – Interview conducted by a group of interviewers.
- **Background Verification** – Checking candidate's credentials and past records.
- **Reference Check** – Contacting previous employers for feedback.
- **Medical Examination** – Assessing physical and mental fitness for the job.
- **Job Fit Analysis** – Matching candidate abilities with job requirements.
- **Offer Letter** – Official communication offering employment.
- **Placement** – Assigning the selected candidate to a specific job role.
- **onboarding** – Integrating newly hired employees into the organization.
- **Assessment Centre** – Comprehensive evaluation using multiple tools and simulations.
- **Elimination Stage** – Steps where candidates are rejected based on criteria.

## 7.7 SELF ASSESSMENT QUESTIONS

### Short Answer / Conceptual Questions

1. What is the meaning of selection in HRM?
2. How does selection differ from recruitment?
3. What is the importance of a scientific selection process?
4. What do you understand by 'right person-right job'?
5. What are selection tests? Give examples.
6. What is the role of interviews in the selection process?

### Descriptive / Long-Answer Questions

1. Explain the steps involved in the selection process.
2. Discuss the major types of selection tests and their importance.
3. Describe different types of interviews used in selection.
4. How does the selection process help in improving organizational performance?
5. Explain the need for medical examination in the selection process.

## 7.8 SUGGESTED READINGS

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# **LESSON -8**

## **PLACEMENT AND INDUCTION**

### **8.0 OBJECTIVES**

After completing this unit, you will be able to:

- Understand the meaning and characteristics of placement
- Know the principles of good placement in an organization
- Understand the various benefits of good placement practices
- Know the meaning and objectives of induction programme
- Point out the various types of induction programme
- Come across the various phases of induction programme
- Develop and understand various approaches of induction.

### **LESSON STRUCTURE**

- 8.1** Introduction to Placement
- 8.2** Meaning & Definitions of Placement
- 8.3 Characteristics of Placement
- 8.4 Benefits of Placement
- 8.5 Introduction to Induction
- 8.6 Meaning & Definitions of Induction
- 8.7 Objectives of Induction Programme**
- 8.8 Types of Induction Programme**
- 8.9 Phases of Induction Programme**
- 8.10 Introduction to Socialization**
- 8.11 Meaning & Definitions**
- 8.12 Objectives of Socialization**
- 8.13 Differences between Induction & Socialization**
- 8.14 Summary
- 8.15 Technical Terms
- 8.16 Self Assessment Questions
- 8.17 Suggested Readings

### 8.1 Placement: Introduction

Selection and placement are often inseparable parts of a single process. After the selection process is over, an employee is put to a specific job, for which he has been selected. In very simple words placement means sending the newly employed person to some department for work. Placing the right man at the right job is as important as hiring the right person. It is, therefore, desirable to have a sound scheme of placement in every organisation so that the employees feel comfortable on their new jobs. Most of the organisations put new employees on probation for a specified period after which they are confirmed, provided they match the organisational requirements. Placement helps the new recruit find a job in sync with what has been promised by the employer at the time of selection.

### 8.2 MEANING AND DEFINITIONS

The selection procedure ends with the placement of a worker to the job. The term ‘placement’ is nothing but posting of people to jobs matching their abilities. It implies matching the requirements of a job with the qualifications of the candidate. It involves assigning a specific rank and responsibility to an individual. Matching the requirements of the job with the qualifications of a candidate is the essence of placement.

According to **Pigors and Myers** “Placement consists in matching what the supervisor has reason to think the new employee can do with what the job demands (job requirements), imposes (in strain, working conditions, etc.), and offers (in the form of pay rate, interest, companionship with others, promotional possibilities, etc.)” They further state that it is not easy to match all these factors for a new worker who is still in many ways an unknown quantity.

According to **Edwin B. Flippo** “*Placement is the process of assigning a newly selected employee to the job for which he is best suited.*”

According to **Dale Yoder** “*Placement is the determination of the job to which an accepted candidate is to be assigned and his assignment to that job.*”

### 8.3 CHARACTERISTICS OF PLACEMENT

- It is an important human resource activity for an organization.
- It is the actual posting of an employee to a specific job, in other words it is assigning particular job (specific rank and responsibility) to employee for which they have been identified suitable.
- It involves the task to understand and capitalize on each person’s individuality. Once the manager establishes a unique profile for each individual, people and jobs can be matched optimally within the constraints set by available jobs and available people.
- It involves striking a fit between the requirements of a job and the qualifications of a candidate.

- Placement should be made with as minimum disruption to the employee and organization as possible.
- Effective placement is a good match of employee's competence, knowledge, skill and job interest

#### 8.4 . BENEFITS OF PLACEMENT

The benefits of placement may be summarised as follows:

##### **Benefits to New Employee**

- Make him suitable for the job
- Increase the satisfaction level
- Increase the productivity
- Continuous learning and high morale

##### **Benefits to the Recruiting Organisation**

- Reduction in cost and save the productive time involve in hiring process
- Improve the quality of new employee
- Enhancement in retention
- Improvement in efficiency
- Achievement of Organizational goals

If placement is neglected, it may increase employee absenteeism, turnover, accidents, poor performance, etc. The employee may quit the organisation in frustration, complaining about and criticising everything.

A. Benefits to New Employee	B. Benefits to the recruiting organisation
<ul style="list-style-type: none"><li>• Make him suitable for the job</li><li>• Increase the satisfaction level</li><li>• Increase the productivity</li><li>• Continuous learning and high morale</li><li>• Achievement of Organizational goals</li></ul>	<ul style="list-style-type: none"><li>• Improve the quality of new employee</li><li>• Enhancement in retention</li><li>• Improvement in efficiency</li><li>• Reduction in cost and save the productive time</li></ul>

#### 8.5 INDUCTION OR ORIENTATION: INTRODUCTION

When a new employee joins an organisation, he should be welcomed as a new member of the family and must be helped to get acquainted and adjusted with his fellow employee and work environment. Induction is a technique by which a new employee is rehabilitated into his surroundings and introduced to the practices, policies and purposes of the organisation. The new employee is a complete stranger to the people, work place and work environment. Thus



Induction is a welcoming process – the idea is to welcome a newcomer, make him feel at home and generate in him a feeling that his own job, however small, is meaningful and has a significance as a part of the total organisation. Initial impression counts, much in the attitude of the employee towards the job and the company.

**Gary Dessler says,** “Carefully selecting employees doesn’t guarantee they will perform effectively. Potential is one thing, performance is another. Even high- potential employees can’t do their jobs if they don’t know what to do or how to do it. Therefore, managers should ensure that employees do know what to do and how to do it. This is the purpose of orienting employees.” Thus, all organisations have some type of formal or informal induction programme.

## 8.6 MEANING AND DEFINITIONS

Induction, is designed to provide a new employee with the information he needs to function comfortably and effectively in the organisation. Inductions may be viewed as the socialising process by which organisation seeks to make an individual its agent for the achievement of its objectives and the individual seeks to make an agency of the organisation the achievement of his personal goals.

A few definitions of induction are written below:

**According to Michael Armstrong,** “Induction is the process of receiving and welcoming employees when they first join a company and giving them the basic information they need to settle down quickly and happily and start work.”

**According to Edwin B. Flippo** “Induction is the welcoming process to make the new employee feel at home and generate in him a feeling of belongingness to the organisation.”

**In the words of John M. Ivancevich,** “Orientation orients, directs, and guides employees to understand the work, firm, colleagues, and mission. It introduces new employees to the organisation, and to his new tasks, managers, and work groups.”

**According to Donald Currie,** “Induction is a process through which new employees, preferably on joining, are introduced to the organisation in the broad context; its culture, rules and procedures; then in the local context where they meet their new work colleagues.”

Thus, after selecting compatible personnel the organisation must communicate to the new employee its philosophy, policies, customs and practices. The new employee is handed over a rulebook, policy manuals, progress reports, company booklets and documents containing company information which are informational in nature. It is the responsibility of the HR department to execute the induction programme. Planned induction helps the new employee, creates a good attitude, reduces labour turnover and the employee feels at home right from the very beginning.

## 8.7 . OBJECTIVES OF INDUCTION PROGRAMME

An organisation especially a large one should have a systematic induction programme to achieve the following objectives:-



1. To reduce the initial anxiety and stress all new entrants feel when they join a new job in a new organisation.
2. To build up the new employee's confidence in the organisation and in himself so that he may become an efficient employee and to promote a feeling of belongingness and loyalty towards the organisation
3. To provide favourable initial job experiences and to answer any questions and to clarify any doubts.
4. To understand the firm in a broad sense (its past, present, values, culture, and vision), as well as key facts such as structure, product, policies, rules and regulations.
5. To bring an agreement between the organisation goals/ expectations and the personal goals of the organisation.
6. To foster self-directed behaviour which is consistent with the company's needs.
7. To familiarize the new employees with the job, people, work-place, work environment and the organisation.
8. To assist the new employee in acquiring appropriate role behaviours and to adjust to the work group and its norms..
9. To create a sense of security for the worker in his job by impressing upon the idea that fairness to the worker is the inherent policy of the organisation and to reduce employee turnover and start-up costs.
10. To reduce the time it takes for the newcomer to reach proficiency.

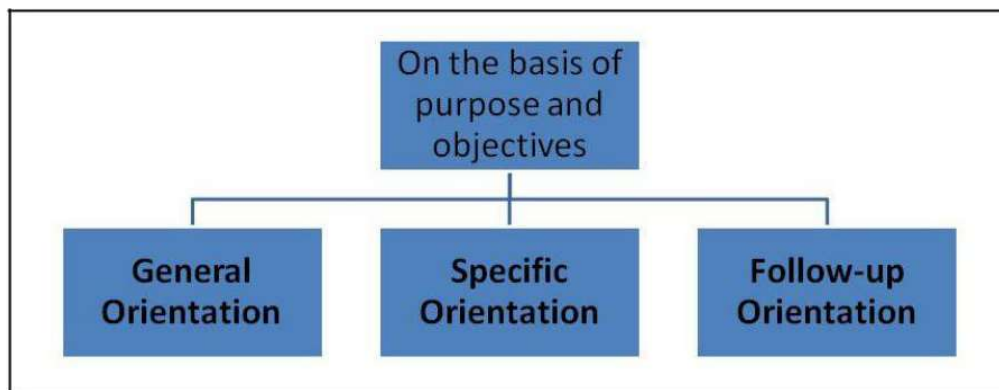
## 8.8 TYPES OF INDUCTION PROGRAMME

According to a classification, induction programmes may be of following types:

- A. Informal or Unplanned Induction:** It is generally done by the small scale units. This may be simply an introduction to the new entrant about the job and organisation. It can be conducted by the immediate job supervisor or by an experienced employee.
- B. Formal or Planned Induction:** It is usually carried out by the large size organisation to integrate the newcomer into the organisation. It is carefully designed to introduce the newcomer to his job, colleagues and organisation. Accordingly, the contents of the formal induction programme cover the following various aspects:
  - The company, its mission, goals, rules, policies, practices, history and products, process of production and major operations involved in his job;
  - The significance of Job, job training and job hazards;
  - Employee's own department and job and how they fit into the organisation, methods of reporting, tardiness absenteeism;

- Terms and conditions of service, hours of work and overtime, employee benefits, holidays and vacations, amenities, and welfare facilities;
- Organizational Structure- functions of the various departments;
- Social benefits, grievance procedure and rules of discipline;
- Follow-up interviews at the end of 3 or 6 months with a view to finding out how the new employee is getting along;
- Opportunities, promotions, transfers and job stabilisation

On the basis of purpose and objectives, an induction programme may be of three types:



**General Orientation:** It is conducted by the personnel department. This type of induction is general; it gives the necessary general information about the history and operations of the organization, the purpose of this is to build employee's pride and interest in the organisation. Information is also given on specific employee services, such as social benefits, pension, health and welfare plans, safety programmes, etc.

**Specific Orientation:** It is conducted by the job supervisor. This type of induction is specific in nature and requires skill on the part of the foreman. The employee is oriented his department or place of work, introduced to other employees of the department, informed about the organisation's specific practices and customs (such as lunch timings and length of rest periods, the work dress etc). The purpose of this induction is to enable an employee to adjust himself in his work environment.

**Follow-up Orientation:** It takes place within one week to six months from the time of the initial hiring and orientation. It is conducted either by a foreman or a human resource specialist. Its purpose is to find out whether the employee is satisfied or unsatisfied with the work place, how he feels about his fellow workers, how he feels about his boss, and whether he has any suggestions for improvement in organization. The interviewer records the answers as well as his own comments on the employee progress. At the same time, the immediate supervisor does an evaluation of the employee about his strong and weak points. Through personal talks, guidance and counselling, efforts are made to remove the difficulties.

## 8.9 Phases of Induction Programme

The socialisation process may take months hence the induction programme can be divided into following four phases:

Phase one: Acclimating workers by providing expectations and product training.

Phase two: Providing training sessions on the company's history, strategy, policies, and benefits.

Phase three: Putting the employee on the job for first three months and focusing on training of employee about the market, its customers, and business plans.

Phase four: It carries on through at least six months and consists of interim reviews and feedback.

According to **Edwin B. Flippo** the induction programme can be divided into three phases as mentioned below:

**A. First Phase:** It is usually conducted by the staff personnel unit. In this phase the newly recruited employee is made aware about products of the company, employee benefits, salary schedules, safety, probationary period, time recording and absences, holidays, equal employment opportunity programmes, parking, and the grievance procedure.

**B. Second Phase:** It is performed by the immediate supervisor. The inductee is introduced to fellow employees, given a tour of the department, and informed about such details as locker and rest rooms, supply procedures, hours of work, overtime, call-in procedures, rest and lunch periods, and lunching facilities.

**C. Phase Three:** The complete induction programme provides a 'follow-up' some weeks later. This is conducted by either the supervisor or a personnel specialist, and it is concerned with (1) employee satisfaction with the job and organisation, and (2) supervisor satisfaction with the employee. Dissatisfactions may be cleared up by explanations or actual transfers to a different job.

## 8.10 SOCIALIZATION : INTRODUCTION

Socialization is a fundamental process through which individuals learn the values, norms, behaviours, and skills necessary to function effectively in society. From childhood to adulthood, people continuously acquire knowledge about social expectations, cultural practices, and interpersonal relationships. In organizations, socialization helps new employees understand the work culture, rules, and responsibilities, enabling them to become effective members of the institution.

## 8.11 MEANING & DEFINITIONS

Socialization means the process of learning and internalizing the norms, values, traditions, attitudes, and behaviours of society or an organization.

It is a lifelong process that helps individuals adjust to social roles and become productive, responsible members of their community or workplace.

**According to** Horton and Hunt “*Socialization is the process by which one learns the ways of life of society and becomes a functioning member.*”

**According to** Peter Worsley “*Socialization is the process of becoming a member of society by learning its norms and values.*”

**According to** Kingsley Davis “*Socialization is the process of interaction through which the individual learns the habits, skills, beliefs, and standards of judgment that are necessary for effective participation in social life.*”

## 8.12 OBJECTIVES OF SOCIALIZATION

1. **To teach social norms and values**  
Helps individuals learn acceptable behaviour, customs, traditions, and moral values of society or an organization.
2. **To develop social skills**  
Enables individuals to interact effectively with others and build healthy relationships.
3. **To help individuals understand their roles**  
Clarifies social and organizational roles, expectations, and responsibilities.
4. **To ensure cultural continuity**  
Transmits culture, beliefs, practices, and heritage from one generation to the next.
5. **To shape personality development**  
Influences attitudes, character, and overall personality through interaction with others.
6. **To promote adjustment and integration**  
Helps individuals adapt to their social environment and integrate into society or workplace smoothly.
7. **To build discipline and self-control**  
Teaches individuals to manage their behaviour as per social or organizational rules.
8. **To prepare individuals for social participation**  
Trains people to actively and responsibly participate in community or organizational activities.
9. **To reduce social conflicts**  
By teaching acceptable behaviour, socialization helps maintain harmony and minimize misunderstandings.
10. **To guide career and professional behaviour (organizational socialization)**  
Helps new employees understand work culture, policies, and procedures for effective performance.

## 8.13 Differences between Induction and Socialization

Basis	Induction	Socialization
1. Meaning	Induction is the initial orientation given to a new employee about the job, rules, and working environment.	Socialization is the broader process through which an employee learns organizational values, culture, norms, and expected behaviours.
2. Scope	Narrow in scope—focuses on basic information required to begin the	Wide in scope—covers cultural, behavioural, and relational aspects of the

<b>Basis</b>	<b>Induction</b>	<b>Socialization</b>
	job.	organization.
<b>3. Duration</b>	Short-term process, usually conducted in the first few days or weeks.	Long-term process that continues for months or even throughout employment.
<b>4. Purpose</b>	To help employees understand their job role, reporting structure, and basic policies.	To help employees become fully integrated and accepted members of the organization.
<b>5. Focus</b>	Focuses on job-related and organizational information.	Focuses on shaping attitudes, behaviour, and organizational commitment.
<b>6. Nature</b>	Formal and structured.	Both formal and informal (interactions, culture learning, mentoring).
<b>7. Responsibility</b>	Conducted mainly by HR or immediate supervisors.	Influenced by HR, supervisors, peers, and the entire organizational culture.
<b>8. Outcome</b>	Employee becomes familiar with the job and workplace.	Employee becomes adapted, committed, and aligned with organizational values.
<b>9. Timing</b>	Happens at the entry point of employment.	Begins at entry but continues throughout the employee's stay.
<b>10. Example</b>	Orientation presentations, campus tour, introduction to policies.	Learning teamwork, adopting company culture, building relationships, understanding informal norms.

#### 8.14 SUMMARY

Placing the right man at the right job is as important as hiring the right person. It is, therefore, desirable to have a sound scheme of placement in every organisation so that the employees feel comfortable on their new jobs. Placement involves assigning a specific rank and responsibility to an individual. Matching the requirements of the job with the qualifications of a candidate is the essence of placement. A good placement programme makes the employee suitable for the job, increase his satisfaction level & productivity and provide continuous learning to enhance the morale of employee.

Induction is a technique by which a new employee is rehabilitated into his surroundings and introduced to the practices, policies and purposes of the organisation. Inductions may be viewed as the socialising process by which organisation seeks to make an individual its agent for the achievement of its objectives and the individual seeks to make an agency of the organisation the achievement of his personal goals. Under induction the new employee is handed over a rulebook, policy manuals, progress reports, company booklets and documents containing company information which are informational in nature. It is the responsibility of the HR department to execute the induction programme. Planned induction helps the new

employee, creates a good attitude, reduces labour turnover and the employee feels at home right from the very beginning.

### 8.15 TECHNICAL TERMS

1. **Job Matching** – Aligning candidate skills with job requirements.
2. **Deployment** – Assigning selected candidates to specific roles.
3. **Onboarding** – Integrating new employees into the organization.
4. **Orientation** – Introductory training for new employees..
5. **Succession Planning** – Preparing employees for future roles.
6. **Organizational Orientation** – Briefing about the organization's culture, mission, and structure.
7. **Job Orientation** – Providing job-specific information.
8. **Induction Training** – Systematic training for new employees.
9. **Policy Familiarization** – Explaining rules, policies, and procedures.
10. **Induction Checklist** – A structured list of induction tasks.
11. **Organizational Socialization** – Process by which new employees learn organizational norms.
12. **Cultural Assimilation** – Adapting to the organizational culture.
13. **Social Learning** – Learning through interaction and observation.
14. **Behavioral Norms** – Accepted behavior patterns within the organization.
15. **Workplace Integration** – Becoming part of the organizational community.

### 8.16 SELF ASSESSMENT QUESTIONS

#### A. Placement

1. What is meant by placement in the HR context?
2. How does placement differ from recruitment and selection?
3. What factors should be considered while placing an employee in a job?
4. What is 'right person–right job' and why is it important?
5. What are the common challenges faced during the placement process?
6. How does proper placement contribute to employee performance and satisfaction?

#### B. Induction

1. What is induction and why is it necessary for new employees?
2. What are the essential components of an induction programme?
3. Explain the importance of orientation in induction.
4. Discuss the role of supervisors in conducting induction programmes.
5. What is an induction checklist? Give examples.
6. Describe the steps involved in an effective induction process.
7. What problems arise due to poor or incomplete induction?

#### C. Socialization

1. What is socialization in the workplace context?
2. How is socialization different from induction?

3. Explain the various stages of organizational socialization.
4. How does mentoring support the socialization process?
5. What is peer integration and why is it important?
6. Describe the concept of role clarity in socialization.
7. What challenges do new employees face during socialization?

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## **LESSON - 9**

### **INTRODUCTION TO EMPLOYEE TRAINING**

#### **9.0 LESSON OBJECTIVES**

After completing this lesson, you will be able to:

1. Define employee training and explain its strategic importance in modern organizations.
2. Describe the nature, scope, and objectives of training with theoretical and practical understanding.
3. Analyze the strategic value of training for employees and employers in achieving competitiveness.
4. Differentiate between training and development with theoretical clarity and practical examples.
5. Understand how training contributes to Human Resource Development (HRD) and organizational growth.

#### **9.1. STRUCTURE OF THE LESSON**

1. Introduction
2. Meaning and Definition of Employee Training
3. Nature and Characteristics of Training
4. Objectives of Training
5. Importance of Training
6. Difference between Training and Development
7. Role of Training in HRD
8. Summary
9. Key Words
10. Self-Assessment Questions (SAQs)
11. Model Case Study with Suggested Analysis
12. Suggested Readings

#### **9.2. INTRODUCTION**

In the twenty-first century, organizations operate in what management scholars call a VUCA environment—volatile, uncertain, complex, and ambiguous. Rapid technological advancement, globalization of markets, digital transformation, and changing workforce demographics have fundamentally altered how businesses compete and survive. Under these conditions, an organization's success depends not merely on its technology, financial capital, or brand reputation but primarily on the capabilities, creativity, and adaptability of its people.

Human resources have thus evolved from being considered a cost factor to becoming the most strategic asset of an organization. To remain relevant and competitive, employees must continuously learn, unlearn, and relearn. This is where employee training plays a pivotal



role—it acts as a structured bridge between an employee’s current competence and the skills and knowledge required to meet emerging business demands.

Training is more than an activity to correct performance gaps; it is a proactive investment in human potential. It transforms employees into learning-oriented professionals who can embrace new technologies, respond to customer expectations, and support organizational innovation. The focus has shifted from one-time training sessions to continuous learning ecosystems supported by e-learning platforms, blended learning, and on-the-job development initiatives.

In the Indian business context, training has gained strategic importance due to globalization, industry competition, and digitalization of workplaces. Organizations across sectors—manufacturing, banking, IT, healthcare, and retail—have recognized that systematic training programs enhance employee engagement, reduce turnover, and improve service quality.

### **Illustrative Examples:**

- Infosys Ltd. operates one of the world’s largest corporate universities in Mysore, providing immersive training to thousands of new recruits and lateral hires every year. The curriculum integrates technology, business communication, teamwork, and customer orientation. Infosys’ approach demonstrates how training nurtures both technical competence and organizational culture.
- HDFC Bank emphasizes continuous learning through behavioral, leadership, and digital banking programs. Employees receive periodic online and classroom training on customer engagement, regulatory compliance, and emerging fintech tools—ensuring the bank stays at the forefront of service innovation.
- Bharat Heavy Electricals Limited (BHEL) invests heavily in skill development for technicians, engineers, and supervisors. Through structured technical training and partnerships with academic institutions, BHEL ensures its workforce remains updated with evolving manufacturing technologies and automation systems.
- Tata Consultancy Services (TCS) integrates continuous upskilling into its “Learning and Development (L&D) Architecture.” Its employees undergo regular training in Artificial Intelligence (AI), Machine Learning (ML), Cloud Computing, and Cybersecurity—critical domains that drive TCS’s global competitiveness.

These cases highlight that training today is not a one-time event, such as an induction program, but an ongoing strategic process enabling employees to remain capable, confident, and competitive. The objective is to create a learning organization—an enterprise that continuously transforms itself through knowledge sharing, innovation, and employee development.

From a macroeconomic viewpoint, national initiatives such as Skill India, Digital India, and Make in India emphasize the significance of workforce training to enhance employability and productivity across industries. In this sense, employee training is not just a corporate necessity but a national development imperative, linking individual growth with organizational success and economic advancement.

### 9.2. 1. Meaning and Definition of Employee Training

Employee training refers to a planned and systematic process designed to help employees acquire the knowledge, technical skills, and behavioral competencies necessary for effective performance in their current or future roles. It converts learning into measurable job performance, ensuring that employees can carry out their responsibilities efficiently and contribute to organizational objectives.

Training involves a cycle of activities—identifying training needs, designing programs, delivering content, and evaluating results. It is rooted in the belief that people can improve performance when provided with structured learning opportunities and feedback. Training enhances not only job-related competencies but also attitudes, motivation, and adaptability—critical qualities in today’s dynamic workplace.

#### Definitions by Experts

- **Michael J. Jucius:** “Training is a process by which the aptitudes, skills, and abilities of employees to perform specific jobs are increased.”
- **Edwin B. Flippo:** “Training is the act of increasing the knowledge and skills of an employee for doing a particular job.”
- **Dale S. Beach:** “Training is an organized procedure by which people learn knowledge and/or skills for a definite purpose.”

From these definitions, it is evident that training is a systematic and purposeful learning process, focusing on enhancing the current and future performance potential of employees. It is a short-to-medium-term activity aimed at improving job-related efficiency, productivity, and quality.

#### Illustration

When the State Bank of India (SBI) launched its digital banking platforms—YONO and mobile apps—the bank realized that many employees lacked familiarity with digital interfaces. To ensure smooth customer service, SBI implemented large-scale training programs across its branches. Employees learned how to guide customers through digital transactions, troubleshoot issues, and promote online services. This initiative not only improved customer satisfaction and adoption rates but also transformed SBI’s brand image as a tech-driven, customer-friendly bank.

### 9.2.2. Theoretical Relevance

The significance of employee training is best understood through Human Capital Theory proposed by Gary Becker (1964). The theory argues that investments in people—through education, training, and health—enhance their productive capacity, just as investments in physical capital (machinery or technology) improve output.

Organizations that invest in training, therefore, enjoy higher returns in the form of improved productivity, innovation, employee loyalty, and competitive advantage. The theory also suggests that individuals who receive more training accumulate greater human capital, which increases their value in the labor market and provides career advancement opportunities.

Training thus represents a win-win strategy—employees gain professional growth and employability, while organizations benefit from superior performance and adaptability to

change. In strategic HRM terms, training aligns with the principle that people are assets whose value can be developed through systematic investment.

### **9.2.3. Contemporary Perspective**

In the digital era, the concept of training extends beyond formal classroom instruction. It encompasses e-learning platforms, virtual simulations, mentoring, and on-the-job learning. With technologies like Learning Management Systems (LMS) and AI-driven personalized learning, employees can now access customized modules that fit their pace, role, and learning style.

For instance, Reliance Industries Limited uses digital learning portals to train its massive workforce across business verticals, ensuring standardized quality of learning. Similarly, IBM and Google deploy micro-learning and gamification techniques to make training interactive and measurable.

In summary, employee training is an intentional, continuous, and strategic process of building workforce competence. It is not merely about transferring knowledge—it is about transforming people, preparing them for both current tasks and future challenges, and aligning their growth with the strategic direction of the organization.

## **9.3. NATURE AND CHARACTERISTICS OF TRAINING**

Training is a dynamic, systematic, and continuous process that aims to improve employee performance, develop potential, and align workforce capabilities with organizational goals. It is not a mere instructional activity but a strategic intervention in human resource development (HRD), designed to ensure that employees remain competent and adaptable in a constantly changing business environment. The nature of training can be better understood through the following key characteristics:

### **1. Continuous Process**

Training is a continuous and lifelong process rather than a one-time event. Learning does not end after induction or initial skill development; it continues throughout an employee's career. As technologies, markets, and customer expectations evolve, employees must regularly update their skills and knowledge to remain effective.

Modern organizations understand that training must be ongoing and iterative, reinforcing learning through refresher courses, micro-learning modules, and on-the-job experiences. For example, Indian Railways conducts periodic safety and signaling workshops for train drivers and operations staff to prevent accidents and reduce human error. Similarly, Infosys runs continuous digital and behavioral learning programs on its “Lex” learning platform, enabling employees to upskill themselves at their own pace.

Continuous learning builds a learning culture within organizations, ensuring resilience, adaptability, and sustainable performance.

### **2. Planned and Systematic**

Training is effective only when it is planned, structured, and systematically implemented. It should not be conducted on an ad hoc basis. A well-designed training program follows a scientific process—beginning with Training Needs Analysis (TNA), followed by design, development, implementation, and evaluation.

Many organizations adopt the ADDIE model—Analysis, Design, Development, Implementation, and Evaluation—to ensure that training programs are aligned with both employee needs and business objectives.

For example, ITC Limited uses the ADDIE framework to plan and implement leadership development and skill enhancement initiatives across its business divisions. Each training module is carefully designed with measurable learning outcomes, content delivery strategies, and evaluation mechanisms to assess post-training performance. A planned approach ensures that resources are used effectively and that training delivers tangible organizational value.

### **3. Goal-Oriented**

Training is always goal-directed. It is designed to achieve specific, predefined objectives such as improving productivity, enhancing service quality, strengthening innovation capabilities, or preparing employees for higher responsibilities.

Clearly defined objectives help trainers measure effectiveness and link training outcomes to performance metrics. For example, a sales training program at HDFC Bank may aim to increase cross-selling efficiency by 15% within six months, while a technical training program at BHEL may target reduced equipment downtime. Goal orientation ensures that training is not a general learning exercise but a strategic investment yielding measurable results.

### **4. Mutually Beneficial**

Training provides dual benefits—to the organization and to its employees. For employees, it enhances career prospects, self-confidence, and job satisfaction by providing new competencies. For the organization, it results in higher productivity, improved quality, reduced turnover, and enhanced competitiveness.

When organizations invest in training, employees feel valued and motivated to contribute more effectively. This psychological contract fosters loyalty and engagement. For instance, Axis Bank and ICICI Bank have integrated continuous training programs into their HR policies, ensuring employees grow along with organizational success. The mutual gains create a positive work environment and build long-term employer–employee relationships.

### **5. Performance-Focused**

Training is primarily a performance-oriented activity. Its success is evaluated not merely by participation or completion rates but by actual improvements in job performance. Performance metrics such as reduced errors, faster task completion, improved customer satisfaction, and higher efficiency are used to assess the impact of training. For example, Maruti Suzuki measures the success of its production-line training through indicators such as defect rates, maintenance time, and output per worker. Thus, training becomes meaningful only when it translates into measurable behavioral change and enhanced job performance.

### **6. Dynamic and Adaptive**

Training must evolve continuously to meet the changing needs of the organization, industry, and external environment. It must be flexible and responsive to technological disruptions, market trends, and strategic shifts.

In the era of Artificial Intelligence, robotics, and data analytics, training programs need constant updating to remain relevant. For example, Hindustan Unilever Limited (HUL) and Nestlé India have incorporated digital marketing and e-commerce modules into their brand

management training programs to equip employees with the latest consumer engagement tools and analytics capabilities. Dynamic training ensures that employees remain future-ready and that the organization maintains its competitive agility in an uncertain business landscape.

## 7. Behavioral and Technical Orientation

Training has a dual focus—it enhances both technical and behavioral competencies.

- Technical Training deals with job-specific or functional skills—such as machinery operation, software usage, data analysis, or quality control techniques.
- Behavioral Training focuses on interpersonal effectiveness, communication, teamwork, leadership, emotional intelligence, and conflict resolution.

For example, in IT firms like Wipro and TCS, technical modules on cloud computing or cybersecurity are complemented by behavioral programs on collaboration, customer communication, and cross-cultural sensitivity. This integrated approach produces well-rounded professionals capable of excelling in both technical execution and interpersonal relationships. In service industries such as hospitality or healthcare, behavioral competencies like empathy, patience, and service orientation are as critical as technical proficiency.

## 8. Strategic Alignment

Training today is not merely an HR function—it is a strategic business enabler. Leading organizations integrate training initiatives with their corporate strategy, ensuring that every learning activity supports broader business goals such as innovation, cost leadership, customer intimacy, or sustainability.

For instance, Larsen & Toubro (L&T) aligns its training with project excellence, safety, and innovation goals, linking learning outcomes directly to business KPIs. Similarly, Tata Steel and JSW Steel embed training within their performance appraisal and career progression systems. Employees who complete critical certifications or demonstrate new competencies become eligible for promotions and leadership opportunities. Strategic alignment ensures that training contributes to organizational competitiveness, enabling the firm to anticipate change and respond proactively.

## 9. Practical Application and Managerial Relevance

Modern organizations integrate training into broader HR systems such as performance management, talent management, and succession planning. Learning outcomes are documented, tracked, and analyzed through Learning Management Systems (LMS) and analytics dashboards. This enables HR managers to identify skill gaps, measure ROI, and plan future interventions.

For example, Reliance Industries Limited (RIL) uses digital learning ecosystems to train employees across diverse business units—refining learning data to align with competency frameworks and leadership pipelines. Similarly, Amazon India and Flipkart use data-driven training metrics to evaluate the impact of employee development on customer satisfaction and operational efficiency.

In essence, training is a systematic, goal-oriented, and continuous developmental process that equips employees to perform effectively in a changing environment. Its nature is both behavioral and technical, serving individual aspirations and organizational strategies simultaneously.

Training derives its strength from being planned, adaptive, and strategically aligned—helping organizations foster a culture of learning, innovation, and excellence. In today’s competitive and technology-driven world, the organizations that learn faster than their competitors are the ones that sustain success.

#### 9.4. OBJECTIVES OF TRAINING

Training objectives define what an organization seeks to achieve through its learning and development initiatives. They serve as a guiding framework for designing, implementing, and evaluating training programs. Well-formulated objectives ensure that the training process is purposeful, measurable, and aligned with organizational goals.

Clear objectives answer key managerial questions such as:

- *What should employees learn?*
- *Why is this learning necessary?*
- *How will it improve performance and organizational effectiveness?*

Without specific objectives, training may become an unfocused activity yielding limited results. Therefore, organizations develop training objectives based on a thorough Training Needs Analysis (TNA) that identifies performance gaps and developmental priorities.

#### Key Categories and Illustrations

Category	Objectives	Illustration (Indian Context)
<b>Performance Improvement</b>	Enhance efficiency, accuracy, speed, and quality of job performance. Training aims to reduce errors, waste, and time delays, leading to higher productivity and customer satisfaction.	Maruti Suzuki trains its assembly-line workers on precision manufacturing techniques and lean management principles to minimize defects and improve throughput. As a result, the company consistently ranks high in product quality and operational efficiency.
<b>Skill Development</b>	Upgrade existing skills or develop new ones to meet evolving job demands. Includes both technical (hard) and interpersonal (soft) skills.	TCS iON and Infosys Springboard offer online learning platforms that allow employees and graduates to acquire new-age digital skills such as Python programming, data analytics, cloud computing, and communication.
<b>Employee Growth and</b>	Prepare employees for future roles, promotions,	Life Insurance Corporation (LIC) conducts managerial and leadership development



<b>Career Progression</b>	and leadership responsibilities. Training supports succession planning and managerial pipeline development.	programs for assistant managers and branch heads, grooming them for higher administrative roles and improving internal promotion rates.
<b>Change Adaptation</b>	Equip employees to handle organizational, technological, or process changes effectively. Focuses on building flexibility and openness to innovation.	Indian Railways trained its employees during the introduction of digital ticketing and online reservation systems. This enabled staff to handle e-booking interfaces, manage data systems, and guide passengers efficiently.
<b>Morale and Motivation</b>	Increase confidence, reduce performance anxiety, and enhance job satisfaction. Training often serves as a psychological reinforcement tool that builds self-esteem.	Infosys, Wipro, and Tech Mahindra organize mindfulness, stress management, and resilience workshops to help employees cope with workload pressure and maintain mental well-being.
<b>Customer Orientation</b>	Improve customer service skills, empathy, and communication. Especially vital in service sectors such as banking, hospitality, and retail.	HDFC Bank and ICICI Lombard train front-line employees in customer empathy, service etiquette, and complaint handling to ensure positive client experiences and brand loyalty.
<b>Safety and Compliance</b>	Promote workplace safety, legal compliance, and ethical behavior. Ensures employees follow regulations and prevent accidents or misconduct.	Oil and Natural Gas Corporation (ONGC) and NTPC Limited conduct mandatory safety and environmental awareness training for field and plant employees to minimize operational risks and regulatory violations.

### Theoretical Relevance

From a theoretical perspective, Kirkpatrick's Four-Level Training Evaluation Model (1959) offers a foundational framework for assessing training effectiveness based on objectives:

1. **Reaction:** How participants feel about the training experience—engagement, relevance, and satisfaction.
2. **Learning:** The degree to which participants acquire intended knowledge, skills, or attitudes.
3. **Behavior:** The extent to which learning translates into improved on-the-job behavior.
4. **Results:** The tangible outcomes of training—higher productivity, improved quality, lower costs, or enhanced customer satisfaction.

Clearly defined training objectives facilitate systematic evaluation at all these levels. For example, if the objective is “to improve customer response time by 20%,” evaluators can measure behavior (speed of handling queries) and results (customer satisfaction index) post-training.

Additionally, Goal-Setting Theory (Locke & Latham, 1990) supports the idea that specific, challenging, and measurable objectives enhance motivation and performance. Applying this principle to training ensures that learning targets are clear and performance-driven.

### Managerial Insights and Practical Application

For HR managers and trainers, clear objectives are the foundation of instructional design. They help in:

- Selecting appropriate training methods (e.g., classroom, simulation, e-learning, job rotation).
- Developing relevant content and case materials.
- Establishing performance indicators for post-training assessment.
- Aligning training budgets and timelines with organizational priorities.

For instance, if the objective is to “build cross-functional collaboration among departments,” management may choose team-building workshops, role-playing exercises, or outbound experiential learning as suitable approaches. On the other hand, a “technical accuracy improvement” objective may require on-the-job coaching or simulator-based training.

Organizations like Larsen & Toubro (L&T) and Reliance Industries use competency mapping to link training objectives with role-specific skill frameworks. This ensures that learning directly enhances both individual performance and business capabilities.

In summary, training objectives act as navigational beacons guiding every stage of the learning process—from design to delivery to evaluation. They make training purposeful, accountable, and measurable, ensuring that both employees and organizations derive value from the investment.



Whether it is improving technical proficiency at BHEL, fostering innovation at Tata Motors, or enhancing customer service at HDFC Bank, well-crafted objectives transform training from a routine HR activity into a strategic lever of growth and competitiveness.

## 9.5. IMPORTANCE OF TRAINING

Training is a vital component of Human Resource Development (HRD) and a **strategic investment** that enhances individual competence and organizational effectiveness. In the modern knowledge economy, organizations depend more on the creativity, skills, and adaptability of people than on physical or financial resources. Training bridges the gap between existing performance and desired outcomes, ensuring employees remain capable, confident, and competitive.

### A. Importance for Employees

#### 1. *Enhanced Job Performance:*

Training enables employees to perform tasks with greater efficiency, precision, and consistency. Well-trained workers make fewer mistakes, leading to improved productivity and quality.

**Example:** Toyota Kirloskar Motors conducts “Kaizen” training to develop a culture of continuous improvement. Workers learn problem-solving methods that minimize production defects and enhance process efficiency.

#### 2. *Higher Job Satisfaction and Motivation*

Training demonstrates that the organization values its employees. It satisfies intrinsic needs such as achievement, recognition, and growth, leading to higher morale and commitment.

**Example:** Infosys and Wipro provide extensive learning platforms that empower employees to pursue new skills, thereby reducing turnover and absenteeism.

#### 3. *Reduced Role Ambiguity and Anxiety*

Proper training clarifies expectations, procedures, and standards, which reduces uncertainty and job stress.

**Example:** State Bank of India (SBI) provides systematic induction and digital banking training, enabling employees to confidently serve customers using new technologies.

#### 4. *Career Growth and Employability:*

Training prepares employees for promotions, leadership roles, and cross-functional mobility. It enhances their long-term employability and adaptability to market changes.

**Example:** The Life Insurance Corporation (LIC) conducts leadership programs for its officers, building internal talent for future managerial roles.

#### 5. *Self-Confidence and Empowerment*

Continuous learning enhances self-efficacy—the belief in one’s ability to perform effectively. Empowered employees display initiative and creativity.

**Example:** HCL Technologies’ “Employee First” culture includes training in innovation and intrapreneurship, building confidence and ownership among staff.

## B. Importance for Organizations

### 1. *Improved Productivity and Efficiency*

Training directly improves output quality and quantity. Trained employees complete tasks faster with fewer errors, leading to cost savings and operational excellence.

**Example:** Reliance Industries integrates technical and safety training in its refineries to enhance process efficiency and minimize downtime.

### 2. *Quality Enhancement*

Training develops attention to detail and a commitment to excellence.

**Example:** Hero MotoCorp's lean manufacturing and quality-control training programs have reduced defects and improved customer satisfaction.

### 3. *Cost and Waste Reduction*

Effective training minimizes rework, material wastage, and process inefficiencies.

**Example:** BHEL uses Six Sigma and process-improvement training to reduce errors and save operational costs.

### 4. *Reduced Employee Turnover*

When employees see opportunities to learn and grow, they are less likely to leave.

**Example:** Infosys' Global Education Centre in Mysuru offers continuous learning pathways, helping to retain skilled talent and strengthen loyalty.

### 5. *Innovation and Adaptability*

Training fosters creative thinking and flexibility, enabling organizations to respond to environmental and technological changes.

**Example:** Tata Motors trains employees in design thinking and digital innovation, promoting continuous product and process improvement.

### 6. *Safety, Compliance, and Ethics*

Training ensures adherence to safety standards and legal requirements, reducing accidents and ethical risks.

**Example:** ONGC and NTPC regularly conduct safety and environmental training to promote workplace well-being and regulatory compliance.

### 7. *Strategic and Competitive Advantage*

A skilled and knowledgeable workforce forms a valuable resource that competitors cannot easily imitate.

**Example:** Tata Steel's "Capability Development Program" integrates classroom and digital learning, enhancing safety, performance, and innovation—earning it recognition for HR excellence.

## Theoretical Insights

- **Human Capital Theory (Becker, 1964):** Training is an investment that enhances employee productivity and economic value.
- **Systems Theory:** Training functions as an HR subsystem interacting with performance appraisal, compensation, and career development, creating continuous learning loops.
- **Learning Organization (Senge, 1990):** Continuous training helps organizations remain adaptive, innovative, and resilient.

- **Resource-Based View (RBV):** Training develops rare, valuable, and inimitable skills that sustain competitive advantage.

Training is not a cost but an **investment in human capital** that yields multifaceted returns—higher productivity, quality, morale, innovation, and strategic sustainability. It benefits employees through enhanced skills, confidence, and career growth, and benefits organizations through efficiency, adaptability, and competitive strength. Indian corporations like Tata, Infosys, Maruti Suzuki, and Hero MotoCorp exemplify how continuous learning drives enduring success.

In essence, **training transforms human potential into organizational excellence**, making it a cornerstone of long-term growth and performance.

## 9.6. DIFFERENCE BETWEEN TRAINING AND DEVELOPMENT

Although the terms *training* and *development* are often used interchangeably in HRM, they serve distinct purposes within Human Resource Development (HRD). Both aim to enhance employee performance and organizational effectiveness, but they differ in focus, scope, and duration. Training focuses on improving the current performance of employees in their existing roles, while development prepares them for future responsibilities and long-term growth.

Basis	Training	Development
<b>Purpose</b>	To improve present job performance by enhancing specific skills and knowledge.	To prepare employees for future roles, responsibilities, and career advancement.
<b>Focus</b>	Concentrates on technical or job-related skills necessary for operational efficiency.	Emphasizes conceptual understanding, decision-making, leadership, and managerial capabilities.
<b>Time Horizon</b>	Short-term in nature, addressing immediate needs or tasks.	Long-term and continuous, focusing on overall growth and potential.
<b>Orientation</b>	Operational – concerned with performing current duties effectively.	Strategic and holistic – concerned with aligning employee growth to organizational goals.
<b>Methods Used</b>	On-the-job training, demonstrations, job instructions, simulations, workshops.	Coaching, mentoring, job rotation, management development programs, leadership training.
<b>Target Group</b>	Primarily non-managerial, technical, and operational employees.	Mainly middle-level and senior managers, as well as high-potential employees.
<b>Example (India)</b>	Machine operation and safety training at BHEL to improve technical proficiency.	Leadership and global management development at Mahindra & Mahindra to groom future leaders.

### Theoretical Perspective:

According to the *Career Life Cycle Theory*, training corresponds to the Maintenance Stage, where employees refine and upgrade their existing competencies to maintain job effectiveness. Development, on the other hand, aligns with the Growth Stage, where

employees focus on expanding their capabilities to assume broader, more strategic roles within the organization. Thus, training sustains performance, while development accelerates progression and leadership readiness.

**Practical Insight:**

Successful organizations integrate both training and development into a comprehensive HRD framework. For instance, Hindustan Unilever Ltd. (HUL) provides structured sales and product training for its new recruits to ensure job readiness and performance efficiency (training). Simultaneously, it invests in global talent development through its prestigious “Unilever Future Leaders Programme”, which prepares high-potential employees for international managerial and strategic leadership roles (development).

In essence, training sharpens the skills of today, while development shapes the leaders of tomorrow. Both are complementary pillars of sustainable talent management and organizational success.

**9.7. ROLE OF TRAINING IN HUMAN RESOURCE DEVELOPMENT (HRD)**

Human Resource Development (HRD) is a comprehensive and continuous process that focuses on improving individual and organizational effectiveness through learning, skill-building, and performance enhancement. Among its various components—such as education, career development, and performance management—training serves as the foundation. It equips employees with the necessary knowledge, skills, and attitudes to perform effectively and contribute to the organization’s long-term goals.

**Contributions of Training to HRD****1. Skill Enhancement:**

Training develops technical, managerial, and behavioral competencies essential for achieving organizational objectives. It ensures employees remain updated with the latest tools, technologies, and practices.

*Example:* Reliance Industries uses extensive e-learning platforms to train thousands of employees in petrochemical operations, data analytics, and digital transformation, improving efficiency and innovation.

**2. Behavioral Change:**

Training influences attitudes and interpersonal behaviors, leading to improved teamwork, communication, emotional intelligence, and conflict management. Such behavioral competencies are vital for a healthy organizational climate and effective collaboration across departments.

**3. Career Growth and Succession Planning:**

Training prepares employees for higher responsibilities and leadership roles. It helps identify and groom potential successors for key positions, ensuring business continuity.

*Example:* Infosys and ICICI Bank conduct structured leadership and management development programs to build future leaders from within.

**4. Organizational Culture Building:**

Training serves as a powerful tool to instill and reinforce organizational values such as integrity, innovation, quality, and customer focus.

*Example:* Larsen & Toubro (L&T) Leadership Development Academy combines technical and behavioral programs to nurture leaders who reflect the company's culture of excellence and ethical responsibility.

**5. Performance and Productivity Linkage:**

Effective training enhances individual performance, which translates into higher productivity and organizational success. When linked with performance appraisals and rewards, it fosters a culture of continuous improvement.

**6. Strategic Adaptability:**

In dynamic industries such as IT, telecom, and pharmaceuticals, training enables employees to adapt to technological advances, market shifts, and regulatory changes. This adaptability ensures organizational resilience and competitiveness.

**Theoretical Connection:**

According to Nadler's HRD Model (1970s), training is the first and most essential function of HRD, followed by education and development. Training provides the operational base upon which other HRD activities are built, supporting both immediate performance improvement and long-term capability building.

**Global Best Practice Example:**

At Google, the "G2G – Googler-to-Googler" initiative encourages employees to train one another in technical, creative, and soft skills. This peer-learning approach fosters a culture of shared knowledge, collaboration, and continuous development—exemplifying HRD in action.

Training plays a pivotal role in HRD by bridging skill gaps, shaping behavior, fostering leadership, and aligning employees with organizational vision. It transforms human potential into tangible performance outcomes, promoting both individual growth and corporate success. Organizations like Tata Steel, HDFC Bank, and Maruti Suzuki demonstrate that continuous, well-structured training is not merely a support activity—it is a strategic driver of innovation, productivity, and sustainable competitiveness.

**9.8. KEY WORDS**

- **Training:** A planned effort to improve job-related knowledge, skills, and behavior.
- **Development:** A long-term process aimed at overall professional and personal growth.
- **HRD (Human Resource Development):** A structured process for developing competencies and potential to achieve organizational effectiveness.
- **Performance Gap:** The difference between actual and desired performance levels.
- **Skill Upgradation:** Continuous improvement of technical, behavioral, and digital skills.
- **Learning Organization:** A firm that continuously transforms itself through employee learning.

## 9.9. SELF-ASSESSMENT QUESTIONS (SAQS)

### A. Short Answer Questions

1. Define employee training in your own words.
2. List any four characteristics of training.
3. Mention three objectives of training with suitable examples.
4. Differentiate between training and development.
5. Explain how training contributes to HRD.

### B. Long Answer Questions

1. Discuss the importance of employee training in modern organizations with Indian and global examples.
2. Explain the nature and objectives of employee training.
3. Compare and contrast training and development.
4. Describe the strategic role of training in Human Resource Development.
5. Examine how continuous training enhances organizational competitiveness in a digital era.

### C. Multiple-Choice Questions (MCQs)

1. Which of the following focuses on current job performance?  
a) Development    b) Training    c) Counseling    d) Mentoring  
**Answer: b**
2. Training is considered a \_\_\_\_\_ process.  
a) One-time    b) Continuous    c) Random    d) Informal  
**Answer: b**
3. Which organization is known for its 16-week foundation training at Mysore?  
a) TCS    b) Infosys    c) Wipro    d) Tech Mahindra  
**Answer: b**
4. Which of the following is not a characteristic of effective training?  
a) Planned    b) Systematic    c) Random    d) Goal-Oriented  
**Answer: c**
5. The ADDIE model stands for:  
a) Analyze, Design, Develop, Implement, Evaluate  
b) Assess, Determine, Deliver, Integrate, Execute  
**Answer: a**

## 9.10. MODEL CASE STUDY WITH SUGGESTED ANALYSIS

Case Study: Tata Motors – Skill Enhancement and Productivity

### Background:

Tata Motors, one of India's largest automobile manufacturers, faced challenges in maintaining assembly-line efficiency due to the introduction of new vehicle models and advanced automation.

### Intervention:

The company designed a comprehensive **Multi-Skill Training Program** for technicians. The program included:

- Classroom instruction on new assembly techniques and safety protocols.
- Hands-on training through simulation workshops.
- Cross-functional learning on quality inspection and maintenance.
-

**Outcomes:**

- 25% reduction in assembly errors.
- Improved employee morale and lower absenteeism.
- Enhanced coordination between production and maintenance departments.

**Guiding Questions**

1. What were the primary objectives of Tata Motors' training initiative?
2. How did the training benefit both employees and the organization?
3. What HRD outcomes resulted from this initiative?

**Suggested Analysis**

The training aimed to bridge the skill gap arising from technological upgrades and to foster a multi-skilled workforce.

The program led to:

- **Operational efficiency:** Faster production cycles and reduced downtime.
- **Employee motivation:** Workers felt valued through continuous learning.
- **HRD alignment:** Skill mapping and career progression became part of HR strategy.

This case exemplifies how **strategic training** aligns workforce capability with organizational transformation, reinforcing HRD objectives and ensuring sustainable competitiveness.

**9.11. SUGGESTED READINGS**

1. **Gary Dessler** – *Human Resource Management*, Pearson Education.
2. **K. Aswathappa** – *Human Resource Management: Text and Cases*, McGraw Hill.
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## LESSON 10

### TRAINING NEEDS, OBJECTIVES, AND METHODS

#### 10.0 LESSON OBJECTIVES

After completing this expanded lesson, students will be able to:

- Understand the **theoretical foundation** and **organizational significance** of Training Need Analysis (TNA).
- Explain how TNA supports strategic HR planning, organizational change, performance management, and talent development.
- Identify and differentiate the **three major levels of TNA** with practical examples from Indian organizations.
- Analyze and evaluate **multiple methods of identifying training needs**, including their advantages, limitations, and contexts of use.
- Develop **SMART training objectives** and understand how well-designed objectives influence training effectiveness.
- Distinguish between **On-the-Job** (OJT) and **Off-the-Job** training methods with in-depth examples.
- Examine the **latest trends in employee training**, including AI-based learning, gamification, digital learning ecosystems, and data-driven training.
- Critically evaluate training techniques, select appropriate approaches for specific contexts, and understand how training contributes to individual and organizational performance.

#### 10.1 STRUCTURE OF THE LESSON

- Introduction
- Meaning and Importance of Training Need Analysis (TNA)
- Theoretical Foundations of TNA
- Levels of Training Need Analysis
- Methods of Identifying Training Needs
- Setting Training Objectives
- Types of Training
- Emerging Trends in Training
- Summary
- Key Words
- Self-Assessment Questions (SAQs)
- Model Case Study with Suggested Analysis
- Suggested Readings



## 10.2 INTRODUCTION

Training is no longer an optional HR activity but a **strategic organizational investment**. In today's competitive, technology-driven environment, every organization must upgrade employee skills to remain productive and innovative. However, many organizations waste resources because training is conducted without carefully diagnosing what employees actually need. This mismatch between training content and real job requirements results in **lower ROI, employee dissatisfaction, and inefficient learning outcomes**.

A well-designed training program answers three fundamental questions:

1. **What should be trained?** (Skills, knowledge, behaviors, competencies?)
2. **Who should be trained?** (Which employees or teams require development?)
3. **How should training be delivered?** (Classroom, online, experiential?)

A classic example is SBI's training during the shift to digital banking. The bank initially offered general digital modules to all staff, but later realized that **branch-level employees** needed targeted, hands-on sessions. After conducting a systematic TNA, SBI redesigned programs to include simulations of UPI transactions, cyber-fraud prevention, and mobile banking support. This more specific approach significantly improved service quality.

For example, ICICI Bank once noticed that employees in rural branches struggled with new digital banking tools. Instead of giving everyone generic training, the bank conducted a Training Need Analysis (TNA) and found that only frontline staff required practical, system-based learning. This focused approach made the training more effective and efficient.

## 10.3 MEANING AND IMPORTANCE OF TRAINING NEED ANALYSIS (TNA)

Training Need Analysis (TNA) is a structured process used to determine **performance gaps** and identify **training interventions** required to bridge those gaps.

### Academic Definitions

- **W.R. Tracey:** "TNA is the process of collecting data to determine what training needs exist so that training can be designed to help the organization accomplish its objectives."
- **Raymond Noe:** "Training need analysis identifies employees' skill gaps and determines whether training is the appropriate solution."

### Importance of TNA

Benefit	Description
<b>Alignment with Strategy</b>	Ensures training supports organizational goals such as quality improvement, digitization, customer service excellence, or cost reduction.
<b>Efficient Resource Utilization</b>	Avoids unnecessary training, reducing cost and time wastage.
<b>Improved Performance</b>	Directly targets performance issues based on real gaps, not assumptions.
<b>Employee Motivation</b>	Employees appreciate focused learning that helps them grow professionally.
<b>Better Training Design</b>	Helps HR select appropriate content, trainers, delivery methods, and evaluation tools.
<b>Supports Change Management</b>	Training required during mergers, new technology adoption, restructuring, or policy changes is identified proactively.

### Practical Example

At **Tata Steel**, before implementing the 4.0 workplace automation initiative, HR conducted a robust TNA involving job analysis, interviews, and competency mapping. This helped classify employees based on skill gaps and plan personalized learning pathways.

At **NTPC** (National Thermal Power Corporation), before launching new turbines, the HR team performs a TNA to understand what kind of technical upskilling is required for operators and maintenance staff.

## 10.4 THEORETICAL FOUNDATIONS OF TNA

Training Need Analysis is supported by several theories:

**Systems Theory** : Organizations are systems; a change in one area (technology, customer expectations) requires adjustments in employee skills. TNA helps identify these changes.

**Human Capital Theory**: Employees are assets. Investing in training enhances their value and contributes to organizational productivity.

**Performance Gap Theory**: Performance is influenced by three factors: **Knowledge, Skills, and Attitudes (KSA)**. Gaps in KSAs require training interventions.

**Competency-Based Theory:** Organizations define competencies for each role. TNA identifies deviations from desired competency levels.

**Adult Learning Theory (Andragogy):** Adults learn best when training is: Problem-centered, Experience-based, Relevant to job responsibilities

## 10.5 LEVELS OF TRAINING NEED ANALYSIS

TNA is conducted at **three major levels**, each addressing distinct organizational needs.

### A. Organizational-Level TNA

This level examines the organization as a whole, focusing on strategic goals, business challenges, market trends, and workforce capabilities.

#### Key Questions:

- What are the organization's long-term plans?
- What skills are required to achieve these goals?
- What external changes are affecting the organization?

**Example:** Indian Railways, during its modernization project, assessed the need for digital literacy, customer relationship skills, and safety training across zones.

### B. Task / Job-Level TNA

Analyzes tasks, job descriptions, and required KSAs.

#### Key Outcomes:

- Clear list of competencies required.
- Performance standards and benchmarks.
- Skill gaps in job-specific tasks.

#### Example:

Infosys uses job-level TNA for identifying programming languages and tools employees must learn for upcoming projects.

### C. Individual-Level TNA

Focuses on specific employees' strengths and weaknesses.

#### Tools used:

- Appraisal reports
- 360-degree feedback
- Skill tests
- Psychometric assessments

**Example:** HDFC Bank identifies training needs through appraisal data, customer feedback, and branch audits to determine who needs communication, sales, or process training.

## 10.6 METHODS OF IDENTIFYING TRAINING NEEDS

Organizations may use a **combination of methods** to ensure accuracy. Each method has its benefits and limitations.

### 1. Performance Appraisal Data

- Helps identify who is underperforming and why.
- Example: A sales executive failing to meet targets may require negotiation skills training.

### 2. Direct Observation

- Helps detect real-time behavioral gaps.
- Example: Maruti Suzuki supervisors observe assembly-line errors.

### 3. Interviews & Focus Groups

- Enables deeper discussions with employees and managers.
- Example: TCS conducts interviews with team leads before designing project-specific training.

### 4. Surveys & Questionnaires

- Useful for large groups.
- Example: ITC Hotels use surveys to identify soft skills training needs.

### 5. Job Analysis

- Compares job requirements with existing skills.
- Example: L&T uses competency mapping for project managers.

### 6. Customer Feedback

- More relevant in service industries.
- Example: Airlines use passenger feedback to design training for cabin crews.

### 7. Assessment Centers

- Effective for leadership and managerial roles.
- Example: SBI uses assessment centers for probationary officers.

### 8. Exit Interviews

- Reveals training gaps that contributed to employee dissatisfaction or attrition.

## 10.7 Setting Training Objectives

Training objectives define what learners should achieve by the end of training.

### Characteristics of Effective Training Objectives (SMART)

SMART Element	Explanation	Example
Specific	Clear and focused	“Train employees on GST invoicing.”
Measurable	Quantifiable	“Achieve 90% accuracy.”
Achievable	Realistic	“Train 40 employees in 4 weeks.”
Relevant	Aligned with business goals	“Improve compliance.”
Time-bound	Specific timeline	“Within three months.”

## 10.8 TYPES OF TRAINING

Employee training methods are generally grouped into On-the-Job (OJT) and Off-the-Job methods.

### A. On-the-Job Training (OJT)

Training provided while employees perform their regular work duties under the supervision of an experienced trainer or supervisor.

#### Common Methods:

- 1. Job Rotation:** Employees are rotated across different roles to broaden experience.  
Example: Management trainees at ITC Limited work in multiple departments (sales, production, marketing) to develop versatility.
- 2. Coaching:** A superior provides ongoing guidance and performance feedback.  
Example: Senior branch managers at HDFC Bank coach assistant managers.
- 3. Mentoring:** A long-term developmental relationship where an experienced manager guides a junior employee.  
Example: Infosys runs a formal mentoring program for software professionals.

4. **Apprenticeship:** Combines classroom instruction with hands-on practice.  
Example: Bharat Heavy Electricals Ltd (BHEL) offers apprenticeship training for engineering graduates.
5. **Committee Assignments:** Employees participate in committees to learn decision-making and teamwork.
6. **Internship Training:** Students or fresh graduates gain industry exposure.  
Example: Tata Motors and ONGC provide internships for engineering and management students.

**Advantages:**

- Practical and realistic.
- Immediate feedback.
- Builds confidence and reduces transition time.

**Limitations:**

- Risk of production errors during training.
- Depends heavily on supervisor's ability to teach.
- May cause workflow interruptions.

**B. Off-the-Job Training**

Training conducted away from the job environment, using structured and theoretical learning approaches.

**Common Methods:**

1. **Lectures and Seminars:** Ideal for large groups and concept learning.  
Example: Indian Oil Corporation (IOCL) conducts classroom training on safety and sustainability practices.
2. **Case Studies:** Analytical discussions on real or hypothetical business situations.  
Example: MBA students at IIMs and executives at Infosys Leadership Institute analyze case studies to improve problem-solving.
3. **Role Playing:** Participants act out roles to improve interpersonal skills and empathy.  
Example: Used in HDFC Life Insurance for customer-handling and negotiation training.
4. **Simulation and Vestibule Training:** Controlled environment replicating real work conditions.  
Example: IndiGo Airlines uses flight simulators for pilot training.

5. **Management Games:** Encourage creativity and decision-making under time pressure.
6. **E-Learning and Web-Based Training:** Flexible, cost-effective, and accessible anywhere.

Example: Wipro and TCS use online learning platforms (LMS) for continuous upskilling.

**Advantages:**

- Safe environment for experimentation.
- Exposure to new concepts and technologies.
- Suitable for complex learning areas.

**Limitations:**

- May lack hands-on experience.
- Can be expensive and time-consuming.
- Requires high motivation for self-paced learners.

## 10.9 COMPARATIVE ADVANTAGES AND LIMITATIONS

Basis	On-the-Job Training	Off-the-Job Training
Learning Environment	Real work situation	Simulated or classroom environment
Trainer	Supervisor or senior colleague	Professional trainer or faculty
Cost	Economical	Costly (venue, materials)
Risk	Errors can affect operations	No impact on production
Examples	Job rotation at ITC	Simulation training at IndiGo

Both methods are complementary and can be integrated in a **blended approach** for better learning outcomes.

## 10.10 EMERGING TRENDS IN TRAINING

Modern training is influenced by technology and evolving workplace needs.

1. **AI-based Personalized Learning:** Platforms like Coursera, Udemy, and company LMS systems use AI to recommend learning paths.
2. **Gamification:** Leaders like Infosys and Wipro use gamified modules to improve engagement.
3. **Microlearning:** Short, focused learning modules deliver quick knowledge.

**4. Virtual Reality (VR) & Augmented Reality (AR):** Used for simulation-based training in aviation, medicine, and manufacturing.

**5. Mobile Learning:** Enables anywhere-anytime training.

**6. Learning Experience Platforms (LXPs):** TCS, Accenture, and Reliance use LXPs for curated learning journeys.

## 10.11 SUMMARY

Training Need Analysis (TNA) ensures that training programs are relevant, efficient, and aligned with organizational goals. By conducting TNA at organizational, task, and individual levels, HR departments can accurately diagnose skill gaps. Once needs are identified, SMART training objectives help clarify expected outcomes. Organizations can then select suitable training methods—on-the-job or off-the-job—based on learning goals, employee readiness, and resource availability. New training trends such as AI-driven learning, gamification, and simulation-based modules enhance the effectiveness of training. A strategic, data-driven, and employee-centered approach ensures higher returns on training investments.

## 10.12 KEY WORDS

- **Training Need Analysis (TNA) ;** A systematic process of identifying performance gaps and determining what training is required.
- **Competency Mapping:** Identifying the skills, knowledge, and abilities needed for successful job performance.
- **On-the-Job Training (OJT):** Training provided at the workplace while employees perform actual job tasks.
- **Off-the-Job Training:** Training conducted away from the workplace using classrooms, simulations, or online modules.
- **Simulation Training:** Training that uses realistic virtual or controlled environments to practice job tasks safely.
- **Assessment Centers:** A method using tests, exercises, and simulations to evaluate employees' skills and potential.
- **SMART Objectives:** Clear training goals that are Specific, Measurable, Achievable, Relevant, and Time-bound.
- **Microlearning:** Short, focused learning modules designed to deliver quick, bite-sized knowledge.
- **Gamification:** Using game elements like points, badges, and challenges to make learning engaging.
- **Job Rotation:** Moving employees through different jobs for multi-skill development.
- **Apprenticeship:** Blending classroom teaching with hands-on work experience.

## 10.13 SELF-ASSESSMENT QUESTIONS

### A. Short Answer Questions

1. Define Training Need Analysis (TNA).
2. List the three levels of TNA.



3. Mention two advantages of On-the-Job Training.
4. Write any two examples of Off-the-Job Training.
5. What are SMART training objectives?

### **B. Long Answer Questions**

1. Explain the steps and importance of Training Need Analysis with examples.
2. Discuss in detail various On-the-Job Training methods used in Indian organizations.
3. Compare and contrast On-the-Job and Off-the-Job training methods.
4. Describe how training objectives are formulated and why they are important.

### **C. Multiple Choice Questions (MCQs)**

1. Training Need Analysis helps in:  
a) Recruitment   b) Identifying skill gaps   c) Increasing pay   d) Firing employees  
**Answer: b**
2. Simulation is an example of:  
a) On-the-Job Training   b) Off-the-Job Training   c) Job Rotation   d) None of these  
**Answer: b**
3. Apprenticeship training combines:  
a) Coaching and Counseling   b) Theory and Practice   c) Marketing and Sales   d) None of these  
**Answer: b**

## **10.14 MODEL CASE STUDY**

### **Case Study: ICICI Bank – Strategic Training Need Analysis for Digital Transformation**

#### **Background**

ICICI Bank, one of India's largest private sector banks, has been rapidly expanding its digital banking ecosystem over the past decade. With the rise of UPI payments, mobile banking, fintech competition, and AI-enabled services, the bank recognized that its success now depends on how quickly employees can adapt to new digital tools and deliver superior customer experiences.

While digital services were expanding, the bank encountered frequent issues:

- Many frontline employees lacked hands-on familiarity with new mobile applications.
- Customer complaints related to failed online transactions and incorrect UPI guidance increased.
- Branch audits showed inconsistent knowledge about cybersecurity protocols among staff.
- Rural and semi-urban branches faced higher error rates in digital transaction handling.

This triggered the need for a structured **Training Need Analysis (TNA)** across the bank.

### **Step 1: Conducting Training Need Analysis**

ICICI Bank adopted a **multi-level, multi-method TNA approach**, covering the **organizational, task/job, and individual levels**.

#### **A. Organizational-Level TNA**

The bank's HR and Digital Transformation Office jointly analyzed:

- **Strategic Goals:** Increase digital transaction adoption and reduce counter-based operations by 40% in 18 months.
- **Regulatory Expectations:** Meet RBI guidelines on secure banking, KYC norms, cyber hygiene.
- **Market Trends:** Emergence of fintech players like Paytm, PhonePe, Google Pay.
- **Internal Challenges:** Skill gaps in digital service delivery, inconsistent customer service quality.

#### **Key Findings:**

- Digital capability must become a core organizational competency.
- Branch staff must transition from paper-based to digital advisory roles.
- Cybersecurity training must be standardized.

#### **B. Task / Job-Level TNA**

The HR team mapped **job tasks** for key roles:

##### **Frontline Relationship Officers**

Tasks involving digital skills:

- Opening digital accounts
- Using CRM tools
- Assisting customers with UPI / mobile banking
- Reporting digital fraud attempts
- Recording service requests in digital log systems

#### **Gap Identified:**

Employees performed these tasks with only partial accuracy.

##### **Branch Managers**

Key tasks requiring digital competency:

- Monitoring branch-level digital KPIs
- Ensuring compliance with cybersecurity standards
- Conducting digital literacy sessions for local customers

- Supervising frontline staff on digital processes

**Gap Identified:**

Managers lacked updated knowledge to guide juniors effectively.

**C. Individual-Level TNA**

ICICI used:

- **Performance appraisals**
- **Customer feedback analytics**
- **Mystery customer audits**
- **Digital competency tests** via internal LMS

**Observations:**

- Older employees struggled with new interfaces.
- Rural branches had the highest error rates.
- High-performing branches had strong digital champions—indicating mentoring works.

**Step 2: Designing Training Based on TNA****Training Objectives (SMART)**

1. Improve digital transaction accuracy to **95% within 3 months**.
2. Train all frontline employees to guide customers through digital services with **zero process deviation**.
3. Achieve **100% compliance** with cybersecurity protocols across branches.

**Step 3: Selecting Training Methods**

ICICI adopted a **Blended Training Model**:

**1. E-Learning Modules (Off-the-Job)**

Delivered via the ICICI Learning Matrix Platform, covering:

- UPI transactions
- Mobile banking walk-throughs
- Cybersecurity awareness
- AI-based fraud detection alerts

**2. On-the-Job Practical Demonstrations**

- Branch managers acted as coaches.
- Employees learned by processing live transactions in supervised environments.

**3. Simulation-based Digital Banking Lab**

- Simulated customer complaints
- Real-time transaction failures
- System-generated troubleshooting exercises

**4. Mentoring System**

- High-performing “digital champions” mentored other employees.
- Rural branches received additional weekly support.

**5. Customer Interaction Role Plays**

- Practiced customer counseling and digital adoption persuasion.
- Helped reduce communication gaps.

**Step 4: Implementation & Monitoring****Batch-wise Rollout**

- Phase 1: Metro/urban branches (3,000 employees)
- Phase 2: Semi-urban branches (4,500 employees)
- Phase 3: Rural branches (6,000 employees)

**Support Tools**

- 24/7 digital helpdesk
- Weekly microlearning nudges
- Quiz-based assessment gamified rewards

**Step 5: Training Evaluation (Kirkpatrick’s 4-Level Model)**

ICICI used the four levels of evaluation:

**Level 1: Reaction**

Employee satisfaction ratings averaged **4.6/5**, indicating high engagement.

**Level 2: Learning**

Tests showed:

- 40% improvement in understanding digital processes
- 55% improvement in cybersecurity protocol knowledge

**Level 3: Behavior**

Branch audits indicated:

- Reduced employee hesitation in digital advisory
- Increased customer guidance accuracy

- Consistent use of CRM systems

#### Level 4: Results

- **Digital transaction accuracy increased by 25%**
- **Customer complaints reduced by 33%**
- **Digital adoption among walk-in customers increased by 45%**
- **Branch operational errors fell significantly**

#### Final Outcomes

The digital training initiative became a **benchmark model** within ICICI's Learning & Development ecosystem. It demonstrated how TNA, when strategically conducted, can:

- Improve customer satisfaction
- Boost employee confidence
- Reduce risks and errors
- Strengthen competitive advantage
- Support digital transformation goals

#### Guiding Questions

1. What types of TNA did ICICI Bank conduct (organizational, task, individual)?
2. Which data collection methods were most effective?
3. How did training objectives help in designing the program?
4. Why was a blended training model necessary?
5. What improvements were seen after the training, and how were they measured?
6. Which theoretical HRD models support ICICI's approach to TNA?
7. How does this case demonstrate alignment of training with business strategy?

#### SUGGESTED ANALYSIS

ICICI Bank conducted a **three-level TNA** using interviews, performance data, competency tests, and customer feedback. Organizational analysis revealed a strategic need to enhance digital capabilities to remain competitive. Task-level analysis highlighted inconsistencies in job-specific digital skills. Individual-level analysis showed specific employees lacked confidence and accuracy in digital services. Based on SMART objectives, the bank developed a blended training program combining e-learning, simulation, coaching, and mentoring. The training improved digital accuracy, customer satisfaction, compliance, and employee performance. Using Kirkpatrick's evaluation model, ICICI demonstrated measurable outcomes at knowledge, behavior, and results levels. Overall, the case shows how systematic

TNA ensures training is aligned with organizational goals and enhances strategic effectiveness.

### **10.15 SUGGESTED READINGS**

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# **LESSON - 11**

## **TRAINING DESIGN, IMPLEMENTATION, AND EVALUATION**

### **OBJECTIVES**

After completing this lesson, you will be able to:

1. Explain the concept and significance of training design in human resource management.
2. Describe the steps involved in the training process.
3. Discuss the key elements of training implementation for effective delivery.
4. Analyze different evaluation methods and their relevance in assessing training outcomes.
5. Understand and apply Kirkpatrick's Four-Level Evaluation Model in an organizational context.
6. Identify common challenges in training implementation and suggest suitable solutions.

### **STRUCTURE**

- 11.1 Introduction
- 11.2 Meaning and Importance of Training Design
- 11.3 Steps in the Training Process
- 11.4 Implementation of Training
- 11.5 Evaluation of Training
- 11.6 Kirkpatrick's Four-Level Evaluation Model
- 11.7 Barriers and Challenges in Training
- 11.8 Summary
- 11.9 Key Words
- 11.10 Self-Assessment Questions (SAQs)
- 11.11 Model Case Study with Suggested Analysis
- 11.12 Suggested Readings

### **11.1. INTRODUCTION**

Training serves as a cornerstone of Human Resource Development (HRD) and plays a strategic role in shaping an organization's long-term capability. In today's competitive, technology-driven global environment, businesses must constantly adapt to market dynamics, digital transformation, and evolving customer expectations. This requires a workforce equipped not only with technical expertise but also with behavioural competencies, problem-solving abilities, and a mindset geared towards continuous improvement. A structured and well-planned training program becomes essential in enabling employees to meet current performance requirements while preparing them for future organizational challenges.

Training design refers to the systematic arrangement of all key instructional components—learning objectives, content sequencing, training methods, assessment tools, trainer selection, and logistical planning—aimed at maximizing learning effectiveness. Effective training design ensures that training is relevant, learner-centric, and aligned with

organizational strategy. Without such design, training becomes fragmented and ineffective. For example, when a customer service team receives generic communication training without addressing actual service gaps or customer pain points, the outcome is minimal behavioral change, poor service quality, and reduced motivation. A scientific approach to training design prevents such mismatches by ensuring that content directly addresses performance needs.

Leading Indian organizations such as Infosys, Reliance Industries, Maruti Suzuki, TCS, HDFC Bank, and Tata Steel treat training not as an operational activity but as a strategic investment. Their Learning and Development (L&D) systems are built on evidence-based methods such as Training Need Analysis (TNA), competency mapping, blended learning, simulation-based practice, mentoring, and impact evaluation. For instance, Infosys's Global Education Centre uses immersive simulations, project-based learning, and rigorous assessments to develop industry-ready talent. Similarly, Maruti Suzuki integrates workshop practice, technical simulators, and certification programs to enhance employee efficiency and product quality. Such systematic approaches ensure that training contributes directly to organizational productivity, innovation, and customer satisfaction.

Training design, implementation, and evaluation form an integrated cycle that determines the success of any training initiative. The design stage clarifies what must be learned and how it will be delivered; the implementation stage translates plans into real training experiences; and the evaluation stage measures learning outcomes, behavior change, and organizational impact. Continuous evaluation enables HR managers to identify improvement areas, calculate return on investment (ROI), and refine future training strategies.

For HR managers, trainers, and business leaders, understanding this cycle is crucial. It ensures that training is goal-oriented, evidence-based, and aligned with broader human capital development strategies. As organizations increasingly operate in knowledge-intensive and innovation-led environments, the importance of scientifically designed training programs becomes even more pronounced. Ultimately, effective training transforms employees into valuable strategic assets and strengthens the organization's competitive advantage in a dynamic business landscape.

## 11.2. MEANING AND IMPORTANCE OF TRAINING DESIGN

### *Meaning of Training Design*

Training design refers to the systematic and deliberate process of developing a structured learning experience that enables employees to acquire the knowledge, skills, and competencies needed to perform their jobs effectively. It involves planning *what* will be taught, *how* it will be taught, *who* will participate, and *how* learning outcomes will be evaluated. A well-designed training program anticipates learner needs, incorporates adult learning principles, and ensures that learning is both meaningful and measurable.

A robust training design framework includes several components such as defining learning objectives, selecting appropriate instructional methods (classroom, e-learning, simulation, on-the-job training), preparing training materials, determining the duration and schedule, choosing qualified trainers, and designing assessment and feedback mechanisms. These components collectively create a learning pathway that enhances knowledge retention, skill application, and overall performance improvement.



Training design also answers key pedagogical and strategic questions:

- *What* should be taught to bridge the identified skill gaps?
- *Why* is this content important for individual and organizational performance?
- *Who* requires the training to achieve desired outcomes?
- *How* will knowledge and skills be transferred effectively to the learners?
- *When and where* will the training be delivered for maximum efficiency?
- *How* will learning be tested, assessed, and reinforced?

Thus, training design serves as a blueprint that guides the creation of high-quality learning experiences that are aligned with organizational goals.

### ***Importance of Training Design***

A comprehensive and well-structured training design is critical for ensuring that training initiatives are purposeful, effective, and strategically aligned. Its importance can be understood through the following points:

#### **1. Ensures Strategic Alignment**

Training is most effective when it directly supports the organization's strategic objectives. For example, when Tata Motors expanded into the electric vehicle (EV) segment, it redesigned its training programs to focus on EV manufacturing technologies, battery management systems, and safety protocols. This alignment ensured that workforce capabilities supported the company's long-term vision.

#### **2. Enhances Learning Effectiveness**

Effective design ensures that instructional methods match the nature of the skills being developed. Technical or operational skills may require simulations, hands-on practice, or workshops, whereas behavioral or managerial skills may rely on role plays, case studies, or group discussions. The right mix improves engagement, comprehension, and retention.

#### **3. Ensures Optimum Use of Resources**

Training involves significant investment in terms of money, time, and human resources. A systematic design avoids duplication, irrelevant content, and inefficient teaching methods. It ensures that training budgets are utilized for maximum learning impact.

#### **4. Promotes Standardization**

Organizations with a wide geographical presence—such as Reliance Retail, Domino's, or Starbucks India—benefit from uniform training content and delivery. Standardization ensures consistent service quality and operational excellence across all branches.

#### **5. Ensures Measurability and Evaluation**

A sound training design incorporates measurable learning objectives and performance indicators. This allows HR managers to assess training effectiveness, calculate return on investment (ROI), and make data-driven decisions for future programs.

## 6. Enhances Learner Motivation and Engagement

A learner-centric design connects training content with employees' job roles and development needs. Adults learn best when training is relevant, interactive, and problem-focused. Proper design therefore increases participation, motivation, and commitment to learning.

### *Example*

Larsen & Toubro (L&T) demonstrates an effective competency-based training design for its project engineers. The company begins by identifying key competencies such as project planning, safety compliance, technical expertise, and resource management. Based on this, L&T structures a comprehensive program that includes classroom instruction, field assignments, e-learning modules, mentoring sessions, and practical assessments. This systematic approach ensures that employees not only understand theoretical concepts but can also apply them in real project environments—enhancing execution quality across global operations.

## 11.3. STEPS IN THE TRAINING PROCESS

The training process is a structured, scientific, and systematic approach that ensures learning interventions are relevant, effective, and aligned with organizational goals. The most widely used framework in Human Resource Development (HRD) is the Instructional Systems Design (ISD) or the ADDIE Model—Analysis, Design, Development, Implementation, and Evaluation. This model provides a logical sequence of steps that guide the planning, execution, and review of training programs. Most modern training systems, including those used in corporate learning platforms, follow variations of this framework.

### **Step 1: Training Need Analysis (TNA)**

Training Need Analysis is the foundation of the training process. It identifies performance gaps and determines whether training is the appropriate solution. Needs may arise due to technological change, restructuring, customer expectations, regulatory requirements, or deficiencies in employee performance.

**TNA is conducted at three interrelated levels:**

#### **1. Organizational Analysis**

This level examines the organization's strategic goals, culture, policies, and resources to determine where training is required. It ensures alignment between training and business priorities.

#### **2. Task Analysis**

This step studies job roles to identify required KSAs (Knowledge, Skills, and Abilities). It involves examining job descriptions, standard operating procedures, and competency frameworks.

### 3. Individual Analysis

This identifies specific skill or knowledge gaps at the employee level through appraisals, tests, interviews, and feedback.

**Example:**

NTPC conducts detailed TNA before introducing new technologies in its power generation units. Engineers and technicians undergo assessments to identify skill gaps related to advanced systems, ensuring that training content is relevant and job-specific.

**Step 2: Setting Learning Objectives**

Once training needs are identified, the next step is to define clear and measurable learning objectives. These objectives guide both the content and delivery of the training program. Effective learning objectives are SMART—Specific, Measurable, Achievable, Relevant, and Time-bound.

**Examples of well-defined objectives include:**

- “Participants will be able to handle customer complaints using the five-step service recovery model.”
- “Employees will operate the new enterprise software with 95% accuracy within two weeks of training.”

In organizations such as HDFC Bank, SMART objectives are routinely used for customer service, compliance, and sales training to ensure consistency and measurable outcomes.

**Step 3: Designing the Training Program**

Training design translates objectives into a detailed training blueprint. It includes decisions related to:

- Training content and curriculum
- Choice of instructional methods (OJT, classroom, simulation, e-learning, workshops)
- Preparation of training materials and job aids
- Selection of qualified trainers
- Scheduling, session duration, and venue arrangements
- Budget allocation and resource planning

A well-designed program ensures that learning experiences are structured, engaging, and aligned with adult learning principles.

**Example:**

The Infosys Mysore Global Education Centre, one of the world’s largest corporate training campuses, uses a blended learning approach that integrates online modules, classroom teaching, simulation labs, coding exercises, and project-based assignments. This design enables large-scale training while maintaining high learning quality and consistency.

### Step 4: Implementation of Training

This is the execution stage. It involves classroom sessions, e-learning modules, hands-on practice, case studies, or field exercises. **Maruti Suzuki** uses simulators and workshops for technical training. Trainers monitor engagement through quizzes, group activities, and feedback forms.

### Step 5: Evaluation of Training

Evaluation measures whether the training met its objectives. It verifies learning, behavioral change, and organizational impact. **Tata Motors** tracks improvements in production quality metrics before and after training.

## 11.4. IMPLEMENTATION OF TRAINING

Implementation translates design into action — it is the delivery stage where employees undergo training.

### Key Elements of Implementation:

1. **Preparation:** Arranging logistics, scheduling sessions, and briefing trainers.
2. **Trainer Readiness:** Trainers must possess both subject expertise and communication skills.
3. **Participant Engagement:** Interactive techniques such as role plays, simulations, and group discussions encourage learning.
4. **Supportive Environment:** Managers should motivate and allow employees time for learning.
5. **Feedback Mechanisms:** Continuous monitoring during the session to improve delivery.

### Example:

At Tata Consultancy Services (TCS), the “Xcelerate Program” uses a mix of instructor-led training and live projects. During implementation, trainers use feedback forms, group tasks, and quizzes to maintain engagement and motivation.

### Best Practices in Implementation:

- Ensure alignment between training content and job requirements.
- Use real-life case studies and examples.
- Encourage peer learning and teamwork.
- Evaluate learner participation continuously.

## 11.5. EVALUATION OF TRAINING

Evaluation represents the final and one of the most critical phases of the training process. It systematically measures the extent to which training objectives have been achieved and examines whether the training has translated into improved job performance and organizational outcomes. Without evaluation, organizations cannot determine the value of training initiatives, nor can they identify gaps or refine future programs. Therefore, training

evaluation is essential for ensuring accountability, continuous improvement, and strategic alignment.

### *Need for Evaluation*

1. **To Determine Training Effectiveness:** Evaluation helps assess whether employees gained the intended knowledge, skills, and attitudes during the training program. It confirms the degree to which learning actually occurred.
2. **To Assess Return on Investment (ROI):** Training is a substantial investment. By evaluating outcomes, organizations can determine whether the benefits—such as improved productivity, reduced errors, or higher customer satisfaction—justify the costs.
3. **To Identify Areas for Improvement:** Evaluation provides feedback on the relevance of content, suitability of training methods, trainer effectiveness, and learner engagement. This supports redesigning or updating programs as needed.
4. **To Justify Future Training Budgets:** Reliable evaluation data helps HR managers secure funding by demonstrating value to top management and linking training outcomes to business results.

### *Methods of Evaluation*

1. **Pre- and Post-Tests:** These assessments measure learning progress by comparing knowledge or skill levels before and after training. They are commonly used for technical, compliance, and software training.
2. **Observation:** Supervisors or trainers observe employees on the job to assess behavioral changes, such as improved teamwork, better customer handling, or adherence to safety protocols.
3. **Feedback Forms:** Participants provide reactions regarding content relevance, trainer effectiveness, and overall training experience. Although subjective, this data helps improve delivery and engagement.
4. **Performance Metrics:** Organizations compare key indicators—such as productivity, sales figures, error rates, or customer satisfaction scores—before and after training to assess impact.
5. **Control Groups:** This method involves comparing trained and untrained groups to identify measurable differences in performance, helping isolate the effects of training.

### *Example*

Indian Oil Corporation (IOCL) uses a systematic approach to evaluate training effectiveness in its safety programs. By comparing the number of safety violations, accidents, and near-miss incidents before and after conducting safety workshops, IOCL quantifies the impact of training on operational risk reduction. Such data-driven evaluation helps the organization refine training content and strengthen its safety culture.

## **11.6. Kirkpatrick's Four-Level Evaluation Model**

Donald Kirkpatrick's model (1959) remains the most popular framework for evaluating training effectiveness.

Level	Focus	Evaluation Question	Example (India)
<b>1. Reaction</b>	Trainee satisfaction and engagement	Did participants like the training?	Feedback forms used by <i>Infosys</i> after induction training.
<b>2. Learning</b>	Knowledge or skills gained	What did they learn?	Pre- and post-tests at <i>BHEL</i> technical sessions.
<b>3. Behavior</b>	Application of new skills on the job	Are employees using new knowledge?	<i>ICICI Bank</i> tracks post-training sales performance.
<b>4. Results</b>	Organizational impact and ROI	Has training improved performance or profits?	<i>Maruti Suzuki</i> observed 20% reduction in assembly errors after skill training.

### Advantages of the Kirkpatrick Model:

- Comprehensive and adaptable.
- Connects learning outcomes to organizational results.
- Provides measurable feedback for continuous improvement.

**Limitation:** Difficult to quantify results at Level 4 (ROI) for soft skills or behavioral training.

## 11.7. BARRIERS AND CHALLENGES IN TRAINING

Even well-designed programs may face difficulties during implementation. Some common barriers include:

Barrier	Description	Possible Solution
<b>Lack of Management Support</b>	Leaders may view training as a cost.	Align programs with business results and demonstrate ROI.
<b>Poor Needs Assessment</b>	Mismatch between training content and real needs.	Conduct a detailed TNA before design.
<b>Ineffective Trainers</b>	Trainers may lack practical experience.	Choose trainers with industry exposure.
<b>Low Employee Motivation</b>	Participants may see training as irrelevant.	Use participative and engaging methods.
<b>Inadequate Evaluation</b>	No feedback on effectiveness.	Implement regular post-training assessments.
<b>Time and Cost Constraints</b>	Limited budget or schedule.	Use blended learning to reduce cost and time.

**Example:** During the pandemic, Reliance Industries overcame in-person training limitations by shifting to e-learning modules and virtual simulations—an example of innovation in overcoming training barriers.

## 11.8. SUMMARY

Training design, implementation, and evaluation collectively form the backbone of an effective organizational learning system. A well-structured training design ensures that

learning interventions are aligned with strategic goals, based on accurately identified needs, and supported by appropriate methods and materials. It helps organizations optimize resources and tailor learning experiences to enhance relevance and learner engagement. The implementation phase translates the design into action, emphasizing smooth delivery, active participation, and the creation of a supportive learning environment. Skilled trainers, proper logistics, and interactive methodologies contribute significantly to the success of this phase.

Evaluation serves as the final yet most crucial component, measuring the extent to which learning objectives were achieved and determining the overall impact of training on job performance and organizational outcomes. Models such as Kirkpatrick's Four-Level Evaluation Framework enable organizations to assess training effectiveness at multiple levels—from learner satisfaction to behavioral changes and business results.

Leading Indian organizations such as Infosys, Tata Motors, Maruti Suzuki, HDFC Bank, and TCS exemplify how a robust training ecosystem drives continuous improvement. Their structured approaches to training lead to higher productivity, enhanced innovation, superior quality standards, and improved employee morale. Ultimately, effective training elevates the HR function from administrative support to a strategic partner contributing to long-term organizational success.

### 11.9. Key Words

- **Training Design:** Blueprint that defines learning objectives, content, and methods.
- **Implementation:** Execution phase of the training program.
- **Evaluation:** Assessment of training's impact on learning and performance.
- **Kirkpatrick Model:** Four-level evaluation framework (Reaction, Learning, Behavior, Results).
- **Return on Investment (ROI):** Value gained from training compared to its cost.

### 11.10. SELF-ASSESSMENT QUESTIONS (SAQS)

#### A. Short Answer Questions

1. What is training design?
2. Mention the five steps in the training process.
3. Why is training evaluation important?
4. List any two challenges in implementing training.
5. What are the four levels of Kirkpatrick's evaluation model?

#### B. Long Answer Questions

1. Describe the steps involved in designing and implementing a training program.
2. Discuss various methods of evaluating training effectiveness.
3. Explain Kirkpatrick's model of training evaluation with suitable examples.
4. Identify major challenges in training implementation and suggest solutions.

**C. Multiple Choice Questions (MCQs)**

1. The first step in the training process is:

- a) Implementation    b) Evaluation    c) TNA    d) Feedback

**Answer: c**

2. Kirkpatrick's second level measures:

- a) Reaction    b) Learning    c) Behaviour    d) Results

**Answer: b**

3. The ultimate aim of training evaluation is to:

- a) Collect attendance    b) Assess ROI    c) Schedule sessions    d) Hire new trainers

**Answer: b**

**11.11. MODEL CASE STUDY WITH SUGGESTED ANALYSIS****Case Study: Infosys – Systematic Training Evaluation through Mysore Development Centre**

Infosys operates one of the world's largest corporate training centers at Mysore. Every new recruit undergoes a 16-week foundation program covering both technical and soft skills. The Learning and Development (L&D) department follows a four-stage evaluation inspired by the Kirkpatrick model:

- **Reaction:** Collect trainee feedback on facilities, content, and trainers.
- **Learning:** Assess through written tests and coding challenges.
- **Behavior:** Track post-training project performance after six months.
- **Results:** Analyze productivity and error reduction in client projects.

Infosys uses this data to continuously improve course design, trainer quality, and learner experience.

**Guiding Questions:**

1. Which levels of Kirkpatrick's model are evident in Infosys's process?
2. How does Infosys use evaluation results to enhance training?
3. Why is continuous feedback essential in large-scale training programs?



**Suggested Analysis:**

Infosys's systematic approach ensures learning quality and performance linkage. By aligning training with measurable business outcomes, it transforms training from a cost center into a strategic investment.

**11.12 . Suggested Readings**

1. Gary Dessler – *Human Resource Management*, Pearson Education.
2. Raymond A. Noe – *Employee Training and Development*, McGraw Hill.
3. T.V. Rao – *Training and Development: Principles and Practices*, Excel Books.
4. K. Aswathappa – *Human Resource Management: Text and Cases*, McGraw Hill.
5. Websites:
  - [www.shrm.org](http://www.shrm.org)
  - [www.trainingindustry.com](http://www.trainingindustry.com)
  - [www.peplematters.in](http://www.peplematters.in)
  - [www.hrhelpboard.com](http://www.hrhelpboard.com)

## LESSON - 12

# CONTEMPORARY TRENDS AND PRACTICES IN EMPLOYEE TRAINING

### OBJECTIVES

After completing this lesson, you will be able to:

1. Understand the evolution of employee training from traditional to technology-driven methods.
2. Identify major **emerging trends and innovations** in training and learning development.
3. Explain the role of **technology, AI, and digital platforms** in enhancing employee learning.
4. Analyze **corporate training practices** followed by leading Indian organizations.
5. Recognize how modern training contributes to **strategic competitiveness and sustainability**.

### STRUCTURE

- 12.1 Introduction
- 12.2 Evolution of Employee Training
- 12.3 Emerging Trends in Employee Training
- 12.4 Technology-Enabled Learning Methods
- 12.5 Modern Approaches to Training Delivery
- 12.6 Role of Technology in Learning and Development
- 12.7 Corporate Practices in India
- 12.8 Government and Institutional Initiatives in Skilling
- 12.9 Strategic Importance of Modern Training
- 12.10 Summary
- 12.11 Key Words
- 12.12 Self-Assessment Questions (SAQs)
- 12.13 Model Case Study with Suggested Analysis
- 12.14 Suggested Readings

### 12.1. INTRODUCTION

The world of work has undergone a profound transformation over the last decade, driven by rapid technological advancements, globalization, demographic shifts, and evolving business models. Automation, artificial intelligence (AI), machine learning, and robotics are reshaping industries across sectors—from IT and banking to manufacturing and retail. At the same time, the rise of remote and hybrid work, accelerated by the COVID-19 pandemic, has created new expectations for flexibility, digital competence, and continuous learning among employees. These changes have fundamentally altered how organizations attract, develop, and retain talent. In this dynamic environment, continuous learning is no longer optional; it is a strategic necessity.

Organizations that fail to invest in systematic training and upskilling risk falling behind in innovation, productivity, and competitiveness. As a result, modern businesses increasingly view employee training not as an expenditure but as a high-return investment. Training and development initiatives are directly linked to improved job performance, better decision-making, enhanced customer satisfaction, and stronger organizational culture.

Leading Indian corporations such as Infosys, TCS, Wipro, HCL Technologies, and HDFC Bank have emerged as pioneers in adopting technology-driven training practices. They leverage e-learning platforms, AI-powered learning experience systems, gamified modules, and analytics-based assessments to create engaging, scalable, and personalized learning ecosystems. These organizations use advanced digital tools to deliver training anytime, anywhere, empowering employees to take ownership of their learning journeys.

As business environments continue to evolve, the role of training becomes even more critical. Modern training practices enable organizations to build agile, future-ready workforces capable of adapting to emerging technologies, shifting customer needs, and global competition. Thus, contemporary training is not just about skill enhancement—it is a key driver of organizational resilience, innovation, and long-term success.

## **12.2. EVOLUTION OF EMPLOYEE TRAINING**

Employee training has undergone a significant transformation over the past several decades, evolving from traditional, instructor-led sessions to technology-driven, intelligent learning ecosystems. This evolution reflects broader changes in organizational structures, workforce expectations, and advancements in digital tools. Historically, training was limited in scope, often focusing on basic job instructions or compliance requirements. Over time, as business environments became more complex and competitive, organizations recognized the need to adopt more dynamic and learner-centric training approaches.

### **Pre-1990s – Classroom and Workshop Training:**

Training during this period was predominantly conducted in physical classrooms or workshops, led by subject matter experts. The approach was largely rigid, theory-driven, and trainer-centered, offering limited flexibility. Learning was linear, with minimal use of technology. Organizations like public sector banks, government offices, and manufacturing units relied heavily on face-to-face lectures and manuals.

### **1990s–2000s – Computer-Based Training and E-learning:**

The advent of computers and the internet transformed learning delivery. Organizations began using computer-based modules, CD-ROM tutorials, and early e-learning courses. These methods enabled standardized content delivery across multiple branches. For instance, during the late 1990s, companies like **SBI** and **LIC** started adopting digital modules for clerical and procedural training.

### **2010s – Blended and Mobile Learning:**

With smartphones and high-speed internet, learning became mobile, flexible, and accessible. Blended learning—combining classroom instruction with online modules—gained

prominence. Corporate academies began offering short videos, interactive quizzes, and mobile-friendly courses.

### **2020s onwards – Smart, AI-Driven Personalized Learning:**

Contemporary training is characterized by AI-based learning paths, gamification, virtual simulations, and analytics-driven insights. Platforms recommend courses based on job roles, skill gaps, and career aspirations. A strong example is the SBI e-Learning Academy, which today offers over 1,000 digital courses accessible 24/7, transforming traditional banking training into a modern, scalable learning ecosystem.

## **12.3. EMERGING TRENDS IN EMPLOYEE TRAINING**

The landscape of employee training is undergoing rapid transformation as organizations embrace new technologies, innovative learning methodologies, and data-driven practices. Modern training emphasizes interactivity, personalization, flexibility, and continuous learning. These trends reflect the evolving needs of a multigenerational workforce, the increasing pace of technological change, and the strategic importance of building future-ready capabilities. The following emerging trends illustrate how contemporary organizations are redefining training and development.

### ***1. E-Learning and Digital Platforms***

E-learning has become one of the most widely adopted training approaches, offering flexibility and scalability. Courses delivered through digital platforms allow employees to learn at their own pace, revisit difficult concepts, and apply learning directly to their work. Multimedia components—such as videos, animations, quizzes, and virtual labs—make content engaging and accessible.

#### **Example:**

*Tata Consultancy Services (TCS)* uses the “iON Learning Hub,” an enterprise learning ecosystem offering courses across programming, leadership, cybersecurity, and domain-specific skills. Employees across global locations can continuously upskill without geographical constraints.

### ***2. Blended Learning***

Blended learning combines the strengths of traditional classroom instruction with digital modules, creating a more holistic learning experience. While face-to-face sessions focus on interaction and discussion, online modules reinforce knowledge through structured content and assessments.

#### **Example:**

*HDFC Bank* integrates workshops with online videos and assessments for its induction program, ensuring that new recruits receive both theoretical and hands-on training.

### **3. Microlearning**

Microlearning delivers content in short, focused segments that are easy to consume and retain. These modules—often 2 to 5 minutes long—are ideal for training busy employees who prefer quick, on-demand learning.

**Example:**

*Adani Group* uses microlearning videos and infographics on mobile apps to train employees on safety protocols, ensuring compliance without disrupting daily work routines.

### **4. Gamification**

Gamification applies game mechanics such as badges, levels, points, and leaderboards to make training enjoyable and motivating. It increases learner participation, encourages healthy competition, and makes learning more memorable.

**Example:**

*Wipro* uses gamified modules for cybersecurity awareness, where employees earn points by identifying phishing attempts or completing cyber hygiene tasks.

### **5. Simulation and Virtual Reality (VR)**

Simulations and VR environments recreate real-world situations where employees can practice tasks without real-life risks. These methods are particularly useful for high-risk industries like aviation, healthcare, oil and gas, and emergency services.

**Example:**

*IndiGo Airlines* employs advanced flight simulators to train pilots and cabin crew, ensuring safe and standardized operations.

### **6. Social Learning**

Social learning emphasizes learning through interaction, collaboration, and knowledge sharing. Discussion forums, peer groups, internal social networks, and community platforms promote collective learning.

**Example:**

The *Infosys Lex Platform* allows employees worldwide to review content, share insights, recommend courses, and interact in learning communities.

### **7. AI and Machine Learning in Training**

Artificial intelligence is reshaping learning by analyzing behavior patterns, identifying skill gaps, and recommending personalized training pathways. AI also automates assessments, tracks competency levels, and provides real-time feedback.

**Example:**

*TCS and Wipro* use AI algorithms to suggest courses aligned with employee roles, upcoming project needs, and individual performance analytics.

**8. Mobile Learning (M-Learning)**

Mobile learning enables employees to access training through smartphones or tablets, making learning convenient and location-independent. It supports instant updates, push notifications, and lightweight content formats.

**Example:**

*Reliance Jio* trains its sales and field technicians through mobile apps, enabling real-time updates and rapid dissemination of information.

**9. Data-Driven Learning Analytics**

Organizations increasingly rely on learning analytics to measure training participation, completion rates, learning effectiveness, and impact on job performance. Analytics help L&D teams identify which programs work, who needs additional support, and how learning correlates with business results.

Together, these trends illustrate how modern employee training is shifting toward learner-centric, technology-enabled, and data-driven ecosystems. Organizations that adopt these advanced approaches can build agile, resilient, and future-ready workforces capable of thriving in fast-changing environments.

**12.4. TECHNOLOGY-ENABLED LEARNING METHODS**

Modern employee training increasingly depends on advanced digital technologies that enhance accessibility, personalization, scalability, and real-time monitoring. Technology-enabled learning methods allow organizations to deliver high-quality training to geographically dispersed employees while ensuring consistency and efficiency. These digital tools support various learning styles, automate administrative processes, and generate data for informed decision-making. The following key systems illustrate how technology is transforming corporate learning environments.

**1. Learning Management Systems (LMS)**

Learning Management Systems are centralized platforms used to design, deliver, track, and evaluate training programs. LMS platforms host e-learning modules, assessments, attendance records, and completion reports, making them essential for managing large-scale training.

**Example:**

*TCS iON* and *Wipro's TopGear* are widely recognized LMS platforms that support thousands of employees with structured, trackable training content.

## ***2. Learning Experience Platforms (LXP)***

LXPs are AI-driven platforms that offer personalized learning recommendations based on job roles, performance gaps, and learner preferences. They focus on learner autonomy by curating diverse content such as articles, videos, podcasts, and courses from multiple sources.

### **Example:**

*Infosys Lex* tailors learning paths to employee roles, enabling customized upskilling and continuous learning.

## ***3. Virtual Classrooms***

Virtual classrooms enable live, instructor-led sessions conducted over online platforms. They replicate real-time interactions found in physical classrooms using tools like screen sharing, polls, breakout rooms, and digital whiteboards.

### **Example:**

*ICICI Bank eCampus* conducts virtual training sessions for employees across its nationwide network, ensuring consistent delivery.

## ***4. Cloud-Based Learning***

Cloud technology hosts training materials on remote servers, offering scalability, flexibility, and easy access. Cloud systems support multilingual content, instant updates, and remote learning.

### **Example:**

*Hindustan Unilever (HUL)* uses cloud-based learning to train thousands of field staff, even in remote areas.

## ***5. Video-Based Learning***

Video-based modules enhance comprehension and retention by presenting content visually. These resources are particularly effective for safety training, product demonstrations, and process instructions.

### **Example:**

*Tata Motors* uses short, multilingual safety videos to train factory workers quickly and effectively. Technology-enabled learning has therefore become the backbone of modern training systems, empowering organizations to build scalable, engaging, and learner-centric development programs.

## **12.5. Modern Approaches to Training Delivery**

Modern organizations increasingly adopt flexible and learner-centric training approaches that accommodate diverse learning needs and support continuous development. These approaches emphasize autonomy, relevance, and practical application, ensuring that employees stay updated with rapidly evolving skills and industry demands. The following

methods represent the most prominent contemporary delivery approaches used in corporate training.

### ***Self-Paced Learning***

Self-paced learning allows employees to access training materials—videos, readings, quizzes, and modules—at any time, according to their individual schedules and learning speeds. This approach is especially beneficial for large, distributed workforces and employees handling multiple responsibilities.

**Benefit:** High flexibility and control over learning pace.

**Example:** *TCS iON* offers a wide range of technical and professional courses that software engineers can complete at their convenience.

### ***Blended Learning***

Blended learning strategically combines classroom instruction with digital modules to create a richer and more comprehensive learning experience. It offers the interaction of face-to-face sessions along with the convenience of online learning.

**Benefit:** Balanced, holistic learning.

**Example:** *HDFC Bank* uses blended methods for induction training, integrating virtual modules with instructor-led workshops.

### ***Collaborative Learning***

Collaborative learning fosters teamwork and knowledge sharing through group activities, peer discussions, and community learning platforms.

**Benefit:** Strengthens communication and team-building skills.

**Example:** The *Infosys Lex* platform hosts discussion forums where employees share insights and learn collaboratively.

### ***Experiential Learning***

Experiential learning emphasizes learning by doing through real-world projects, simulations, fieldwork, or problem-solving tasks.

**Benefit:** Enhances practical understanding and skill application.

**Example:** *Larsen & Toubro (L&T)* assigns field projects to engineering trainees to build hands-on experience.



### ***Continuous Learning Culture***

Organizations today promote lifelong learning by encouraging employees to pursue regular upskilling and reskilling.

**Benefit:** Sustains organizational competitiveness in dynamic markets.

**Example:** Wipro's "Learning for Life" program supports continuous professional development for employees at all levels.

These modern approaches collectively create a dynamic, learner-centered environment that aligns training with evolving organizational needs.

## **12.6. ROLE OF TECHNOLOGY IN LEARNING AND DEVELOPMENT (EXPANDED TO ~300 WORDS)**

Technology has fundamentally reshaped the landscape of Learning and Development (L&D), transforming how organizations design, deliver, and evaluate training. In an era marked by rapid digital advancement and global competition, technology-enabled learning has become indispensable for building agile and future-ready workforces. The integration of digital tools allows organizations to personalize learning experiences, reduce costs, enhance scalability, and make data-driven strategic decisions. The following dimensions illustrate the impact of technology on modern L&D practices.

### ***1. Increased Accessibility***

Technology enables employees to learn anytime, anywhere, and across multiple devices. Whether through mobile apps, virtual classrooms, or cloud-based platforms, learning is no longer confined to physical training rooms. Remote workers, field technicians, and global teams can access training without geographical limitations.

### ***2. Cost Efficiency***

E-learning significantly reduces expenses associated with travel, instructor fees, printed materials, and classroom infrastructure. Organizations can deliver recurring training at a fraction of the traditional cost, making large-scale learning initiatives financially sustainable.

### ***3. Data-Driven Decisions***

Advanced analytics help HR and L&D managers identify learning gaps, track participation, evaluate course effectiveness, and forecast future training needs. This allows organizations to strategically invest in programs that deliver measurable results.

### ***4. Personalized Learning Paths***

Artificial intelligence enhances learning personalization by curating individualized learning journeys. Employees receive recommendations based on their job roles, performance levels, interests, and future career goals, resulting in higher engagement and better learning outcomes.

### **5. Real-Time Evaluation**

Digital platforms provide continuous assessment through quizzes, dashboards, completion metrics, and instant feedback mechanisms. This helps trainers adjust content, monitor progress, and ensure knowledge retention.

### **6. Global Collaboration**

Online platforms support cross-cultural teamwork, enabling employees across countries and time zones to learn together, share insights, and collaborate on assignments or simulations.

#### **Example:**

*Wipro* integrated advanced data analytics into its L&D system to monitor course completion, learner engagement, and post-training job performance. This data-driven approach improved learning efficiency by nearly **30%**, demonstrating the strategic power of technology-enabled training.

Technology has therefore become the backbone of modern L&D, empowering organizations to enhance capability development in a scalable, efficient, and personalized manner.

## **12.7. CORPORATE PRACTICES IN INDIA**

India has emerged as a global leader in corporate learning innovation, with several organizations adopting advanced training technologies and modern learning frameworks to build skilled and future-ready workforces. These companies demonstrate how strategic investment in employee development directly contributes to productivity, innovation, and organizational excellence. The following examples highlight some of the most impactful corporate training practices across India.

### **1. Infosys – Mysore Global Education Centre**

Infosys operates one of the world's largest corporate training campuses, offering immersive learning experiences for fresh graduates and experienced professionals. The centre integrates simulations, hackathons, gamified modules, and blended learning techniques. Trainees learn through coding labs, virtual projects, and role plays, enabling strong conceptual understanding and job readiness.

### **2. Tata Steel – Capability Development Program**

Tata Steel emphasizes continuous capability enhancement through digital simulators and virtual classrooms. Employees receive hands-on training in robotics, safety compliance, and advanced manufacturing processes. The company uses high-tech simulators for crane operations and safety drills, reducing operational risks and improving productivity.

### **3. ICICI Bank – Digital Learning Academy**

ICICI Bank has built an extensive internal Learning Management System (LMS) that offers modules on banking products, customer handling, regulatory compliance, and fintech

innovations. Employees can access content anytime, ensuring faster skill development across a nationwide branch network.

#### ***4. Wipro – AI and Gamification through “Wings”***

Wipro’s *Wings* learning platform uses artificial intelligence to personalize learning paths and gamification features—such as badges, leaderboards, and progress trackers—to boost motivation. The platform helps employees upskill based on project requirements and career aspirations.

#### ***5. Adani Group – Mobile Learning Initiative***

Adani Group utilizes multilingual mobile apps to deliver training across its diverse workforce spanning ports, power plants, airports, and logistics. This approach ensures accessible learning in remote locations and supports quick dissemination of safety and operational updates.

#### ***6. Larsen & Toubro (L&T) – Leadership Academy***

L&T’s Leadership Academy focuses on preparing future leaders through blended learning programs, international faculty collaborations, and experiential assignments. Participants engage in global case studies, simulations, and mentoring sessions that build strategic thinking and leadership capability.

Together, these organizations demonstrate how Indian corporates are leveraging technology, innovation, and strategic L&D practices to remain competitive in the global marketplace.

### **12.8. GOVERNMENT AND INSTITUTIONAL INITIATIVES IN SKILLING**

India has placed significant emphasis on workforce development to meet the demands of a rapidly evolving economy. With technological disruptions, demographic diversity, and expanding industrial sectors, the need for large-scale skill development has become a national priority. The Government of India, along with various institutions, has launched comprehensive initiatives to promote vocational training, digital literacy, and employability. These programs not only support industry requirements but also strengthen the nation’s human capital and global competitiveness.

#### ***1. Skill India Mission (2015)***

Launched with the ambitious target of training over 400 million individuals, the Skill India Mission aims to bridge the gap between industry needs and workforce capabilities. It focuses on vocational training, entrepreneurship development, and career progression. The mission brings together multiple schemes and institutions under one umbrella to ensure coordinated skill development efforts.

## **2. National Skill Development Corporation (NSDC)**

NSDC, a unique public–private partnership, plays a pivotal role in funding, strengthening, and monitoring vocational training centers across India. It partners with industry-led Sector Skill Councils (SSCs) to design job-relevant curricula, certify trainers, and promote competency-based training. NSDC has trained millions of youths in both rural and urban areas through accredited training partners.

## **3. Pradhan Mantri Kaushal Vikas Yojana (PMKVY)**

PMKVY is NSDC's flagship scheme that offers short-term training programs for unemployed youth. Participants receive free training, skill certification, and placement support. The program covers a wide range of sectors—from IT and retail to construction and hospitality—ensuring broad employment opportunities.

## **4. Swayam and NPTEL Platforms**

These online platforms democratize education by offering free high-quality courses from premier institutions like IITs and IIMs. Learners, including students and working professionals, can enroll in subjects ranging from engineering and data science to entrepreneurship and management.

## **5. Digital India Initiative**

Digital India promotes digital literacy and online skill development through platforms such as *Diksha*, *e-Skill India*, and *Digital Saksharta Abhiyan (DISHA)*. These initiatives enable millions to acquire essential digital skills, especially in rural and remote areas.

Together, these government and institutional efforts complement corporate training systems and establish a strong, inclusive skill development ecosystem across India.

## **12.9. Strategic Importance of Modern Training**

Modern training has evolved from being a support function to becoming a strategic pillar that drives organizational growth, competitiveness, and long-term sustainability. In today's dynamic business environment, where technology and market conditions change rapidly, organizations must rely on continuous learning to stay relevant. Modern training initiatives contribute to strategic success in several key ways.

First, modern training drives innovation by creating an environment that encourages employees to experiment, explore new ideas, and apply creative solutions. Through experience-based learning, design thinking workshops, innovation labs, and digital learning platforms, employees develop problem-solving capabilities that support organizational innovation.

Second, training supports digital transformation, a critical requirement in the era of automation, AI, and data-driven decision-making. Organizations must equip their workforce with digital competencies such as analytics, cloud computing, cybersecurity awareness, and

digital communication. Training ensures employees are prepared to use new technologies confidently and productively.

Third, modern training improves employee retention. Research shows that employees value organizations that invest in their growth. Learning opportunities enhance motivation, job satisfaction, and long-term commitment, reducing turnover costs.

Fourth, training enables organizational agility. With business models, customer expectations, and technologies evolving rapidly, employees must continuously reskill and upskill. Agile organizations use microlearning, blended learning, and personalized training modules to adapt quickly to emerging needs.

Finally, modern training strengthens employer branding. Companies known for strong learning cultures—such as Infosys, TCS, and Wipro—attract top talent by positioning themselves as organizations that prioritize growth and career development.

**Example:**

HDFC Bank attributes a significant part of its customer service excellence to continuous learning programs aligned with its digital transformation strategy. This strategic investment enhances efficiency, service quality, and long-term organizational success.

## **12.10. SUMMARY**

Employee training has evolved from traditional, classroom-based instruction into a dynamic, technology-driven strategic function that supports both organizational and individual advancement. The rapid rise of artificial intelligence, automation, learning analytics, and mobile learning platforms has transformed how training is designed, delivered, and evaluated. Modern organizations increasingly emphasize continuous, personalized, and adaptive learning to ensure that employees remain relevant in a fast-changing environment.

Leading Indian companies such as Infosys, TCS, Wipro, ICICI Bank, and Tata Steel demonstrate global leadership in implementing innovative training practices. Their use of AI-driven learning paths, simulation-based skill development, gamification, and mobile learning apps highlights the shift toward more engaging and scalable training models. These organizations have successfully integrated technology with organizational strategy, resulting in enhanced productivity, higher employee engagement, and stronger internal capabilities.

At a national level, initiatives like Skill India, NSDC, PMKVY, Swayam, and Digital India play a crucial role in strengthening India's broader skill ecosystem. They provide accessible, affordable learning opportunities to millions of youths and working professionals, bridging the employability gap across industries.

Overall, modern employee training serves as the backbone of organizational competitiveness, supporting innovation, adaptability, and workforce excellence. In an age where skills become obsolete quickly, technology-enabled learning ensures continuous growth, resilience, and long-term career success.

### 12.11. KEY WORDS

- **E-Learning:** Online delivery of educational content through digital platforms.
- **Blended Learning:** Combination of digital and face-to-face training.
- **Microlearning:** Small, focused learning modules for quick retention.
- **Learning Management System (LMS):** Platform for managing training content and tracking learner progress.
- **Gamification:** Use of game-like elements to enhance motivation and engagement.
- **Skill India Mission:** National initiative for large-scale skill development.

### 12.12. SELF-ASSESSMENT QUESTIONS (SAQS)

#### A. Short Answer Questions

1. Define e-learning and explain its advantages.
2. What is microlearning? Give one corporate example.
3. Mention two technology-based learning tools used in India.
4. What is the role of AI in employee training?
5. Write a short note on Skill India Mission.

#### B. Long Answer Questions

1. Discuss the emerging trends and technologies shaping employee training in India.
2. Explain the role of Learning Management Systems (LMS) and LXPs in modern training.
3. Analyze the training practices of three major Indian companies.
4. How do national initiatives like NSDC and PMKVY complement corporate training efforts?

#### C. Multiple Choice Questions (MCQs)

1. Which of the following refers to short, focused learning units?  
a) Gamification   b) Microlearning   c) Simulation   d) Coaching  
**Answer: b**
2. The integration of online and offline learning is called:  
a) Self-learning   b) Experiential learning   c) Blended learning   d) Collaborative learning  
**Answer: c**
3. Which organization manages India's national skilling initiatives?  
a) RBI   b) NSDC   c) TRAI   d) SEBI  
**Answer: b**

### 12.13. MODEL CASE STUDY WITH SUGGESTED ANALYSIS

#### Case Study: Wipro's Digital Transformation in Learning

Wipro realized that traditional classroom training was inadequate for its globally dispersed and tech-driven workforce. It launched a digital learning ecosystem powered by AI through

its platform “Wings.” The platform provides personalized course recommendations, gamified progress tracking, and analytics to measure performance.

Within two years, course completion rates increased by 40%, and project delivery quality improved significantly. Employees appreciated the flexibility to learn anywhere and anytime.

### Guiding Questions:

1. What modern trends are reflected in Wipro’s “Wings” program?
2. How does AI improve the training experience for learners?
3. What organizational benefits did Wipro gain from adopting this approach?

### Suggested Analysis:

Wipro’s initiative highlights the effectiveness of **AI-driven personalization and gamification** in employee learning. It demonstrates how technology can make learning engaging, scalable, and performance-oriented. The program also strengthened Wipro’s reputation as a learning-centric organization.

### 12.14. SUGGESTED READINGS

1. Raymond A. Noe – *Employee Training and Development*, McGraw Hill.
2. Gary Dessler – *Human Resource Management*, Pearson Education.
3. T.V. Rao – *Training and Development: Principles and Practices*, Excel Books.
4. P. Subba Rao – *Personnel and Human Resource Management*, Himalaya Publishing House.
5. Websites:
  - [www.trainingindustry.com](http://www.trainingindustry.com)
  - [www.shrm.org](http://www.shrm.org)
  - [www.peplematters.in](http://www.peplematters.in)
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  - [www.nsdindia.org](http://www.nsdindia.org)

# **LESSON - 13**

## **JOB EVALUATION**

### **OBJECTIVES**

After studying this lesson, you will be able to:

- Understand the meaning, nature, and scope of job evaluation.
- Explain the purpose and importance of job evaluation in Human Resource Management.
- Distinguish job evaluation from job analysis and performance appraisal.
- Understand the principles, assumptions, and theoretical foundations of job evaluation.
- Identify the major methods and techniques used in job evaluation.
- Recognize the role of job evaluation in ensuring internal equity and designing equitable pay structures.
- Appreciate real-world applications of job evaluation through case insights from Indian and international organizations.

### **STRUCTURE**

- 13.1 Introduction
- 13.2 Meaning, Nature, and Scope of Job Evaluation
- 13.3 Definitions of Job Evaluation
- 13.4 Objectives and Importance of Job Evaluation
- 13.5 Principles and Assumptions
- 13.6 Relationship between Job Evaluation, Job Analysis, and Performance Appraisal
- 13.7 Theoretical Foundations of Job Evaluation
- 13.8 Advantages of Job Evaluation
- 13.9 Limitations and Challenges of Job Evaluation
- 13.10 Summary
- 13.11 Key Words
- 13.12 Self-Assessment Questions (SAQs)
- 13.13 Model Case Study with Suggested Analysis
- 13.14 Suggested Readings

### **13.1. INTRODUCTION**

In every organization, jobs vary significantly in terms of complexity, responsibility, required qualifications, skill levels, and working conditions. For example, a managerial position requires leadership, decision-making, problem-solving, and accountability for results, whereas a technician's role demands technical precision, manual skill, and adherence to operational procedures. Despite their differing nature, both jobs are vital to the overall success of the organization. However, compensating these roles fairly and consistently poses a major challenge to management.

To address this challenge, organizations adopt a systematic method called Job Evaluation, which determines the relative worth or value of each job in relation to others



within the organization. The primary goal is to establish an equitable and rational wage and salary structure that ensures fairness and internal balance.

Job evaluation serves as the foundation for sound compensation management by ensuring internal equity (fair pay for jobs of equal worth within the organization) and external competitiveness (alignment with prevailing industry pay standards). A well-designed job evaluation system not only eliminates wage disparities but also enhances employee morale, minimizes conflicts, and strengthens organizational harmony.

In India, leading organizations such as Tata Steel, Infosys, Larsen & Toubro (L&T), and Hindustan Unilever Limited (HUL) have successfully implemented structured job evaluation systems. These systems help rationalize pay structures, maintain transparency in compensation policies, and reduce labor disputes. For instance, Tata Steel uses a point-factor system to evaluate positions across departments, ensuring consistent pay levels aligned with job responsibilities and competencies.

Thus, job evaluation acts as a bridge between job design and compensation management, ensuring fairness, transparency, and motivation across all levels of the workforce.

### 13.2. MEANING, NATURE, AND SCOPE OF JOB EVALUATION

Job evaluation is a systematic and analytical process of determining the relative worth of jobs within an organization. It involves assessing the content, duties, responsibilities, required skills, effort, and working conditions of each job and comparing them to other jobs to determine a logical hierarchy and pay differential.

Importantly, job evaluation does not assess the performance or efficiency of individual employees. Instead, it focuses on the *job itself*—its content, its contribution to organizational objectives, and its relative importance compared to other roles. For example, in a manufacturing firm, a machine operator's job may be evaluated based on technical skills and physical effort, whereas a quality supervisor's role may be valued higher due to responsibility for inspection, precision, and compliance with quality standards.

#### 13.2.1. Nature of Job Evaluation

1. **Systematic Process:** Job evaluation follows a structured series of steps—beginning with job analysis (collecting data about the job), identifying key evaluation factors, applying evaluation methods, and assigning grades or points to determine hierarchy.
2. **Analytical and Objective:** The process is data-driven, based on factual job information and measurable criteria rather than personal opinions or favoritism.
3. **Comparative in Nature:** It involves comparing one job with another to establish a logical ranking and wage structure.
4. **Non-Personal:** Job evaluation focuses on the *position*, not the *person* holding it. Thus, even if two people perform differently, the job's worth remains the same.
5. **Continuous Process:** With technological advances and changes in organizational structures, job content evolves. Hence, periodic re-evaluation is essential.
6. **Foundation of Compensation Management:** Job evaluation forms the base for wage and salary administration, ensuring fairness and rationality in pay scales.

For instance, in Infosys, job evaluation helps align compensation with competencies required for different roles, such as software development, project management, or client delivery. The system ensures that pay differences reflect variations in skill and responsibility, not personal favoritism.

### 13.2.3. Scope of Job Evaluation

The scope of job evaluation is vast and multi-dimensional.

- **Applicable to All Levels:** It can be applied across job hierarchies — from unskilled labor to senior executives.
- **Public and Private Sector Use:** Both government and corporate organizations utilize job evaluation to design transparent and equitable pay systems.
- **Supports Wage and Salary Design:** It provides a factual basis for structuring pay scales and incentives.
- **Aids Career Planning and Organizational Structuring:** Helps identify progression paths, overlapping duties, and redundant positions.
- **Sectoral Applicability:** Job evaluation is relevant across industries — manufacturing (e.g., BHEL, Tata Motors), services (e.g., HDFC Bank, Infosys), and public enterprises (e.g., NTPC, ONGC).

For example, HDFC Bank uses job evaluation to ensure consistency in pay levels across its branches and departments, aligning compensation with responsibility, accountability, and decision-making authority. Similarly, NTPC applies job evaluation frameworks to ensure equitable pay for engineers, plant operators, and administrative staff, reinforcing internal balance and external competitiveness.

In conclusion, job evaluation is not merely a pay-related exercise but a **strategic HR tool** that strengthens internal equity, motivates employees, and supports long-term organizational growth.

## 13.3. DEFINITIONS OF JOB EVALUATION

- **International Labour Organization (ILO):**

“Job evaluation is an attempt to determine and compare the demands which the normal performance of a particular job makes on normal workers, without taking into account the individual abilities or performance of the workers concerned.”

- **Edwin B. Flippo:**

“Job evaluation is a systematic and orderly process of determining the worth of one job in relation to another.”

- **Milkovich & Newman:**

“Job evaluation is a process of systematically determining the relative worth of jobs to create a job structure for the organization.”

In essence, job evaluation is both a quantitative and qualitative assessment tool that determines the *relative worth of jobs* in a consistent, fair, and logical manner. It lays the groundwork for equitable compensation systems, facilitates better communication with employees and trade unions, and contributes to organizational stability by ensuring that “equal work receives equal pay.”

Thus, job evaluation is not merely an administrative mechanism but a strategic human resource process that aligns job structures, pay systems, and employee motivation with organizational goals — a vital step in building fairness, transparency, and trust in modern workplaces.

### 13.4. OBJECTIVES AND IMPORTANCE OF JOB EVALUATION

Job evaluation plays a crucial role in ensuring fairness, consistency, and transparency in compensation management. It provides a structured and logical framework for comparing jobs and establishing pay differentials that reflect the relative worth of each position. In both private and public sector organizations, a well-conducted job evaluation helps align employee motivation with organizational goals while maintaining equity and competitiveness.

#### 13.4.1. Objectives of Job Evaluation

1. **To Determine the Relative Worth of Each Job:** The foremost objective is to establish a clear hierarchy of jobs by assessing the skills, responsibilities, and working conditions involved. This ranking helps management decide which jobs deserve higher compensation and which deserve less.
2. **To Establish a Rational and Equitable Pay Structure:** By evaluating jobs based on objective criteria, organizations can develop a pay structure that eliminates arbitrary differences and ensures fairness in salary distribution across various levels and functions.
3. **To Maintain Internal Consistency and Fairness:** Job evaluation ensures that employees performing jobs of similar value receive comparable compensation, fostering internal equity and reducing resentment or feelings of unfairness among staff.
4. **To Provide a Basis for Promotion, Training, and Career Planning:** The process highlights the relative complexity and skill requirements of each job, assisting management in designing logical promotion paths, identifying training needs, and planning career progression.
5. **To Minimize Wage Disputes and Grievances:** A transparent evaluation system minimizes misunderstandings and disputes regarding pay differentials. Employees are more likely to accept compensation levels when they understand the rationale behind them.
6. **To Support Organizational Redesign and Manpower Planning:** Job evaluation reveals overlapping duties, redundant roles, and scope for job redesign. This insight supports manpower optimization and organizational restructuring.

### 13.4.2. Importance of Job Evaluation

1. **Fair Compensation:** Job evaluation ensures *equal pay for work of equal value*, aligning with the principle of fairness enshrined in Article 39(d) of the Indian Constitution. It promotes justice and equality across roles.
2. **Improved Employee Morale:** When employees perceive the pay system as fair and transparent, they feel valued and respected, which enhances motivation, commitment, and job satisfaction.
3. **Scientific Wage Administration:** The process converts subjective pay decisions into objective, data-driven judgments, forming a scientific base for wage and salary administration.
4. **Control Over Labour Costs:** By linking pay to job worth, organizations can design compensation systems that are fair yet cost-effective, preventing wage inflation and maintaining financial discipline.
5. **Foundation for HR Decisions:** Job evaluation supports a wide range of HR activities—such as transfers, promotions, succession planning, and training—by clarifying job relationships and levels.
6. **Enhances Industrial Relations:** A fair pay structure fosters trust and collaboration between management and employees, reducing conflicts and strengthening union-management relations.

### 13.4.3. Illustrative Examples

#### Indian Example – Tata Steel:

Tata Steel employs a detailed job evaluation framework that links compensation directly to job responsibility, skill complexity, and working conditions. This system ensures fairness and internal consistency, contributing to high employee morale, minimal wage disputes, and enduring industrial peace. The company's long-standing reputation for equitable HR practices is largely attributed to its transparent approach to job evaluation.

#### Global Example – Unilever:

Unilever uses a global “Work Level Framework” for job evaluation, where roles are categorized based on their contribution to business outcomes, decision-making scope, and leadership impact. This ensures parity in compensation across global subsidiaries, helping maintain both internal equity and external competitiveness.

## 13.5. PRINCIPLES AND ASSUMPTIONS OF JOB EVALUATION

### Principles

1. **Jobs, Not Individuals, Are Evaluated:** The focus is on assessing the job's duties and requirements, not the performance or personal qualities of the jobholder.
2. **Objective Criteria:** Evaluation must rely on measurable compensable factors such as skill, effort, responsibility, and working conditions.
3. **Equal Pay for Equal Work:** Rooted in the constitutional principle of fairness, similar jobs with equivalent value should receive the same pay.

4. **Consistency and Transparency:** The process should be systematic, clearly defined, and communicated to all stakeholders to maintain credibility.
5. **Periodic Review:** Job values should be periodically reassessed to account for changes in job content, technology, or market conditions.

### Assumptions

- All jobs can be compared on standardized factors.
- Job hierarchy accurately reflects contribution to organizational objectives.
- A transparent evaluation process fosters fairness, motivation, and efficiency.
- Rational pay structures enhance employee retention and productivity.

## 13.6. RELATIONSHIP BETWEEN JOB EVALUATION, JOB ANALYSIS, AND PERFORMANCE APPRAISAL

Concept	Purpose	Focus	Output
<b>Job Analysis</b>	Collects and records job data	Job content	Job Description & Job Specification
<b>Job Evaluation</b>	Determines job's relative worth	Job value	Job hierarchy / Pay structure
<b>Performance Appraisal</b>	Evaluates individual performance	Employee performance	Merit increase, training, promotion

### Integration Example:

At **Infosys**, job analysis forms the foundation by describing job responsibilities for roles like software engineers or project managers. Job evaluation then determines the relative importance and pay grade of these roles. Subsequently, performance appraisal assesses how well individuals perform within their evaluated roles, influencing bonuses, promotions, or training opportunities.

This integration ensures a coherent HR system that balances fairness, motivation, and organizational performance.

## 13.7. THEORETICAL FOUNDATIONS OF JOB EVALUATION

### 13.7.1. Equity Theory (J. Stacy Adams) — detailed explanation and implications for job evaluation

#### Core idea (brief):

Employees assess fairness by comparing their *input–output ratio* (what they give vs. what they receive) with the ratios of relevant others (referents). Perceived inequity (their ratio worse than referent's) produces tension that employees try to reduce.

**Inputs** (examples): effort, skill, loyalty, flexibility, education, experience, hours.

**Outputs** (examples): pay, benefits, recognition, promotions, job security.

**How inequity shows up:** reduced effort, withdrawal (absenteeism/turnover), job crafting, complaints, sabotage, demands for higher pay.

### How Equity Theory links to job evaluation

- **Job evaluation standardizes the “outputs”** by creating transparent and rational pay relationships tied to job worth rather than ad-hoc decisions. This reduces the likelihood that employees will see pay as arbitrary.
- It also **creates a defensible explanation** for differential pay (e.g., “Operator A vs. Helper B — difference explained by required skill, responsibility and working conditions”).
- By clarifying *why* one job is rated higher, job evaluation reduces perceived inequity arising from ignorance or rumor.

### Practical HR actions (operationalising equity through job evaluation)

1. **Build transparent compensable factors** (skill, effort, responsibility, working conditions) and publish the factors and weights.
2. **Use representative committees** (management + employee/union reps) during evaluation — increases perceived legitimacy.
3. **Communicate results clearly** with tangible examples showing how points map to pay bands.
4. **Conduct periodic pay audits** comparing pay ratios across comparable jobs and against market benchmarks.
5. **Provide a grievance redressal mechanism** and review disputed job ratings quickly.

### Concrete example

- *Local example:* at a garment factory, machine operators (require training, quality control) were paid almost the same as helpers. After a point-factor job evaluation, operator jobs scored higher on skill and responsibility; pay bands were restructured. Operators then perceived improved fairness (equity restored) and turnover dropped.

### Measurement indicators (to track equity)

- Pay ratio by job family (mean pay of job / mean pay of referent job).
- Number of pay-related grievances per quarter.
- Voluntary turnover rate for each job grade.
- Employee survey items: “Pay is fair given my responsibilities.”
- Gender pay gap within same-evaluated job.

### Criticisms / limitations

- Employees compare with different referents (inside vs outside organization); job evaluation can’t control external market comparisons.
- Perceptions of fairness are subjective — transparency helps but doesn’t guarantee everyone will agree.
- Equity theory focuses on comparisons and may lead employees to try to *change inputs* rather than accept rational pay structures (e.g., reducing effort).

### 13.7.2. Herzberg's Two-Factor Theory — detailed explanation & how it complements job evaluation

#### Core idea (brief):

Job satisfaction and dissatisfaction arise from two different sets of factors.

- **Hygiene factors** (salary, working conditions, company policy, supervision) prevent dissatisfaction but do *not* produce lasting satisfaction or motivation.
- **Motivators** (achievement, recognition, responsibility, growth) produce true job satisfaction and higher performance.

**Implication:** Fair pay (a hygiene factor) is necessary to prevent discontent, but **job evaluation alone won't motivate** employees — you must combine it with motivators.

#### How Herzberg links to job evaluation

- **Job evaluation secures hygiene:** it reduces dissatisfaction caused by perceptions of unfair pay or arbitrary wage decisions.
- **To create motivation,** HR must use the job evaluation outcome as the *foundation* for adding motivators: career ladders, enriched job designs, recognition programs, training and development linked to higher job levels.

#### Practical HR actions (operationalising Herzberg via job evaluation)

1. **Fix hygiene first:** use job evaluation to ensure fair pay and decent working conditions.
2. **Design motivators into jobs:** add elements of autonomy, task significance, opportunities for achievement and advancement to jobs rated at higher levels.
3. **Align pay with career paths:** after evaluation, create transparent career bands and competency milestones that lead to promotion and enriched roles.
4. **Recognition systems:** tie recognition (non-monetary and monetary) to the job hierarchy so higher-value jobs also have meaningful intrinsic rewards (e.g., certification, leadership roles).

#### Concrete example

- After evaluating jobs, a bank redesigned teller roles to include customer relationship responsibilities and small decision authority (job enrichment). Fairer pay removed complaints (hygiene satisfied); enriched roles increased job satisfaction and led to higher customer NPS (motivator effect).

#### Measurement indicators (to track hygiene + motivation)

- Employee satisfaction scores (split into hygiene-related items and motivator-related items).
- Absenteeism and grievance metrics (hygiene signals).
- Engagement and discretionary effort measures (motivation signals).
- Promotion fill rates and number of skill-based certifications attained.



### Criticisms / Caveats

- Herzberg's separation of factors is debated; pay can sometimes act as a motivator for some people or in some cultures.
- Simply adding motivator tasks without training/support can increase stress. Job evaluation must be paired with development programs.

### 13.7.3. Expectancy Theory (Vroom) — detailed explanation & application to job evaluation

#### Core idea (brief):

Motivation = Expectancy × Instrumentality × Valence

- **Expectancy (E → P):** belief that increased effort will improve performance (Can I do it?)
- **Instrumentality (P → O):** belief that improved performance will lead to outcomes (Will performance be rewarded?)
- **Valence (Value of outcome):** how much the employee values the reward.

Employee motivation is high only when all three components are present.

#### How Expectancy Theory links to job evaluation

- **Job evaluation must create clear instrumentality:** employees must see a credible link between *job value* (as determined in evaluation) and *rewards/outcomes* (pay, status, career progression). If they don't believe that higher job points lead to tangible rewards, instrumentality is low and motivation will not improve.
- **Expectancy is supported when employees are confident they can meet job requirements** — so evaluation should be accompanied by training and realistic role design.
- **Valence depends on whether the rewards provided are actually valued** (e.g., monetary pay, flexible hours, recognition). Job evaluation must be linked to a reward menu that employees value.

#### Practical HR actions (operationalising Expectancy theory through job evaluation)

1. **Map job evaluation points to transparent rewards** (pay bands, benefits, status). Show examples: "Role X = 300 points → Band 4 → Salary range ₹X–₹Y."
2. **Ensure instrumentality by making reward decisions consistent** — i.e., pay increases, promotions, or allowances must reliably follow the job evaluation or performance measures.
3. **Boost expectancy** by supplying training, tools, clear job descriptions and realistic performance standards.
4. **Increase valence** by offering reward options (monetary and non-monetary) and perhaps choice—so employees can take rewards they value.
5. **Integrate with performance management:** Link appraisal outcomes (P) to clear changes in outcomes (O), such as increments or promotions.



**Concrete example**

- In a software firm, engineers believed extra effort didn't lead to promotion because promotions were ad-hoc (low instrumentality). The company implemented a job evaluation → grade → promotion pipeline: reaching certain competency and performance criteria in a job family moved you to a higher band with a defined pay increase. Expectancy and instrumentality rose; engineers engaged more in skill development.

**Measurement indicators**

- Employee survey items: “If I perform well, I will be rewarded.” (instrumentality) / “I have the skills to perform” (expectancy) / “The rewards are important to me” (valence).
- % of employees meeting competency milestones and receiving mapped rewards.
- Time from performance rating to actual payout/promotion (shorter time supports instrumentality).
- Uptake of training programs (expectancy signal).

**Criticisms / caveats**

- Expectancy theory assumes rational decision-making; in practice emotions and social factors also influence motivation.
- Even with strong instrumentality, external constraints (budget, policy) can break the  $E \times I \times V$  chain — consistency and managerial will are required.

**Integrated practical framework — use all three lenses together****Three-Lens HR Checklist for Effective Job Evaluation**

1. **Equity lens (fairness):**
  - Transparent factors and weights, representative committee, periodic pay audits.
  - Tracking: grievance counts, pay ratios, turnover by grade.
2. **Hygiene & Motivation lens (Herzberg):**
  - Fix hygiene (fair pay); then add motivators (autonomy, recognition, growth).
  - Tracking: satisfaction vs engagement scores, promotion rates.
3. **Expectancy lens (motivation mechanics):**
  - Make linkages clear and reliable: job points → grade → defined rewards.
  - Provide training to raise expectancy; ensure timely payouts to sustain instrumentality.
  - Tracking: perception surveys, % of promotions executed as per policy.

**Operational steps (applied sequence):**

1. Conduct **job analysis** and build compensable factors.
2. Run job evaluation (e.g., point method) with an inclusive committee.
3. Map points to pay bands and non-monetary rewards.

4. Communicate the mapping and rationale widely (addresses equity and instrumentality).
5. Link performance appraisal to reward decisions and execute them consistently (expectancy/instrumentality).
6. Add job enrichment programs and career development (Herzberg motivators).
7. Monitor via surveys and metrics; revise weights/policy as needed.

### **Mini-case applied (ABC Textiles) — theoretical diagnosis and remedies**

**Situation:** Machine operators felt underpaid vs helpers; attrition rose.

#### **Diagnosis through theories:**

- **Equity:** Operators perceived unfair output relative to input (high skill/effort, low pay).
- **Herzberg:** Pay was a hygiene issue generating dissatisfaction; lack of responsibility/recognition removed motivators.
- **Expectancy:** Operators did not believe extra skill or effort would change their pay or prospects (low instrumentality).

#### **Remedies (combined):**

1. **Job evaluation (Equity):** Re-evaluate roles using point method; adjust pay bands to reflect higher job worth for operators.
2. **Job enrichment (Herzberg):** Add quality-control responsibilities, small decision authority and recognition ceremonies for operators.
3. **Clear reward pipeline (Expectancy):** Publish the link: “X points → Band B → pay increase Y% after verification.” Provide skill training to raise expectancy.
4. **Communication & grievance mechanism:** Hold town halls, show sample job descriptions and pay mapping. Allow appeals for misclassification.

**Expected outcomes:** restored perceptions of fairness, reduced grievances, improved retention, an

## **13. 8. ADVANTAGES OF JOB EVALUATION**

Job evaluation offers several strategic and operational benefits that contribute to both organizational effectiveness and employee satisfaction. One of the foremost advantages is that it promotes an equitable pay structure and internal harmony by ensuring that employees performing similar or equally demanding jobs receive comparable compensation. This prevents wage disparities and fosters a culture of fairness. It also enhances employee trust in management, as employees perceive pay decisions as transparent and data-driven rather than arbitrary.

By providing a scientific basis for wage determination, job evaluation reduces favoritism and personal bias in pay decisions. This helps minimize employee grievances and industrial disputes, thereby maintaining a stable work environment. Furthermore, job evaluation supports career pathing and workforce planning, as it clearly defines the relative value of each job, allowing HR managers to design logical career progression routes and identify training needs for future roles.

In addition, job evaluation facilitates union negotiations by providing a rational and standardized framework for wage discussions. This promotes constructive dialogue between management and employee representatives. It also aids in identifying redundant or overlapping roles, which in turn helps streamline organizational structures and improve productivity.

**Example:**

At the State Bank of India (SBI), the “SBI Job Family Framework” categorizes roles into distinct job families based on responsibility levels and job complexity. This structured approach ensures that compensation and benefits are aligned with job grades, thereby maintaining internal equity and motivating employees across levels—from clerical staff to executive management.

**13.9. LIMITATIONS AND CHALLENGES**

Despite its advantages, job evaluation is not without limitations. Complete objectivity is difficult to achieve, as evaluators’ personal judgments, experiences, and perceptions may influence the outcomes. It is also a time-consuming and costly process, especially in large organizations with numerous and diverse job roles.

The dynamic nature of jobs in today’s technology-driven environment poses another challenge. Job descriptions and required skills change frequently, necessitating periodic reviews of evaluation results. Furthermore, employees may show resistance to change, particularly when re-evaluation results in lower job grades or pay scales.

Additionally, external market forces often influence pay levels more strongly than internal evaluations, especially for high-demand or niche roles. Thus, while job evaluation provides a sound internal structure, it must be balanced with external competitiveness to remain effective.

**13.10. SUMMARY**

Job evaluation forms a cornerstone of modern Human Resource Management by establishing fairness, transparency, and consistency in pay administration. It is a systematic process of determining the relative worth of jobs within an organization, thereby enabling rational pay differentials based on job content rather than personal characteristics. This process contributes to equitable compensation, higher employee morale, and improved organizational performance.

When effectively integrated with job analysis (which defines job content) and performance appraisal (which measures individual contribution), job evaluation becomes a strategic HR tool for planning, motivation, and employee retention. It ensures that compensation systems are fair internally, competitive externally, and aligned with organizational goals. In essence, job evaluation helps organizations reward employees justly for their work value, fostering long-term commitment and sustainable productivity.

### 13.11. KEY WORDS

- **Job Evaluation:** Systematic assessment of a job's relative worth.
- **Internal Equity:** Fair pay relationships among jobs within an organization.
- **Job Analysis:** Process of gathering job-related information.
- **Pay Structure:** Framework determining salary levels.
- **Compensable Factors:** Elements such as skill, effort, responsibility, and working conditions used in job comparison.

### 13.12. SELF-ASSESSMENT QUESTIONS (SAQs)

#### A. Short Answer Questions

1. Define job evaluation.
2. List any four objectives of job evaluation.
3. Distinguish between job evaluation and performance appraisal.

#### B. Long Answer Questions

1. Explain the nature, scope, and importance of job evaluation.
2. Discuss the relationship between job analysis, job evaluation, and performance appraisal with examples.
3. Highlight the advantages and limitations of job evaluation in modern organizations.

#### C. Multiple-Choice Questions

1. Job evaluation primarily measures:
  - a) Employee performance
  - b) Job worth
  - c) Organizational efficiency
  - d) Worker morale**Answer:** b) Job worth
2. Which of the following is not an objective of job evaluation?
  - a) Determining relative job worth
  - b) Assessing employee potential
  - c) Designing pay structure
  - d) Ensuring internal equity**Answer:** b) Assessing employee potential

### 13.13. MODEL CASE STUDY WITH SUGGESTED ANALYSIS

#### Case: 1

ABC Textiles Pvt. Ltd., a mid-sized Indian garment manufacturer based in Tiruppur, employs about 400 workers across its production and finishing units. Over the years, wage disparities had created growing dissatisfaction among employees. Skilled machine operators, who were responsible for managing complex stitching machines and ensuring garment quality, earned almost the same wages as helpers, whose tasks involved basic material

handling and support functions. This lack of differentiation led to a sense of unfairness, reduced motivation, lower productivity, and increased attrition among trained operators.

Recognizing the seriousness of the issue, the HR Manager initiated a comprehensive Job Evaluation Study to establish a fair and transparent wage structure. A Job Evaluation Committee was formed, comprising production heads, supervisors, HR representatives, and union leaders, ensuring participation and acceptance from all stakeholders.

The process began with Job Analysis, which involved observing workers, conducting interviews, and reviewing job descriptions to capture the nature, complexity, and responsibilities of each role. The findings revealed:

- Machine Operators required significant technical expertise, precision, and quality assurance responsibility.
- Helpers performed routine manual tasks, requiring minimal skill and responsibility.
- Supervisors were accountable for overseeing operations, training new operators, and ensuring production targets were met.

The team adopted the Point Rating Method, evaluating each job based on four key compensable factors: Skill, Effort, Responsibility, and Working Conditions. After thorough analysis and consensus, the jobs were scored as follows:

- Supervisor – 400 points
- Machine Operator – 320 points
- Helper – 180 points

Based on this hierarchy, the HR department designed a new wage structure with clearly defined pay bands that reflected each job's relative worth. The results were communicated transparently to employees, and a phased implementation plan was developed to align wages without disrupting financial stability.

### Questions for Analysis:

1. What steps should the HR manager follow in conducting job evaluation?
2. How can job evaluation help reduce employee grievances?
3. What organizational benefits can result from this process?

### Suggested Analysis:

- **Step 1:** Conduct detailed job analysis to understand tasks, responsibilities, and required competencies.
- **Step 2:** Select an appropriate evaluation method (e.g., Point Rating Method).
- **Step 3:** Form a representative committee to ensure objectivity and participation.
- **Step 4:** Evaluate jobs objectively and assign point values to establish hierarchy.
- **Step 5:** Develop a transparent and equitable pay structure based on job worth.
- **Step 6:** Communicate results clearly and review periodically.

**Expected Outcomes:**

- Reduction in wage-related grievances and disputes.
- Increased trust, morale, and job satisfaction among employees.
- Improved retention of skilled operators and supervisors.
- Enhanced productivity, discipline, and industrial harmony.
- Strengthened credibility of HR policies and labor-management cooperation.

**Real-World Parallel:**

Similar job evaluation initiatives were successfully implemented at Arvind Mills and Raymond Ltd. Both textile giants introduced structured evaluation systems to classify jobs by skill, responsibility, and effort, which eliminated pay anomalies, improved employee motivation, and maintained long-term industrial peace. In the case of Raymond, the transparent wage structure became a benchmark in the Indian textile industry for aligning compensation with job value, proving how systematic job evaluation can transform workplace fairness and efficiency.

**13.14. SUGGESTED READINGS**

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## **LESSON - 14**

# **METHODS OF JOB EVALUATION**

### **OBJECTIVES**

After completing this lesson, you will be able to:

- Identify and explain the major methods of job evaluation used in organizations.
- Distinguish between non-quantitative (traditional) and quantitative (analytical) approaches.
- Understand the detailed steps and processes involved in applying each method.
- Evaluate the strengths and limitations of various job evaluation techniques.
- Apply suitable methods of job evaluation to diverse organizational contexts.
- Appreciate the relevance of job evaluation in maintaining pay equity, motivation, and fairness in human resource management.

### **STRUCTURE**

- 14.1 Introduction
- 14.2 Classification of Job Evaluation Methods
- 14.3 Non-Quantitative (Traditional) Methods
- 14.4 Ranking Method
- 14.5 Job Classification or Grading Method
- 14.6 Quantitative (Analytical) Methods
  - 14.6.1 Point Rating Method
  - 14.6.2 Factor Comparison Method
  - 14.6.3 Hay Guide Chart–Profile Method
- 14.7 Comparison of Methods
- 14.8 Selection of an Appropriate Method
- 14.9 Summary
- 14.10 Key Words
- 14.11 Self-Assessment Questions (SAQs)
- 14.12 Model Case Study with Suggested Analysis
- 14.13 Suggested Readings

### **14.1. INTRODUCTION**

Job evaluation is a systematic and logical process used by organizations to determine the relative worth of various jobs within the company. It is not about evaluating the performance of employees, but rather about assessing the job itself—its duties, responsibilities, skill requirements, and working conditions. The main objective is to establish a fair, equitable, and consistent wage and salary structure that reflects the true value of each job in relation to others.

Through job evaluation, management can ensure that employees are compensated appropriately according to the complexity, effort, and accountability their roles demand. It also helps prevent wage inequalities, minimize grievances related to pay disparities, and improve employee morale by fostering a sense of fairness and transparency.

Once the concept and purpose of job evaluation are understood (as discussed in Lesson 1), the next logical step is to explore the methods used to conduct job evaluation. There is no single best or universal method applicable to all organizations. The choice of method depends on several factors such as the size of the organization, nature of work, complexity of job roles, level of employee unionization, and the organization's overall HR philosophy.

Broadly, job evaluation methods are divided into two main categories:

1. **Non-Quantitative (Traditional) Methods** – These rely primarily on human judgment and overall comparison of jobs rather than precise measurement. Common examples include the Ranking Method and Job Classification Method.
2. **Quantitative (Analytical) Methods** – These methods use systematic analysis, measurable compensable factors, and numerical scoring to assess the relative worth of each job. Examples include the Point Rating Method and the Factor Comparison Method.

Each method has its advantages and limitations, and organizations often select or adapt a method that best suits their strategic and operational needs.

## 14.2. CLASSIFICATION OF JOB EVALUATION METHODS

Job evaluation methods are broadly classified into **two main categories** based on the nature of their evaluation approach — Non-Quantitative (Traditional) and Quantitative (Analytical) methods. Each category differs in its degree of precision, objectivity, and applicability, depending on the organization's needs and complexity of jobs.

Category	Methods Included	Nature of Evaluation
Non-Quantitative	Ranking, Job Classification	Qualitative comparison of entire jobs
Quantitative	Point Rating, Factor Comparison, Hay Guide Method	Quantitative scoring or weighting of compensable factors

In Non-Quantitative Methods, jobs are evaluated as a whole rather than being analyzed into separate elements. These methods rely primarily on the evaluator's overall judgment and experience. The Ranking Method involves arranging jobs in order of their relative importance or difficulty, while the Job Classification Method places jobs into pre-determined classes or grades based on general descriptions. These methods are simple, fast, and inexpensive but may lack accuracy and consistency when applied to large or complex organizations.

On the other hand, Quantitative Methods adopt a more systematic and scientific approach. They break down each job into measurable components or compensable factors such as skill, effort, responsibility, and working conditions. Each factor is then assigned weights or points to determine the total worth of a job. Examples include the Point Rating Method, Factor Comparison Method, and Hay Guide Chart–Profile Method.



Thus, the essential difference lies in how jobs are evaluated—traditional methods rely on qualitative judgment, while analytical methods use measurable data for objective evaluation.

### 14.3. NON-QUANTITATIVE (TRADITIONAL) METHODS

Traditional methods of job evaluation depend mainly on human judgment and comparative reasoning. They are easier to administer and more suitable for small or medium-sized organizations, where the number of jobs is limited, and formal HR systems are still developing.

### 14.4 RANKING METHOD

#### Meaning:

The Ranking Method is the simplest and most straightforward job evaluation technique. Jobs are arranged in the order of their relative importance, value, or difficulty—either from highest to lowest or vice versa. It does not break down jobs into components; instead, the job as a whole is compared to others.

#### Steps in the Ranking Method:

1. **Job Analysis:** Gather information on job duties, responsibilities, and qualifications through job descriptions.
2. **Job Comparison:** Each job is compared as a whole with others to determine relative importance.
3. **Ranking:** Jobs are ranked from the most to the least significant.
4. **Grouping into Pay Grades:** Jobs with similar rankings may be grouped into pay levels or grades.

#### Example (Indian Context):

In a small manufacturing firm in Vijayawada, jobs such as Production Manager, Supervisor, Skilled Machine Operator, Clerk, and Helper may be ranked based on their overall responsibility and skill level.

Rank	Job Title	Relative Importance
1	Production Manager	Highest
2	Supervisor	High
3	Machine Operator	Moderate
4	Clerk	Moderate-Low
5	Helper	Lowest

#### Advantages:

- Simple and easy to understand.
- Quick to implement without much cost.
- Suitable for small organizations with few job categories.

**Limitations:**

- Highly subjective and depends on evaluator's perception.
- Difficult to rank when the number of jobs is large or diverse.
- Does not indicate the degree of difference between jobs.
- Unsuitable for complex, technical, or professional jobs.

**Practical Example:**

Many small textile units in Tirupur and Ludhiana still use ranking methods to differentiate wages between tailors, cutters, helpers, and supervisors due to simplicity and low administrative costs.

**14.5 JOB CLASSIFICATION OR GRADING METHOD****Meaning:**

Under this method, jobs are classified into predetermined grades or classes based on similarities in duties, skills, and responsibilities. Each grade has a descriptive definition outlining the kind of work, level of responsibility, and qualifications expected.

**Steps in Job Classification:**

1. **Define Grades or Classes:** For example, Grade I (Executive), Grade II (Supervisory), Grade III (Clerical), Grade IV (Operational).
2. **Prepare Grade Descriptions:** Each grade is described in terms of duties, authority, and decision-making.
3. **Compare and Assign Jobs:** Each job description is compared with grade definitions and allocated to the most appropriate grade.
4. **Review and Adjust:** The classification is reviewed periodically to reflect job changes.

**Example (Indian Context):**

Public sector organizations like the State Bank of India, Indian Railways, and LIC use this method. Jobs are grouped under clear designations such as:

- Clerical Cadre (Grade C1–C3)
- Supervisory Cadre (Grade S1–S3)
- Officer Cadre (Grade O1–O3)

**Advantages:**

- Easy to understand once grades are defined.
- Ensures internal equity within grade levels.
- Reduces administrative complexity in large organizations.

**Limitations:**

- Grade definitions can be vague or overlapping.
- Difficult to classify borderline jobs.
- Rigid structure—difficult to adapt to new job designs or rapidly changing industries like IT or startups.

**Illustration:**

At a government university, administrative jobs are classified as Junior Assistant, Senior Assistant, and Office Superintendent, each with a well-defined grade pay. Even when tasks evolve, the job remains tied to the grade, highlighting the rigidity of this method.

**14.6. Quantitative (Analytical) Methods**

Analytical methods are more scientific and data-driven. They divide each job into identifiable compensable factors such as skill, effort, responsibility, and working conditions. Each factor is assigned weights or points, enabling numerical comparison between jobs.

These methods are particularly useful for large organizations, manufacturing industries, IT firms, and MNCs, where fairness and accuracy in pay determination are essential.

**14.6.1 Point Rating Method****Meaning:**

The Point Rating Method—also called the Point Factor Method—is the most widely used analytical job evaluation system. It involves identifying several key factors that contribute to job value and assigning numerical points to each factor based on the degree to which it is present in a job.

**Steps in the Point Rating Method:**

1. **Select Compensable Factors:** Commonly used factors include Skill, Effort, Responsibility, and Working Conditions.
2. **Define Degrees for Each Factor:** Each factor is divided into levels, such as Low (1), Medium (2), High (3), and Very High (4).
3. **Assign Points to Each Degree:** For example, High Skill may receive 40 points, Medium Responsibility 30, etc.
4. **Evaluate Each Job:** Assess each job based on how it fits into each degree and sum the total points.
5. **Establish Pay Grades:** Convert total points into pay levels.

**Illustration:**

Factor	Weight (Max Points)	Degree Assigned	Score
Skill	40	High (3)	120
Responsibility	30	Medium (2)	60
Effort	20	High (3)	60
Working Conditions	10	Low (1)	10
<b>Total</b>	<b>100</b>	<b>—</b>	<b>250 points</b>

Jobs with **similar point totals** can be grouped into the same pay grade.

**Advantages:**

- Highly systematic and transparent.
- Reduces bias by basing evaluations on measurable factors.
- Facilitates internal equity and external benchmarking.
- Easy to explain and justify to unions and employees.

**Limitations:**

- Time-consuming and complex to design.
- Requires expert judgment in selecting factors and assigning weights.
- May create an illusion of accuracy if factors are poorly defined.

**Example (Indian Context):**

Large firms such as Infosys, Tata Motors, and ITC Ltd. often use point rating systems for managerial and technical positions to ensure internal consistency and fairness across diverse departments.

**Critical View:**

While point rating introduces numerical precision, it is still based on subjective judgments of degree levels. Thus, combining this with employee consultation and market benchmarking enhances its validity.

**14.6.2 Factor Comparison Method****Meaning:**

The Factor Comparison Method blends the simplicity of ranking with the analytical rigor of point rating. Jobs are compared factor by factor with benchmark (key) jobs that have known wage rates.

**Steps in Factor Comparison:**

1. **Select Compensable Factors:** Usually five—Skill, Mental Effort, Physical Effort, Responsibility, and Working Conditions.

2. **Identify Benchmark Jobs:** Jobs that are well-known and represent a cross-section of the organization.
3. **Rank Benchmark Jobs:** Rank them on each factor separately.
4. **Assign Monetary Values:** Distribute existing wage rates among factors for benchmark jobs.
5. **Evaluate Other Jobs:** Compare non-benchmark jobs factor-wise to determine monetary worth.

**Example:**

Factor	Electrician (₹)	Clerk (₹)
Skill	5000	2500
Responsibility	3000	2000
Effort	2000	1500
Working Conditions	1000	1000
<b>Total Monthly Wage</b>	<b>₹11,000</b>	<b>₹7,000</b>

**Advantages:**

- Ensures consistent and logical wage relationships.
- Provides a direct link between evaluation and pay structure.
- More precise than purely judgmental methods.

**Limitations:**

- Complicated to implement.
- Requires skilled evaluators and reliable benchmark jobs.
- Difficult to communicate to employees.
- Costly for large organizations.

**Indian Example:**

Some large manufacturing firms like Hindustan Aeronautics Ltd. (HAL) and BHEL have used this approach in the past to maintain parity across multiple technical trades.

**Analytical Note:**

The method offers high precision but low transparency—employees may not easily grasp how their pay is derived, leading to perception issues if communication is poor.

### 14.6.3 Hay Guide Chart–Profile Method

**Meaning:**

Developed by Edward N. Hay in the 1950s, the Hay Guide Chart–Profile Method is one of the most widely used global job evaluation systems, particularly in multinational corporations. It evaluates jobs based on three universal compensable factors:

1. **Know-How:** The sum of every kind of knowledge, skill, and experience required for the job.

2. **Problem Solving:** The degree of analytical, creative, and evaluative thinking required.
3. **Accountability:** The extent to which the job is responsible for achieving results and its impact on the organization.

Each factor is divided into several degrees or levels. The evaluator uses guide charts provided by the Hay Group to assign points based on structured definitions. The profile score of each job determines its level within the organization.

#### Steps:

1. Analyze the job and collect detailed descriptions.
2. Evaluate the job against the three factors using guide charts.
3. Assign points based on the defined degree levels.
4. Create a profile that represents the total point value of the job.
5. Group jobs with similar profiles into grades.

#### Advantages:

- Globally recognized and standardized.
- Provides consistent evaluation for managerial, professional, and technical roles.
- Useful for international comparisons and talent mobility.
- Links well with competency frameworks.

#### Limitations:

- Requires specialized training and licensing from Hay consultants.
- Complex for small organizations or those with limited HR expertise.
- Focuses heavily on managerial aspects, less suited for manual jobs.

#### Example (Indian Context):

Companies like Wipro, Reliance Industries, and HDFC Bank have adopted the Hay method for evaluating mid-to-top managerial positions to maintain consistency across business units.

#### Illustration:

A “Regional Sales Manager” may be rated as follows:

- Know-how: 650 points
- Problem-solving: 350 points
- Accountability: 400 points

→ Total = 1400 points, corresponding to a specific grade and pay band.

### 14.7. COMPARISON OF JOB EVALUATION METHODS

Basis	Ranking	Classification	Point Rating	Factor Comparison
Nature	Non-quantitative	Non-quantitative	Quantitative	Quantitative
Complexity	Simple	Moderate	High	Very High

<b>Objectivity</b>	Low	Medium	High	High
<b>Cost</b>	Low	Moderate	High	High
<b>Time Required</b>	Very Short	Moderate	Long	Very Long
<b>Best Suitable For</b>	Small Firms	Public Sector	Large Firms	Private Technical/Managerial Jobs
<b>Accuracy</b>	Low	Moderate	High	Very High

**Discussion:**

While traditional methods offer simplicity, they compromise on precision. Analytical methods, on the other hand, require investment in training and data management but yield more defensible and equitable results.

**14.8. SELECTION OF AN APPROPRIATE METHOD**

The **selection of an appropriate job evaluation method** is a crucial strategic decision that must align with an organization's overall culture, size, resources, and human resource objectives. Since job evaluation serves as the foundation for equitable compensation, its approach should be practical, fair, and suited to the organization's operational realities. There is no universal method that fits all organizations—each must choose or adapt one that best reflects its unique context and priorities.

**Key Criteria for Selection:**

- **Size and Structure of the Organization:** Smaller firms often prefer simple methods, while large, diversified organizations require more structured and analytical systems.
- **Nature and Diversity of Jobs:** The greater the variety and technical complexity of jobs, the more need there is for quantitative methods.
- **Availability of Expertise and Time:** Analytical methods demand trained evaluators and more time for implementation.
- **Financial Resources:** Simpler methods are low-cost; advanced systems may need consulting or software support.
- **Degree of Employee Involvement Desired:** Methods that encourage participation enhance acceptance and transparency.
- **Managerial Philosophy and HR Policy:** Organizations emphasizing professionalism and meritocracy prefer scientific, data-driven methods.

**Illustrative Scenarios:**

- **Small Family Business:** The Ranking Method is suitable for its simplicity and ease of use.
- **Public Sector or PSU:** The Job Classification Method fits well due to its alignment with standardized government pay scales.
- **Large Private or IT Organization:** The Point Rating or Hay Method is ideal for objectivity, scalability, and accuracy.
- **Manufacturing Enterprise:** The Factor Comparison Method works best for detailed and precise pay structuring of technical and skilled roles.

**Indian Example:**

At Tata Steel, a hybrid job evaluation system is adopted. Technical and operational jobs are assessed using the Point Rating Method, while managerial and strategic positions are evaluated through the Hay Guide Chart–Profile Method. This combination ensures both precision and flexibility, promoting internal equity and alignment with industry standards.

**14.9. SUMMARY**

Job evaluation serves as a foundation for fair and equitable compensation management within any organization. It provides a structured approach to determining the relative worth of different jobs, ensuring that pay levels are consistent with the responsibilities, skills, and efforts required for each role. By systematically assessing jobs rather than individuals, organizations can eliminate bias and maintain fairness in their wage and salary structures.

The selection of job evaluation methods depends on organizational needs, resources, and the nature of the jobs involved. Smaller organizations or those with a simple hierarchy may prefer Non-Quantitative (Traditional) Methods such as the Ranking or Job Classification Method because they are simple, quick, and cost-effective. However, these methods often rely heavily on subjective judgment, which can result in inconsistencies and disputes.

In contrast, Quantitative (Analytical) Methods, such as the Point Rating or Hay Guide Chart–Profile Method, are more scientific and objective. They assess jobs using defined compensable factors and measurable criteria, ensuring a transparent and defensible evaluation process. These methods support both internal equity (fairness among employees within the organization) and external competitiveness (alignment with market pay levels).

Ultimately, the goal of job evaluation goes beyond determining pay scales—it contributes to organizational harmony, employee motivation, retention, and higher productivity. When employees perceive that their compensation reflects the true value of their work, they develop greater trust in management and a stronger commitment to organizational goals. Thus, job evaluation is a key driver of both fairness and performance in modern HR practices.

**14.10. KEY WORDS**

- **Ranking Method:** Arranging jobs in order of overall importance.
- **Classification Method:** Grouping jobs into predefined grades or classes.
- **Point Rating Method:** Assigning numerical points to compensable factors.
- **Factor Comparison Method:** Comparing jobs with benchmark jobs using factor-based monetary values.
- **Hay Method:** Global job evaluation approach using know-how, problem-solving, and accountability.



### 14.11. SELF-ASSESSMENT QUESTIONS (SAQs)

#### A. Short Answer Questions

1. What are the two major categories of job evaluation methods?
2. Mention two advantages of the ranking method.
3. What are the key factors in the Hay Guide Chart–Profile Method?
4. Define compensable factors with examples.
5. List any two limitations of the Factor Comparison Method.

#### B. Long Answer Questions

1. Explain the Point Rating Method with suitable examples.
2. Compare and contrast the Factor Comparison Method and Point Rating Method.
3. Discuss the criteria for selecting an appropriate job evaluation method for an organization.
4. Evaluate the relevance of job evaluation in the age of Artificial Intelligence and hybrid work.
5. Examine the challenges of implementing analytical job evaluation in Indian organizations.

#### C. Multiple Choice Questions

1. Which of the following is a non-quantitative method?  
a) Point Rating  
b) Factor Comparison  
c) Ranking  
d) Hay Method  
**Answer:** c) Ranking
2. The Hay Guide Chart–Profile Method evaluates jobs primarily on:  
a) Effort, Responsibility, and Skill  
b) Know-how, Problem Solving, and Accountability  
c) Working Conditions, Effort, and Responsibility  
d) Skill, Responsibility, and Environment  
**Answer:** b) Know-how, Problem Solving, and Accountability
3. The Point Rating Method is:  
a) Based on overall judgment  
b) Based on measurable factors and points  
c) A subjective process  
d) Used only in government sectors  
**Answer:** b) Based on measurable factors and points

### 14.12 MODEL CASE STUDY WITH SUGGESTED ANALYSIS

#### Case:

XYZ Motors Pvt. Ltd., a mid-sized automobile company based in Pune, has recently diversified into the electric vehicle (EV) segment. To strengthen its technological capabilities, the company has created several new specialized positions such as Electric Vehicle Design Engineer, Battery Management Specialist, and Software Integration Engineer. Since these

roles are new and demand advanced technical knowledge in electrical systems, AI-driven design, and sustainable engineering, the HR department finds it difficult to determine appropriate pay scales. The existing wage structure, which was originally designed for conventional mechanical and assembly-line jobs, is no longer suitable for these highly skilled, knowledge-intensive roles.

**Questions for Analysis:**

1. Which job evaluation method should XYZ Motors adopt and why?
2. What are the advantages of using a quantitative method in this case?
3. How can the chosen method ensure internal equity and external competitiveness?

**14.13 SUGGESTED ANALYSIS:**

XYZ Motors should adopt a quantitative job evaluation method, such as the Point Rating Method or the Hay Guide Chart–Profile Method. These methods are highly suitable for modern, technology-driven organizations where jobs require professional expertise, innovation, analytical thinking, and accountability.

The Point Rating Method enables HR professionals to divide each job into measurable compensable factors such as technical knowledge, creative problem-solving, decision-making responsibility, impact on product performance, and safety or quality control. Each factor can be assigned weights and point values, allowing for a scientific comparison between diverse jobs. Alternatively, the Hay Method, which evaluates roles on Know-how, Problem-solving, and Accountability, provides a globally accepted framework for evaluating complex technical and managerial positions, particularly in the automotive and EV sectors.

The adoption of a quantitative approach offers multiple advantages. It reduces subjectivity in job comparison, ensures fairness, and brings transparency to the pay determination process. Quantitative methods also create a strong link between job content and compensation, enabling HR to justify pay decisions to employees, management, and labor unions. Furthermore, the data-driven outcomes help in benchmarking pay levels with industry standards, especially when competing for scarce technical talent in the growing EV market.

By applying such methods, XYZ Motors can achieve internal equity—ensuring that employees performing jobs of similar complexity and responsibility are rewarded fairly—and external competitiveness by aligning pay structures with prevailing industry trends. This structured approach will foster employee motivation, support retention of high-performing specialists, and strengthen the company’s reputation as a fair and progressive employer. Ultimately, it aligns human resource strategy with the company’s long-term innovation and sustainability goals in the dynamic electric vehicle industry.

**14.13. SUGGESTED READINGS**

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## LESSON - 15

# PROCESS, FACTORS, AND APPLICATIONS OF JOB EVALUATION

### OBJECTIVES

After completing this lesson, you will be able to:

- Understand the concept and systematic process of job evaluation in detail.
- Analyze compensable factors influencing job worth in modern organizations.
- Examine the strategic applications of job evaluation in compensation design and HR policy formulation.
- Evaluate the relationship between job evaluation, motivation, and organizational performance.
- Critically assess the challenges of implementing job evaluation in dynamic business environments.

### STRUCTURE

- 15.1 Introduction
- 15.2 Process of Job Evaluation
- 15.3 Compensable Factors in Job Evaluation
- 15.4 Application of Job Evaluation Results
- 15.5 Benefits of Job Evaluation
- 15.6 Challenges and Limitations
- 15.7 Summary
- 15.8 Key Words
- 15.9 Self-Assessment Questions (SAQs)
- 15.10 Model Case Study with Suggested Analysis
- 15.11 Suggested Readings

### 15.1. INTRODUCTION

Job evaluation is a systematic, logical, and structured process used by organizations to determine the relative worth or value of different jobs within their hierarchy. It serves as the foundation for designing a fair and equitable compensation structure by analyzing and comparing the content, responsibilities, and requirements of various positions. Unlike performance appraisal, which focuses on assessing how effectively an individual performs their job, job evaluation focuses on the job itself—examining what duties are performed, how they are carried out, and what qualifications, skills, and competencies are necessary to execute them effectively.

The fundamental purpose of job evaluation is to achieve **internal equity** and **external competitiveness**. Internal equity ensures that jobs demanding similar levels of skill, effort, responsibility, and working conditions are rewarded similarly within the organization.

External equity ensures that the organization's pay structures are aligned with prevailing market and industry standards, helping attract and retain competent talent. When implemented effectively, job evaluation becomes a strategic tool in human resource management that aligns with compensation planning, recruitment, training, succession planning, and career development.

In today's dynamic and technology-driven business environment, the relevance of job evaluation has increased manifold. Rapid technological advancements, automation, and digital transformation have led to the emergence of new job roles—especially in areas such as artificial intelligence, data analytics, digital marketing, cybersecurity, sustainability management, and renewable energy systems. As these new positions evolve, organizations must regularly reassess their worth in relation to existing roles. Periodic evaluation ensures that pay structures remain competitive, fair, and adaptable to changing business realities. This helps prevent wage distortions, skill-based disparities, and employee dissatisfaction that could otherwise affect morale and productivity.

Furthermore, job evaluation fosters **organizational justice and transparency**. Employees are more likely to accept pay differences when they understand that these differences are based on a systematic, objective, and well-documented evaluation process rather than subjective managerial judgment. This transparency strengthens employee trust in management decisions, enhances motivation, and builds a sense of fairness and belonging within the organization. As a result, job evaluation contributes not only to compensation management but also to employee engagement and organizational stability.

#### **Example (Industry Relevance):**

At **Infosys**, one of India's leading IT giants, the HR department periodically reviews the relative value of roles in software development, cybersecurity, and data analytics as emerging technologies reshape the business landscape. Through structured job evaluation, Infosys ensures that compensation reflects both the skill intensity and the strategic contribution of each role to organizational success.

Similarly, **Hindustan Unilever Ltd. (HUL)** applies a global job evaluation framework—often the **Hay Guide Chart Method**—to maintain equity and consistency across its marketing, production, logistics, and R&D functions. This method allows HUL to compare roles across countries and divisions on standardized criteria such as know-how, problem-solving, and accountability. The result is a transparent and equitable reward system that supports employee motivation, fair progression, and alignment with international compensation standards.

In conclusion, job evaluation is not merely a technical HR exercise but a **strategic mechanism** that bridges the gap between organizational goals and employee rewards. It ensures that compensation decisions are rational, transparent, and aligned with both business strategy and employee expectations—thereby promoting efficiency, fairness, and sustained organizational growth.

## 15.2. PROCESS OF JOB EVALUATION

The job evaluation process is a structured, participative, and data-driven approach that determines the relative worth of jobs in an organization. It ensures that pay structures are fair, equitable, and aligned with both internal consistency and external competitiveness. The process generally involves several well-defined stages, each building upon the previous one to produce a scientifically valid and transparent evaluation outcome.

### Step 1: Job Analysis

Job analysis is the **foundation** of job evaluation. It involves collecting detailed information about the duties, responsibilities, working conditions, and human requirements of each job. The data gathered provides a clear understanding of what the job entails and the competencies required to perform it effectively.

Common methods used include:

- **Interviews** with job incumbents and supervisors to understand daily tasks and responsibilities.
- **Observation** of work practices to identify skills and effort involved.
- **Structured questionnaires** such as the Position Analysis Questionnaire (PAQ) for standardized data collection.

This comprehensive analysis forms the factual base for comparing and evaluating jobs.

#### Example:

At **Tata Steel**, job analysis is conducted across production, maintenance, and R&D divisions before initiating job evaluation. This ensures clear differentiation between the skill requirements of technical, supervisory, and managerial roles—helping to maintain internal consistency and fairness in compensation.

### Step 2: Preparation of Job Descriptions and Job Specifications

Once data is collected, it is documented in two key forms:

- **Job Description (JD):** Outlines the job's content—its duties, responsibilities, reporting relationships, and working conditions.
- **Job Specification (JS):** Describes the human attributes required—education, experience, technical skills, and personal competencies.

These documents act as reference points for comparing jobs objectively and serve as a foundation for various HR functions such as recruitment, training, and performance management.

### Step 3: Formation of a Job Evaluation Committee

A representative Job Evaluation Committee is formed to ensure objectivity and participation. It typically includes members from HR, departmental heads, and, in unionized organizations, employee or union representatives.

This participatory approach enhances transparency, minimizes bias, and builds trust in the process.

#### **Step 4: Selection of an Appropriate Job Evaluation Method**

Organizations must select a suitable evaluation method based on:

- The size and complexity of the organization,
- The nature of jobs being evaluated (managerial, technical, or operational), and
- The time and expertise available.

Broadly, two types of methods are used:

- Non-quantitative methods (e.g., Ranking, Job Classification) that compare jobs qualitatively.
- Quantitative methods (e.g., Point Rating, Factor Comparison, Hay Guide Chart) that assign numerical values to compensable factors for more precision.

#### **Step 5: Identification of Compensable Factors**

Compensable factors represent the **key elements of a job** that an organization values and rewards. Common factors include:

- **Skill:** Experience, education, and problem-solving ability.
- **Effort:** Physical and mental exertion required.
- **Responsibility:** Degree of accountability for resources, decisions, and people.
- **Working Conditions:** Environment, hazards, and job pressures.

These factors are later used to assign scores or weights during evaluation.

#### **Step 6: Evaluation of Jobs**

Each job is assessed using the selected method.

- In the Ranking Method, jobs are ordered from highest to lowest based on their overall importance or value.
- In the Point Rating Method, each compensable factor is assigned points and weights. The total points determine the relative worth of the job.

This systematic approach ensures objectivity and comparability across all roles.

#### **Step 7: Job Grading and Classification**

After evaluation, jobs are grouped into grades or classes based on their total scores or rankings. Each grade contains jobs of similar worth and complexity. Grading helps simplify pay structure design and ensures internal consistency in compensation.

### Step 8: Developing a Pay Structure

Once grading is complete, organizations develop a rational pay structure linking job grades to salary ranges. Pay bands are determined by internal job values and external market benchmarks obtained from compensation surveys.

**Example:**

At ICICI Bank, job grades range from Assistant Manager to Senior Vice President. Each grade has defined pay bands based on job evaluation scores and industry pay trends, ensuring both fairness and competitiveness.

### Step 9: Review and Maintenance

Job evaluation is not a one-time exercise. As organizations evolve, technologies change, and roles expand, periodic reviews are essential to maintain fairness and relevance.

**Example:**

At Bharti Airtel, annual job evaluation reviews are conducted to align emerging digital roles with the company's transformation initiatives—such as AI-based customer engagement, 5G network operations, and digital product management.

The job evaluation process is a continuous, participative, and evidence-based approach that supports equitable pay decisions. By combining systematic analysis, employee participation, and market alignment, organizations can ensure that compensation structures remain just, competitive, and aligned with strategic business goals.

## 15.3. COMPENSABLE FACTORS IN JOB EVALUATION

Compensable factors are the core criteria that organizations use to assess the relative worth of jobs. They represent the attributes or dimensions of work that the organization values and rewards through its compensation system. These factors form the foundation for quantitative job evaluation methods such as the Point Rating or Hay Guide Chart, where each factor is assigned weights or points according to its significance to the organization's success.

The primary purpose of identifying compensable factors is to ensure that jobs are evaluated consistently and objectively across departments. These factors typically align with the organization's strategic priorities, operational requirements, and cultural values.

Category	Typical Factors	Description
<b>Skill</b>	Education, experience, training, creativity	Refers to the level of knowledge, technical expertise, analytical ability, and innovation required to perform the job effectively. Higher education, specialized training, and problem-solving ability increase a job's relative worth.
<b>Effort</b>	Mental and physical effort	Denotes the amount of physical exertion and mental concentration demanded by the job. Jobs requiring sustained attention, multitasking, or physical stamina receive higher weightage.
<b>Responsibility</b>	Supervision,	Reflects the degree of accountability and authority



	decision-making, impact	the position carries. It measures how much influence the job has on organizational results, resources, safety, or people management.
<b>Working Conditions</b>	Hazards, environment, time pressure	Considers the physical surroundings and potential risks associated with the job, including exposure to noise, temperature extremes, or time-sensitive tasks.

In addition to these traditional categories, modern organizations are expanding their evaluation frameworks to incorporate emerging factors relevant in today's digital and globalized business landscape:

- **Technological Proficiency:** The ability to use digital tools, analyze data, and adapt to technological change.
- **Innovation and Creativity:** The capability to generate novel ideas, improve processes, and solve complex problems.
- **Communication and Collaboration:** The skill to work effectively in cross-functional, hybrid, and multicultural teams.
- **Customer Orientation:** Sensitivity to customer expectations and the ability to deliver high-quality service experiences.

#### Example (Modern Industry):

At TCS and Wipro, roles involving advanced digital expertise—such as AI modeling, cloud architecture, and data analytics—are assigned higher scores for skill and innovation compared to routine administrative or clerical positions. This ensures that pay structures reflect the strategic importance of technology-driven competencies.

#### Example (Manufacturing):

In Maruti Suzuki, compensable factors emphasize responsibility for safety, quality control, and process reliability, reflecting the company's operational and compliance priorities. Supervisory and engineering roles, which directly impact production efficiency and safety standards, are therefore valued more highly than support or routine functions.

In essence, compensable factors provide the analytical backbone of job evaluation, ensuring that compensation decisions are based on measurable job attributes rather than subjective judgment.

### 15.4. APPLICATION OF JOB EVALUATION RESULTS

The results of job evaluation have strategic and multidimensional applications in human resource management. Once jobs are systematically analyzed and their relative worth determined, the findings serve as a foundation for multiple HR functions—particularly in the design of equitable compensation systems, organizational structuring, and talent management. Job evaluation thus becomes a vital tool for aligning people, performance, and pay with business objectives.

## 1. Designing Pay Structures

The primary application of job evaluation results lies in designing fair, logical, and competitive pay structures. Jobs with similar levels of complexity, responsibility, and value are grouped into grades or bands, with corresponding salary ranges. This structured pay system eliminates inconsistencies and helps employees understand how compensation is determined. It also aligns rewards with the contribution and skill level required by each job.

### Example:

At Infosys, job evaluation results form the basis for defining job bands from E1 to E8. Each band corresponds to a particular set of competencies, responsibilities, and salary ranges. The pay structure is benchmarked against global market standards, ensuring both fairness and competitiveness in compensation.

## 2. Maintaining Internal Equity

Job evaluation promotes internal equity by linking compensation directly to job worth. Employees performing jobs of similar responsibility, effort, and skill level receive equitable pay, fostering a culture of fairness and transparency. This consistency reduces dissatisfaction and prevents internal pay conflicts that could harm teamwork and morale.

### Example:

At Indian Oil Corporation (IOCL), job evaluation ensures parity among engineers, finance officers, and administrative staff occupying equivalent levels of responsibility. This system reinforces fairness, minimizes grievances, and strengthens trust in HR policies.

## 3. Controlling Labour Costs

By establishing a clear link between pay and job value, job evaluation helps organizations maintain financial discipline. It prevents arbitrary salary decisions, favoritism, or overpayment for less critical roles. Consequently, wage expenditure is optimized, and payroll budgets become more predictable. This is particularly valuable in large organizations with diverse job categories and geographical spread.

## 4. Supporting Career and Succession Planning

Job evaluation results also play a vital role in career pathing and succession planning. By clarifying job hierarchies and interrelationships, HR professionals can map out career progression routes. Employees can see how roles relate in terms of responsibility and skill, enabling them to plan development activities to qualify for higher-level positions. This motivates employees to upgrade their competencies and aligns personal growth with organizational goals.

## 5. Enhancing Employee Relations

A transparent job evaluation process promotes trust, motivation, and commitment among employees. When workers understand that pay differences are based on systematic and objective assessments rather than managerial bias, they perceive the system as fair. This

transparency enhances employee morale, reduces grievances, and fosters a positive organizational climate.

## **6. Facilitating Organizational Restructuring**

During mergers, acquisitions, or restructuring, job evaluation provides a framework for realigning job roles, titles, and pay scales in line with the new organizational structure. It ensures that overlapping or redundant roles are rationalized and that employees are compensated fairly under the revised framework.

### **Example:**

When HDFC Bank restructured its branch operations, job evaluation played a key role in revising job grades and standardizing pay scales across branches. The exercise not only improved operational efficiency but also enhanced employee satisfaction by ensuring transparency and role clarity.

In summary, job evaluation results serve as the cornerstone of an integrated HR system. They ensure that compensation structures are equitable, labor costs are controlled, and career growth is systematically supported. By fostering fairness, transparency, and alignment between organizational strategy and employee motivation, job evaluation strengthens both organizational effectiveness and long-term employee engagement.

## **15.5. BENEFITS OF JOB EVALUATION**

A well-designed and effectively implemented job evaluation system provides extensive benefits to both the organization and its employees. It acts as a strategic foundation for compensation management, workforce planning, and employee engagement—contributing to overall organizational harmony, fairness, and productivity.

### **1. Establishing Equitable Wage Structures**

The most fundamental benefit of job evaluation is its ability to create fair and equitable pay structures. By systematically determining the relative worth of each job based on objective criteria such as skill, responsibility, effort, and working conditions, organizations can ensure that compensation reflects the true value of the work performed.

This eliminates wage distortions caused by managerial bias, negotiation power, or external pressures. As a result, employees performing jobs of comparable value receive similar pay, promoting internal equity and reducing perceptions of favoritism or discrimination.

### **2. Enhancing Employee Motivation and Satisfaction**

Job evaluation has a direct positive impact on employee morale, motivation, and job satisfaction. When employees perceive that their roles are fairly assessed and rewarded through a transparent and structured system, they feel valued and respected. This sense of fairness reinforces organizational justice, leading to greater commitment, loyalty, and performance.

Employees are more likely to stay engaged when they understand that their compensation is based on the inherent worth of their job rather than arbitrary managerial decisions. Consequently, turnover rates decline, and teamwork improves as pay fairness becomes part of the organizational culture.

### **3. Supporting Strategic Human Resource Management**

As a strategic HR tool, job evaluation enables management to link pay decisions with broader business objectives. By identifying high-value and critical roles that drive innovation, customer satisfaction, or operational excellence, organizations can allocate rewards and resources efficiently.

Job evaluation also facilitates succession planning, promotions, and manpower planning. It clarifies job hierarchies, competency requirements, and progression paths, allowing HR departments to design structured career ladders and development programs. This strategic alignment ensures that compensation policies not only reward current contributions but also encourage skill enhancement and career growth.

### **4. Ensuring Legal Compliance and Reducing Disputes**

A systematic job evaluation process helps organizations comply with legal frameworks such as the Code on Wages Act, 2020, which emphasizes the principle of “equal pay for equal work.” By maintaining well-documented evaluation procedures and records, companies can demonstrate that pay differentials are based on job value rather than gender, tenure, or personal bias.

This reduces the likelihood of legal disputes or grievances related to pay discrimination and promotes a fair employment environment in line with statutory requirements and ethical standards.

### **5. Strengthening Employer Brand and Talent Retention**

Organizations that follow transparent and equitable pay practices build a strong employer brand. Fairness in compensation enhances their reputation as responsible and employee-centric workplaces, helping attract and retain top talent in competitive labor markets. Employees are more likely to recommend such organizations, improving overall engagement and long-term loyalty.

#### **Illustration**

At Larsen & Toubro (L&T), a structured job evaluation framework has been crucial in maintaining internal equity across engineering, design, and project management divisions. By ensuring that pay scales reflect the complexity and responsibility of each role, L&T has successfully improved employee satisfaction, reduced attrition among technical professionals, and reinforced its image as a fair and progressive employer.

In essence, job evaluation is far more than an administrative exercise—it is a strategic enabler of fairness, efficiency, and organizational success. By promoting equitable pay, supporting legal compliance, enhancing motivation, and aligning compensation with strategic

priorities, it helps organizations sustain both employee trust and competitive advantage in a dynamic business environment.

### 15.6. CHALLENGES AND LIMITATIONS OF JOB EVALUATION

While job evaluation is a vital tool for establishing pay equity and organizational fairness, it is not without challenges and limitations. The process requires careful planning, objectivity, and continuous updating to remain effective in dynamic business environments.

Challenge	Explanation / Example
<b>Subjectivity</b>	Despite standardized methods, job evaluation often involves human judgment. Evaluators may bring personal biases or differing interpretations of job importance, particularly in qualitative methods like ranking or classification. This subjectivity can distort results and undermine fairness.
<b>Resource Intensity</b>	Job evaluation is time-consuming and resource-intensive. Large organizations may take months to complete evaluations due to the complexity and volume of roles. It also demands trained personnel and continuous data updates, increasing administrative costs.
<b>Employee Resistance</b>	Employees may resist the process if it leads to reclassification or changes in pay grades. Perceived downgrades can create insecurity, dissatisfaction, and industrial disputes, especially in unionized settings. Transparent communication is essential to minimize such resistance.
<b>Dynamic Job Roles</b>	In fast-changing industries such as IT, digital marketing, and startups, job roles evolve rapidly. Frequent innovation, automation, and new technologies can make job descriptions—and thus evaluations—obsolete within short periods.
<b>Balancing Internal and External Equity</b>	Striking a balance between fair internal pay relationships and external market competitiveness is complex. Overemphasis on internal equity may make pay uncompetitive, while excessive focus on market rates can cause internal disparities.

#### Example:

In rapidly evolving startups like Zomato and Swiggy, frequent restructuring, technological integration, and role diversification make it difficult to maintain consistent and relevant job evaluation frameworks. Consequently, organizations must adopt flexible, technology-enabled evaluation systems to remain fair and competitive.

### 15.7. SUMMARY

Job evaluation is both a systematic and strategic human resource process aimed at determining the relative worth of jobs within an organization. It serves as a scientific method to establish internal equity by ensuring that compensation reflects the value and contribution of each role. Beyond being a technical exercise, job evaluation is a strategic enabler of fairness, transparency, and employee motivation.

The process typically begins with job analysis, followed by the selection of an appropriate evaluation method—such as ranking, point rating, or factor comparison—and culminates in the design of equitable pay structures and grade classifications. For successful

implementation, participation from management, employees, and HR professionals is essential, as it builds trust and minimizes bias.

Moreover, job evaluation is not a one-time exercise; it requires periodic review and updating to remain aligned with changing organizational roles, market trends, and technological advancements. When conducted effectively, job evaluation enhances employee morale, supports career progression, and strengthens the organization's ability to attract and retain talent.

Ultimately, it integrates the goals of equity, efficiency, and strategic alignment, making it a cornerstone of modern compensation management and organizational effectiveness.

### 15.8. KEY WORDS

- **Job Evaluation:** Systematic assessment of job worth.
- **Compensable Factors:** Key criteria used to compare job value.
- **Internal Equity:** Pay fairness within the organization.
- **Pay Structure:** Framework linking grades with salary bands.
- **Job Grading:** Grouping of jobs based on evaluation outcomes.

### 15.9. SELF-ASSESSMENT QUESTIONS (SAQs)

#### A. Short Answer Questions

1. What are compensable factors?
2. Mention four steps involved in job evaluation.
3. Define internal equity in the context of job evaluation.

#### B. Long Answer Questions

1. Explain the process of job evaluation in detail with relevant industry examples.
2. Discuss the significance of compensable factors in determining job worth.
3. Evaluate the strategic applications of job evaluation in modern HR management.
4. Analyze how job evaluation can strengthen employee motivation and organizational justice.

#### C. Multiple-Choice Questions

1. The foundation for job evaluation is:
  - a) Job Specification
  - b) **Job Analysis** ✓
  - c) Performance Appraisal
  - d) Compensation Survey
2. Which of the following is *not* a compensable factor?
  - a) Skill
  - b) Responsibility
  - c) **Age** ✓
  - d) Effort

3. The primary outcome of job evaluation is:
- a) Training Plan
  - b) **Pay Structure** ✓
  - c) Performance Score
  - d) Job Design

### 15.10. MODEL CASE STUDY WITH SUGGESTED ANALYSIS

#### Case:

At **Sunrise Pharmaceuticals Ltd.**, employees from production and quality control departments raised grievances regarding pay disparities. Quality control officers argued that their work required higher technical qualifications and greater responsibility for regulatory compliance, yet their pay was equivalent to production staff.

#### Questions for Analysis:

1. What steps should the HR department follow to resolve the issue?
2. Which compensable factors are most relevant for comparing production and quality control jobs?
3. How can job evaluation outcomes improve employee relations?

#### Suggested Analysis:

- Conduct a comprehensive job analysis for both departments.
- Identify key compensable factors — skill, responsibility, effort, and working conditions.
- Use a point rating method to assign objective values.
- Develop a revised pay structure reflecting differences in job worth.
- Communicate outcomes transparently to all stakeholders.

**Outcome:** After implementation, Sunrise Pharmaceuticals revised pay bands for quality control roles, recognizing their higher accountability. Employee morale improved, grievances reduced, and trust in HR systems was restored.

**Extension Example:** A similar practice at Dr. Reddy's Laboratories resulted in improved job satisfaction when evaluation showed that R&D scientists required higher cognitive effort and responsibility than operational roles.

**15.11. SUGGESTED READINGS**

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## **LESSON - 16**

# **MODERN TRENDS, CHALLENGES, AND CASE STUDIES IN JOB EVALUATION**

### **OBJECTIVES**

After completing this lesson, you will be able to:

- Understand the emerging trends and modern approaches in job evaluation.
- Explain the integration of technology and analytics in job evaluation systems.
- Recognize the relevance of competency-based and skill-based evaluation models.
- Discuss global job evaluation frameworks used by multinational organizations.
- Analyze practical case studies of job evaluation practices in Indian and international contexts.
- Identify the key challenges and future directions of job evaluation in dynamic organizations.

### **STRUCTURE**

- 16.1 Introduction
- 16.2 Changing Nature of Jobs and the Need for Modern Evaluation
- 16.3 Emerging Trends in Job Evaluation
  - 16.3.1 Competency-Based Evaluation
  - 16.3.2 Skill-Based Pay Systems
  - 16.3.3 Market Pricing and Benchmarking
  - 16.3.4 HR Analytics and Technology-Driven Evaluation
  - 16.3.5 Global Job Evaluation Systems
- 16.4 Challenges in Modern Job Evaluation
  - 16.4.1 Case Studies
  - 16.4.2 Case 1: Job Evaluation at Tata Steel (India)
  - 16.4.3 Case 2: Competency-Based Job Evaluation at Infosys
  - 16.4.4 Case 3: Hay Method Application at Unilever
- 16.5 Future Directions in Job Evaluation
- 16.6 Summary
- 16.7 Key Words
- 16.8 Self-Assessment Questions (SAQs)
- 16.9 Model Case Study with Suggested Analysis
- 16.10 Suggested Readings

### **16.1. INTRODUCTION**

Job evaluation in the 21st century is undergoing a paradigm shift. The traditional approach—focused primarily on assessing internal job worth through factors like responsibility, effort, and working conditions—has evolved into a strategic, technology-driven process that integrates competencies, market data, and predictive analytics. In today's dynamic environment, organizations are not only assessing what a job entails but also how it contributes to organizational agility, innovation, and long-term sustainability.

Businesses now operate in a VUCA world — volatile, uncertain, complex, and ambiguous — where change is the only constant. The advent of digital transformation, artificial intelligence (AI), automation, and globalization has blurred conventional job boundaries. Earlier, job evaluation emphasized tangible aspects such as defined duties, hierarchical levels, and reporting structures. Today, intangible elements such as innovation capability, adaptability, digital literacy, and emotional intelligence are equally significant determinants of job value.

In industries like IT, FinTech, and healthcare, emerging roles—AI engineers, data scientists, cybersecurity specialists, and digital transformation leads—demand fluid skill sets and continuous learning. These jobs cannot be assessed adequately through traditional ranking or point methods. Instead, competency-based and skill-linked pay systems have become the norm, aligning compensation with evolving business priorities and employee contributions.

For example, in Infosys and TCS, job evaluation frameworks now consider digital expertise, project innovation impact, and client delivery agility as critical compensable factors. Similarly, in HDFC Bank, roles in digital banking and cybersecurity are evaluated through a combination of job complexity, innovation, and risk accountability to ensure market-relevant pay differentiation.

Thus, modern job evaluation has transformed from an administrative exercise into a strategic HR function that connects human potential with business outcomes. It supports not only fair and equitable compensation but also organizational justice, employee motivation, and retention of high-potential talent. By blending internal equity with external competitiveness, job evaluation today serves as a foundation for strategic workforce management and future-ready HR systems.

## 16.2. Changing Nature of Jobs and Need for Modern Evaluation

The contemporary business landscape is characterized by constant transformation and skill disruption. The nature of work itself has evolved, making it necessary for organizations to rethink how jobs are defined, analyzed, and valued. Several interrelated factors have shaped this shift:

1. **Technological Advancements:** The rise of automation, robotics, artificial intelligence (AI), and data analytics has drastically redefined traditional job structures. Routine and repetitive tasks are increasingly being handled by machines, while human roles now focus on creativity, critical thinking, and decision-making. For instance, in manufacturing, automation handles assembly operations, but human workers manage machine learning models and quality analytics. Therefore, modern job evaluation must assess cognitive complexity, innovation potential, and technological interaction rather than just manual effort or supervision.
2. **Cross-Functional Collaboration:** In today's agile organizations, employees often work in cross-functional teams that cut across departments. For example, marketing professionals collaborate with IT specialists and data analysts to design and execute digital campaigns. This convergence demands multi-domain knowledge and teamwork skills, making collaboration and adaptability important evaluation factors.

3. **Remote and Hybrid Work Models:** The pandemic accelerated the rise of remote and hybrid workplaces, allowing employees to operate from multiple geographies. Job evaluation now needs to consider new parameters such as digital communication skills, accountability in virtual environments, and self-management capability. For instance, global firms like Accenture and IBM have integrated flexibility and digital proficiency as key components in evaluating remote roles.
4. **Focus on Skills and Competencies:** The traditional notion of job titles has lost significance compared to the value of skills and competencies. Organizations now emphasize what employees can do rather than what position they hold. As a result, competency-based evaluation systems are replacing designation-based ones. For example, Wipro uses a competency grid that links pay progression to skill mastery rather than tenure or title, promoting continuous learning and agility.
5. **Global Pay Alignment:** With increased globalization, multinational corporations must ensure consistency and fairness across countries while remaining sensitive to local market realities. Job evaluation systems help organizations benchmark roles globally, ensuring parity in grade levels, while allowing flexibility in regional compensation structures. For instance, Unilever and PepsiCo maintain global job grading frameworks that are harmonized yet adaptable to local economies and regulatory standards.

In light of these trends, modern job evaluation systems must be:

- Dynamic and data-driven, using analytics and benchmarking tools instead of static hierarchical models.
- Linked to competencies and outcomes, focusing on measurable contributions to organizational success rather than only job descriptions.
- Flexible and inclusive, adaptable to emerging job types such as gig roles, hybrid functions, and AI-assisted positions.
- Globally aligned yet locally relevant, ensuring equity and competitiveness in a diverse, global workforce.

Ultimately, the need for modern job evaluation arises from the realization that work is no longer confined to rigid roles. It is a continuum of skills, knowledge, and behaviors that evolve with technology and strategy. Effective evaluation today provides organizations with the agility to redesign jobs, manage pay equity, and prepare for future talent challenges—making it an indispensable part of strategic human resource management.

### Key Takeaways

Modern job evaluation has evolved from a traditional, position-based assessment into a strategic, competency-driven process that aligns human talent with organizational goals. It now incorporates technology, analytics, and market benchmarking to ensure fairness and competitiveness. Factors such as digital skills, collaboration, innovation, and adaptability have become critical in assessing job worth. In a VUCA environment, job evaluation must be dynamic, data-based, and globally aligned, reflecting the fluid nature of modern work. Ultimately, it serves as a vital tool for equitable pay, employee motivation, and sustainable organizational growth.

### 16.3. Emerging Trends in Job Evaluation

The world of work is transforming at an unprecedented pace. Traditional job evaluation methods, once adequate for stable job roles, are now insufficient for today's fluid, technology-driven, and globalized work environments. Organizations increasingly require flexible, analytical, and competency-based job evaluation systems that reflect both internal equity and external competitiveness.

This section explores the most influential modern trends shaping job evaluation — from competency and skill-based models to data analytics, market benchmarking, and global frameworks.

#### 16.3.1 Competency-Based Job Evaluation

Competency-based job evaluation focuses on assessing jobs in terms of the behavioral, cognitive, and technical competencies required for effective performance. Unlike traditional evaluation, which measures “what” employees do, this approach evaluates “how” they perform and “what attributes” drive superior results.

##### Key Features

- Integrates technical competencies (like domain knowledge, problem-solving, and data analysis) with behavioral competencies (like teamwork, leadership, and adaptability).
- Encourages continuous learning and personal development by identifying competency gaps that can be bridged through training.
- Provides a transparent link between career growth and skill mastery, enhancing engagement and retention.
- Promotes internal mobility by mapping competencies across job families, allowing employees to move horizontally or vertically.

##### Example – Infosys

Infosys employs a sophisticated Competency Development Framework that evaluates employees not only by tasks but also by their ability to innovate, analyze data, collaborate, and demonstrate leadership. Each role is mapped to a defined competency level, and promotions or pay increments are tied to demonstrated mastery of these competencies. This ensures fairness in career progression while promoting a culture of excellence.

##### Theoretical Relevance

This trend aligns closely with David McClelland's Competency Theory (1973), which proposed that job performance is determined by underlying competencies — motives, traits, self-concepts, and knowledge — rather than qualifications or experience alone. It also echoes Resource-Based View (RBV) of strategy, which emphasizes human competencies as unique assets that generate competitive advantage.

**Practical Insight**

Competency-based evaluation is particularly relevant in industries such as IT, healthcare, education, and consulting, where success depends on innovation, leadership, and problem-solving rather than routine execution. For example, Apollo Hospitals assesses doctors and administrative staff on competencies such as patient empathy, teamwork, and clinical innovation, linking evaluation outcomes with professional development plans.

**16.3.2 Skill-Based Pay Systems**

Skill-based pay systems reward employees based on the range, depth, and relevance of their skills rather than their hierarchical position or job title. This model supports organizational flexibility, enhances motivation, and encourages employees to become multi-skilled contributors.

**Advantages**

- Promotes multi-skilling and workforce versatility, enabling organizations to respond quickly to changing business needs.
- Enhances employee engagement and motivation, as pay growth depends on skill acquisition rather than waiting for promotions.
- Reduces the rigidity of traditional job classifications and supports team-based work structures.
- Encourages a learning culture, aligning employee growth with organizational innovation.

**Example – Bajaj Auto**

At Bajaj Auto, technicians and operators who complete advanced certifications in robotics, digital inspection, and automated assembly receive pay enhancements. The firm's multi-skill policy not only improves operational efficiency but also enhances job satisfaction by rewarding tangible learning outcomes.

**Indian Context**

Public sector enterprises such as NTPC, ONGC, and BHEL have introduced Skill Matrices that quantify technical skill levels and directly link them to compensation. Employees who upgrade their technical or managerial skills earn additional allowances, thereby integrating lifelong learning with reward mechanisms.

**Theoretical Link**

Skill-based systems draw from Human Capital Theory (Becker, 1964), which asserts that investment in employee education and skills increases productivity and justifies higher pay. These systems also align with Expectancy Theory (Vroom, 1964) — employees are motivated when they believe skill acquisition leads to meaningful rewards.

### 16.3.3 Market Pricing and Benchmarking

Market pricing and benchmarking align internal job values with external market compensation data to ensure competitiveness. With the increasing mobility of talent and availability of salary data, organizations must keep pay structures aligned with market realities to attract and retain skilled professionals.

#### Sources of Market Data

- Compensation surveys conducted by Mercer, Aon Hewitt, Deloitte, and other consulting firms.
- Industry associations and chambers of commerce data on pay standards.
- Government wage reports and labor market analytics platforms.

#### Benefits

- Ensures external equity — employees feel fairly compensated compared to market peers.
- Improves talent attraction and retention, reducing turnover due to pay disparities.
- Facilitates data-driven pay adjustments, especially in fast-changing sectors like IT and e-commerce.
- Provides insights for budgeting and workforce planning.

#### Example – HDFC Bank

HDFC Bank systematically benchmarks compensation for positions like relationship managers, IT specialists, and data analysts with peer banks and fintech firms. Annual reviews ensure that pay levels remain competitive, reducing attrition to global financial institutions and startups.

#### Global Relevance

In global corporations like Accenture and Google, pay benchmarking ensures consistency across regions while maintaining market-based differentiation. Benchmarking also aids in aligning pay with performance expectations in diverse markets.

#### Practical Insight

Market pricing complements internal job evaluation, ensuring that jobs are not only fairly valued internally but also competitively priced externally. The integration of market analytics tools now allows organizations to automate this process, providing real-time insights into compensation trends.

### 16.3.4 HR Analytics and Technology-Driven Evaluation

The digital revolution has transformed job evaluation into a data-centric process. Advanced HR software, analytics dashboards, and AI-driven tools now assist HR professionals in designing, implementing, and updating job evaluation systems.

## Applications

- AI-based text analysis reads job descriptions to identify essential skills and responsibilities.
- Machine learning algorithms predict emerging job roles and future skill needs.
- HR dashboards track pay equity, turnover risk, and workforce demographics.
- Digital HR platforms automate job grading, documentation, and pay structure simulations.

### Example – Reliance Industries Ltd.

Reliance has adopted an integrated HR Information System (HRIS) that combines employee data, performance metrics, and compensation analytics. This system identifies high-value roles, evaluates pay parity, and provides insights for role reclassification, ensuring fairness and agility in job evaluation.

## Practical Insight

Technology-driven evaluation minimizes subjectivity, enhances transparency, and supports evidence-based HR decisions. Cloud-based platforms like SAP SuccessFactors and Oracle HCM are widely used for real-time evaluation and pay benchmarking in large enterprises.

## Theoretical Context

The use of HR analytics aligns with the Evidence-Based HRM approach, emphasizing decisions grounded in data and analytics rather than intuition. It also supports strategic HR alignment, linking workforce analytics to organizational goals.

### 16.3.5 Global Job Evaluation Systems

As organizations expand across borders, maintaining equity and consistency in job evaluation becomes a strategic imperative. Global frameworks standardize job levels and compensation structures across geographies while respecting local variations in cost of living, labor laws, and culture.

#### Common Global Frameworks

1. **Mercer International Position Evaluation (IPE):** Focuses on factors like impact, communication, innovation, and knowledge contribution.
2. **Korn Ferry Hay Guide Chart–Profile Method:** Measures job size using three dimensions: know-how, problem-solving, and accountability.
3. **Towers Watson Global Grading System:** Uses job leveling and point-factor methods for global consistency.

### Example – Unilever

Unilever employs the Hay Method across its global operations to maintain equitable pay and transparent career paths. By standardizing evaluation metrics, Unilever ensures internal

alignment while adapting pay levels to local markets such as India, Indonesia, and South Africa.

### Theoretical Connection

Global job evaluation reflects Equity Theory (Adams, 1963), emphasizing fairness and balance both within and across international boundaries. It also ties into Standardization vs. Localization Theory, which discusses balancing global uniformity with regional adaptability.

### Practical Insight

Multinational firms like IBM, Coca-Cola, and Nestlé use global evaluation frameworks to facilitate cross-border mobility, talent management, and succession planning. However, customization remains essential — local job realities, market data, and cultural nuances must be factored in to ensure acceptance.

### Conclusion

Emerging trends in job evaluation indicate a significant transformation from traditional, position-based methods to **strategic, competency-oriented, and technology-integrated systems**. Modern organizations increasingly recognize that roles evolve rapidly with innovation, automation, and global competition. As a result, **competency-based and skill-based evaluations** are gaining prominence, emphasizing capability enhancement, learning agility, and future readiness of employees.

At the same time, **market benchmarking and global evaluation frameworks** ensure that organizations maintain internal equity while remaining externally competitive in attracting and retaining talent. The integration of **HR analytics and digital tools** has added precision, transparency, and objectivity to the process, enabling real-time monitoring and data-driven decision-making.

Job evaluation is thus transitioning from a one-time administrative exercise to a **continuous, adaptive, and evidence-based process**. It aligns employee roles and rewards with organizational strategy, fostering engagement, fairness, and performance excellence. Collectively, these approaches redefine job evaluation as not merely an HR mechanism but as a **strategic driver of organizational effectiveness, innovation, and sustainable growth** in an ever-changing business environment.

## 16.4. CHALLENGES IN MODERN JOB EVALUATION

1. **Dynamic Job Roles:** Rapid technological change makes job descriptions obsolete quickly, demanding frequent re-evaluation.
2. **Skill Obsolescence:** Skills in demand today may lose relevance within a few years, affecting job value assessments.
3. **Employee Resistance:** Employees may perceive new evaluation systems as opaque or biased unless communication is transparent.
4. **Data Reliability:** Market surveys may not always accurately represent local conditions, especially in emerging economies.



5. **Balancing Internal and External Equity:** Companies struggle to maintain fairness internally while staying competitive externally.
6. **Cultural Variations:** Global frameworks may not reflect local work culture or cost-of-living differences. Example: IBM tailors its global job evaluation system in India to suit local expectations.

### 16.4.1 Case Studies

#### 16.4.2 Case 1: Job Evaluation at Tata Steel (India)

Tata Steel, one of India's oldest industrial organizations, undertook a comprehensive job evaluation using the Hay Method to restructure its pay and grading system. Over 500 job titles were consolidated into structured job families.

##### Outcome:

- Reduced pay disparities.
- Clearer role definitions.
- Improved morale and internal career mobility.
- Alignment with global standards.

#### 16.4.3 Case 2: Competency-Based Job Evaluation at Infosys

Infosys linked its job evaluation to its Competency Development Framework emphasizing analytical ability, innovation, leadership, and teamwork.

##### Outcome:

- Enhanced career clarity.
- Succession planning based on competencies.
- Transparent linkage between job roles and pay levels.

#### 16.4.4 Case 3: Hay Method Application at Unilever

Unilever applied the Hay Guide Chart–Profile Method across its global operations.

##### Outcome:

- Achieved consistency in job levels globally.
- Simplified employee mobility across countries.
- Promoted transparency and global talent management.

### 16.5. FUTURE DIRECTIONS IN JOB EVALUATION:

The future of job evaluation lies in its transformation from a static administrative exercise to a dynamic, technology-driven, and strategic HR process. Several emerging trends are shaping this evolution:

- **Integration with Performance Management:** Organizations are increasingly linking job evaluation systems with real-time performance metrics. Instead of relying solely on job descriptions, HR systems now evaluate roles based on actual output, contribution, and value creation. This integration helps align compensation with measurable results and reinforces a performance-oriented culture.
- **AI and Machine Learning:** Advanced analytics tools and AI algorithms can now predict job worth, identify hidden pay disparities, and benchmark roles across industries automatically. By analyzing large datasets, AI provides predictive insights on how job value might evolve with technological change, thereby helping companies stay competitive in talent markets.
- **Personalized Pay Structures:** Future compensation frameworks will focus on individualized and flexible pay models that recognize unique skill combinations, learning agility, and personal contribution. Employees will be rewarded not only for the position they hold but also for the skills they bring and continuously develop. This shift supports reskilling, adaptability, and motivation.
- **ESG Integration:** Job evaluation is moving beyond financial metrics to include Environmental, Social, and Governance (ESG) considerations. Roles that drive sustainability, ethical practices, and community engagement are gaining recognition and higher value. This reflects the organization's responsibility toward social impact and long-term sustainability.
- **Continuous Evaluation:** With the rise of agile organizations and hybrid work, job roles evolve rapidly. Therefore, companies are transitioning from annual reviews to continuous, real-time evaluation models, supported by digital HR dashboards. This ensures job worth remains aligned with changing business priorities and technological demands.

## 16.6. SUMMARY

Modern job evaluation has evolved from a traditional, paper-based grading method into a strategic, analytics-driven process that directly influences organizational success. It no longer focuses merely on assigning grades or pay scales but on aligning roles, competencies, and performance with corporate objectives.

Today's dynamic workplaces demand agile evaluation frameworks that adapt to technological shifts, new work models, and employee expectations. Incorporating AI, data analytics, and ESG principles enables organizations to assess not only technical and functional contributions but also ethical, social, and environmental value.

By merging job evaluation with performance management and competency mapping, HR leaders can ensure that pay structures remain both fair and competitive. This fosters trust, engagement, and retention among employees.

Ultimately, the future of job evaluation lies in its role as a strategic enabler—supporting workforce planning, nurturing talent, and driving organizational transformation. When implemented effectively, it becomes a cornerstone of equitable growth, innovation, and sustainable human resource management.

## 16.7. KEY WORDS

- **Competency-Based Evaluation** – Assessing jobs based on behavioral and technical competencies.
- **Skill-Based Pay** – Linking compensation to the number and level of skills possessed.
- **Market Pricing** – Aligning internal pay structures with external labor market data.
- **HR Analytics** – Using data tools to analyze and predict job value and pay equity.
- **Global Job Evaluation** – Standardized frameworks for comparing roles across countries.

## 16.8. SELF-ASSESSMENT QUESTIONS (SAQs)

### A. Short Answer Questions

1. What is competency-based job evaluation?
2. Define market pricing in job evaluation.
3. Mention any two challenges in modern job evaluation.

### B. Long Answer Questions

1. Explain emerging trends in job evaluation with examples.
2. Discuss the role of technology and analytics in modern job evaluation systems.
3. Analyze the challenges of implementing global job evaluation frameworks.

### C. Multiple-Choice Questions

1. The Mercer IPE system is associated with:
  - a) Job Analysis
  - b) **Global Job Evaluation** ✓
  - c) Performance Appraisal
  - d) Recruitment and Selection
2. Skill-based pay systems primarily encourage:
  - a) Cost reduction
  - b) **Skill acquisition and flexibility** ✓
  - c) Hierarchical promotions
  - d) Temporary job assignments
3. Which company adopted the Hay Method globally?
  - a) Infosys
  - b) **Unilever** ✓
  - c) HDFC Bank
  - d) Bajaj Auto

## 16.9. MODEL CASE STUDY WITH SUGGESTED ANALYSIS

### Case:

**GreenTech Energy Pvt. Ltd.**, a fast-growing renewable energy startup based in India, is venturing into international markets. The company specializes in solar energy solutions, smart grids, and sustainable infrastructure. As part of its expansion, GreenTech is creating several

new roles—such as Solar Data Analysts, Sustainability Officers, and Green Technology Engineers—that combine engineering, data analytics, and environmental management.

However, the HR department faces a key challenge: traditional job evaluation methods, designed for conventional engineering roles, do not adequately capture the cross-functional, innovation-driven, and sustainability-oriented nature of these emerging positions. Employees have started expressing concerns about unclear pay scales and perceived inequities compared to market peers.

### Questions for Analysis:

1. Which job evaluation approach best suits GreenTech Energy?
2. How can technology be effectively integrated into the evaluation process?
3. What factors should be emphasized to ensure fairness, transparency, and employee motivation?

### Suggested Analysis:

- **Adopt a Competency-Based and Market-Linked Model:**

GreenTech should implement a competency-based evaluation framework that identifies core competencies such as innovation, technical expertise, problem-solving, and environmental stewardship. In addition, the model should be market-linked through salary benchmarking with other renewable energy and technology firms to ensure external competitiveness.

- **Leverage Technology and HR Analytics:**

The HR department can deploy digital platforms such as SAP SuccessFactors or Mercer IPE tools to automate job description analysis, identify skill overlaps, and generate data-driven pay bands. Using AI-enabled analytics, HR can also forecast the future worth of green energy roles based on industry trends.

- **Define Compensable Factors Clearly:**

Factors such as sustainability impact, cross-functional collaboration, creativity, and technological innovation should be weighted alongside traditional metrics like responsibility and working conditions.

- **Ensure Transparency and Communication:**

Clear communication of job evaluation criteria to employees enhances trust and motivation while reducing grievances related to pay equity.

### Outcome:

GreenTech Energy developed a hybrid job evaluation model combining the Mercer IPE system with skill-based pay metrics. This modern approach recognized sustainability-oriented competencies and market realities. As a result, employee satisfaction rose by 20%, attrition

among technical experts declined, and GreenTech built a reputation as an equitable and future-ready employer in India's green energy sector.

#### 16.10. SUGGESTED READINGS

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## LESSON-17

# EMPLOYEE GRIEVANCE

### OBJECTIVES:

After reading this lesson, you should be able to:

- ▶ Identify forms and causes of Grievances.
- ▶ Discuss effect of Grievances.
- ▶ Roots or Causes of Employee Grievance in the Organizations
- ▶ Negative Impact of Employee Grievance in the Organizations
- ▶ Various Ways to Identify Employee Grievance

### STRUCTURE:

- 17.1 Introduction
- 17.2 Definition of Employee Grievance
- 17.3 Grievance Management Concept
- 17.4 Characteristics of Employees Grievance
- 17.5 Forms of Grievances
- 17.6 Roots or Causes of Employee Grievance in the Organizations
- 17.7 Negative Impact of Employee Grievance in the Organizations
- 17.8 Various Ways to Identify Employee Grievance
- 17.9 Summary
- 17.10 Terminology
- 17.11 Self Assessment Questions
- 17.12 Further References

### 17.1 INTRODUCTION

Every employee in organization has certain expectations which he thinks must be fulfilled by the organisation. When the organisation fails to do this, he develops a feeling of dissatisfaction. When an employee feels that something is unfair in the organisation, he is said to have a grievance. According to Jucius, a grievance is “any discontent or dissatisfaction, whether expressed or not, whether valid or not, arising out of anything connected with the company which an employee thinks, believes or even feels to be unfair, unjust or inequitable”.

In the Indian scenario, the reason for labour unrest has been changed from time to time. According to the report of All India Organization of Employers (AIOE) “In the pre-globalization period, the foundations for strikes were principally bound to issues like wages, reward, working conditions, and Inter-Intra union competition. It is also observed that the major causes of unrest in recent years were mostly related to wages, indiscipline, service conditions and recognition of trade unions and contractualization of work. Most important and challenging areas of IR are multiplicity & politicization of trade union, sexual harassment in the workplace, worker participation in decision making, contract labour issues, etc.”

## 17.2 DEFINITION OF EMPLOYEE GRIEVANCE

Oxford Dictionary defines grievance as an actual or imagined cause for complaint, mainly unfair treatment. It is a feeling of resentment over something believed to be incorrect or unfair. When we talk about employee grievance it means employees dissatisfaction or expression of discontent towards the various aspect of employment as well as work-related issues in the organizations whether in an explicit or implicit way. Employee's grievance can be over the wage, working hours, condition of work premises, employment conditions, supervising, communication, unrealistic goals, unfair labour practices performance appraisal, nepotism, resource sharing, promotions, transfer procedures, fines, granting leave, working flexibility, location, benefits, collective bargaining, indiscipline in the organizations etc.

The grievance may be faced by an individual or a group of employees. Numerous researchers had set up a solid connection between worker grievance and their performance. There is a strong impact of grievance on employee turnover as well as job sanctification. Therefore all the complaint and grievance need to be solved or prevent properly by the organization.

- International Labour Organization (ILO) defines "A grievance as a complaint of one or more workers with respect to wages & allowances, conditions of work and interpretation of serve conditions covering such areas as overtime, leave, transfer, promotions, seniority job assignment and termination of service."
- National Commission on Labor of India has defined "Grievances as Complaints affecting one or more individual workers in respect of wage payments, overtime, leave, transfer, promotion, seniority, work assignment, and other discharges would constitute grievances."
- Keith Davis et.al. defined as " Any real or imagined feeling of personal injustice which on employee has concerning his employment relationship"
- Michael Jucious had quoted "Grievance is any discontent or dissatisfaction whether expressed or not, whether valid or not, arising out of anything connected with the company which an employee thinks, believes or even feels to be unfair, unjust or inequitable".
- D'Cruz (1999) stated "Grievance is a matter raised by the employee to express dissatisfaction with management behavior and is an attempt to bring out changes"
- Anderson & Gunderson (1982) defines "Grievance involves an individual's claiming that he or she has suffered or been wronged, often because of the actions or decisions made by the manager acting on behalf of the organization."
- Meyer (1994) noted, "Substantiated grievance is a signal that a manager's behavior was in error or manager has breach worker's right."

## 17.3 GRIEVANCE MANAGEMENT CONCEPT:

Grievance management is an important and integral part of human resource management. Human relations and industrial relations practices which generate feelings of dissatisfaction on the part of individual workers. A grievance is a sign of employee's discontent with job and its nature. The employee has got certain aspirations and expectations which he thinks must be fulfilled by the organisation fail to satisfy the employee needs, he develops a feeling of discontent or dissatisfaction. Thus, grievance is caused due to the difference between the employee expectation and management practice.

## 17.4 CHARACTERISTICS OF EMPLOYEES GRIEVANCE

Following are the features of grievance;

- The grievance states to unhappiness or feeling of injustice with any matter in the organization.
- A grievance can be actual or imagined, written or unwritten, unexpressed expressed, justified or unjustified.
- The discontent must arise out of the employment context and not because of private or family problems.
- Most of the time grievant employees can be identified easily from their behavior like continuous absent, rude behavior, underperformance, etc.
- A grievance can be divided in the form of the individual as well as a group of worker's grievance.

## 17.5 FORMS OF GRIEVANCES:

grievance may take any one of the following forms:

- a) Factual
- b) Imaginary
- c) Disguised.

**a) Factual:** This type of grievances occurs when the organisation has unfulfilled the legitimate needs of the employees.

Ex: Salary hike has been agreed by management but not implemented.

**b) Imaginary:** This type of grievances occur because of wrong perception, wrong attitudes or wrong information developed by employee. Such issues may create an imaginary Grievance.

**c) Disguised:** This type of grievances occurs when an employee may have dissatisfaction for reasons that are unknown to him. If the employee is under pressure from family, friends, relatives due to this pressure he may reach the work place. In these situation these types of grievances arises.

## 17.6 ROOTS OR CAUSES OF EMPLOYEE GRIEVANCE IN THE ORGANIZATIONS

Work premises is a place where interaction among various actors takes place such as employee to employee, employee to employer, employee union to management, employee to Machine or ergonomics, etc. So there is a possibility of arising any difficulty or issues which may lead to dissatisfactions or discontent among the employees or to an individual employee. There are much more reasons which can bring grievance among the employees towards the organization. Such sources can be broadly categorized as followings;

**A. Work Environment as a Source of Employee Grievance:** The term work environment means the adjacent environments in which an employee operates. It can be composed of physical conditions such as the lighting of both artificial and natural, office temperature, cleanliness of the work premise, etc. It can also be related to issues such as working processes and procedures.



Work environment related sources of grievance can be identified as follows;

- The poor physical condition of the workplace.
- Shortage or non-availability of resources.
- An error of placing the right person to the right job.
- Lack of discipline in the workplace.
- Too much rigid production schedule and standard.
- Poor relationship with the supervisor.

**B. Organizations Policy and Procedure as a Source of Employee Grievance:** The purpose of organizational policies are guidelines to facilitate better and faster operation in the organization. Policies and procedures are used to frame to handle work and employment condition related issues in the workplace. Some decisions and policy taken by the management may increase discontent among employees, such of these can be as follows;

- Wage, salary, and incentive related policy.
- Performance appraisal policy.
- Leave and overtime issues.
- Seniority and promotion, demotion and discharge policy.
- Transfer related policy.
- No proper career planning and employee/worker development program.

**C. Violation of Prescribed Law, Rules and Regulations:** When any company comes into existence then it needs to follow government guidelines for functioning in the market for example if more than 150 employee in the factory it's mandatory for the organization to fix first aid service box (Indian Factory Act. 1948). Following are some causes of grievance in terms of the violation;

- Violations of Central or State government rules and regulation especially labour laws by the employer.
- Acting against company rules by management. (Industrial employment standing order act 1946).
- Violation of agreement which is done by collective bargaining.
- Unfair labour practices.
- Sexual harassment of female employees.

**D. Personal Maladjustments as a Source of Grievance:** Maladjustment is another source or cause of employee grievance. This cause is primly rested with to the person. Such causes can be as below;

- Over-ambitious.
- Excessive self-esteem.
- Impractical attitude to life.
- Perceptual Error.

## 17.7 NEGATIVE IMPACT OF EMPLOYEE GRIEVANCE IN THE ORGANIZATIONS

Grievance generates whether from management policy, working conditions, violation of rules or personal maladjustment so organizations need to handle or address it very carefully. But

if the grievances are not handled timely and properly, it will create many negative impacts and consequence. Such impacts lead to the reduction of the organization's output or productivity. The harmful concerns of worker grievance are:

- Reduce output and increase wastage.
- Increase Absenteeism.
- Labour turnover ratio become high.
- Neglecting or disobeying of orders of boss.
- Indiscipline behavior
- Decrease the quality level of the product.
- Poor relationship and co-operation among the employees.
- Bitter relation between management and employees or a union of employees.
- Negative impact on the employer brand.

Because of such reason, due consideration and importance must be given towards the proper and timely settlement of employee grievance with the utmost care when it occurs.

### 17.8 VARIOUS WAYS TO IDENTIFY EMPLOYEE GRIEVANCE

The organization can identify grievances of employees if it takes a proactive approach. Always prevention is better than cure. Following are some of the technique to identify grievance;

- **Observation:** If a manager or supervisor keep a close eye on the behavior of employees in the workplace then they may get some input of grievances if it is really prevailing in the work premise.
- **Exit Interview:** In maximum cases employee use to switch from one job another because of dissatisfaction with the current job. During the leaving of an organization if the employer takes interview of the employee that why he or she is quitting this job, it will give a better picture of job-related issues or organizational climate.
- **Opinion Survey:** Organization may be carried out a survey from time to time to gather the opinions/perceptions of personnel about the organization, management, and work environment related aspect.
- **Gripe Box:** A complaint box could be placed at prime places in organization for lodging complaints relating to any issues relating to work without mentioning the name of the employee. It will give a secure feeling among the employees who want to lodge complaints.
- **Open Door Policy:** This another way of identifying grievance. In this mechanism, a grievant worker can directly approach a manager or top-level management to place his or her grievance. Nowadays organizations are focusing on such technique to know the employee's grievance as well as the perception of employees about the organization.

### 17.9 SUMMARY:

Grievance handling mechanisms play a crucial role in shaping employee satisfaction and engagement. Studying these mechanisms helps organizations understand how effectively they are addressing employee concerns and whether improvements are needed to enhance satisfaction levels. Effective grievance handling contributes to a positive organizational culture characterized by open communication, trust, and fairness. By studying grievance handling mechanisms, organizations can identify areas for improvement in their culture and processes to create a more supportive and inclusive work environment.

### 17.10 TERMINOLOGY:

**Grievance:** Any discontent or dissatisfaction, whether expressed or not, whether valid or not, arising out of anything connected with the company which employee thinks, believes or even feels to be unfair.

**Just Cause:** Sufficient justification for taking employment related actions.

**Misconduct:** Violation of established rules and norms of behaviour.

**Discipline:** It is the act of imposing penalties for wrong behaviour.

**Downsizing:** The process of reducing the number of people employed by the firm.

**Grievance Mediation:** Process where a neutral party assists in the resolution of an employee grievance.

**Conciliation:** The practice by which the services of a neutral third party are used in a dispute as a means of helping the disputing parties to reduce the extent of their difference.

**Voluntary Arbitration:** The process in which the disputing parties show willingness to go to a third party.

**Adjudication:** It is the process of settling disputes through the intervention of a third party appointed by the government.

### 17.11 REVIEW QUESTIONS.

1. Define the term grievance? How would you try to uncover grievances?
2. Discuss the model grievance procedure that is applicable in India?
3. What are the sources of employee grievances?
4. What are the guidelines has to follow by HR manager while handling grievance procedure.

### 17.12 FURTHER READINGS

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## **LESSON-18**

# **EMPLOYEE GRIEVANCE PROCEDURE**

### **OBJECTIVES:**

After reading this lesson, you should be able to:

- ✓ Grievance Handling Mechanism
- ✓ Importance of Formal Grievance Redressal System In The Organization
- ✓ Objectives of Formal Employee Grievance Handling Procedure
- ✓ Steps of Employee Grievance Handling/Redressal Procedure
- ✓ Model Grievance Procedure
- ✓ Guidelines for Handling Grievances

### **STRUCTURE:**

- 18.1 Introduction
- 18.2 Grievance Handling Mechanism
- 18.3 Importance of Formal Grievance Redressal System In The Organization
- 18.4 Objectives of Formal Employee Grievance Handling Procedure
- 18.5 Steps of Employee Grievance Handling/Redressal Procedure
- 18.6 Model Grievance Procedure
- 18.7 Guidelines for Handling Grievances
- 18.8 Summary
- 18.9 Terminology
- 18.10 Self Assessment Questions
- 18.11 Further References

### **18.1 INTRODUCTION**

Grievance handling is the management of employee dissatisfaction or complaints (e.g. favoritism, workplace harassment, or wage cuts). By establishing formal grievance handling procedures, it provides a safe environment for your employees to raise their concerns. It also create a channel to explain organizational policies and rationale for actions or decisions.

### **18.2 GRIEVANCE HANDLING MECHANISM**

A grievance handling plays the role of a rescuer for worker frustrations, disappointments, discontents, etc. Basically, it works as a pressure reviler for workmen. Workers don't need to keep their dissatisfaction restrained until in the long run and discontent causes burnout. The presence of a successful complaint system diminishes the need for arbitrary action by supervisor since supervisor realizes that the workers/employee can ensure such conduct and make challenges to be heard by best administration.

Proper grievance system boosts employee's morale and increases job satisfaction along with many visible direct benefits. Therefore every organization should have a clear-cut formal and a stable process for employee's grievance handling. This process typically contains a number of ladders prescribed in a hierarchy. The number of stages differs with the size of the company. A small

company may have only 2 steps i.e the supervisor and the manager-but a big company may follow more steps.

As concern to unique grievance redressal system, this is nowhere in the labour laws given except some aspect of grievance. The Industrial Employment (Standing Orders) Act, 1946 discussed model standing order or own formulated according to the guideline of act and code of discipline in the organizations. Other hands Industrial Dispute Act. (1947) has provided machinery for settlement of an industrial dispute. These machineries are discussed as follows;

This mechanism comprises:

(a) Conciliation,

(b) Arbitration,

(c) Adjudication

**(a) Conciliation:** “International Labour Organization” defines conciliation as “The practice by which the services of a neutral third party are used in a dispute as a means of helping the disputing parties to reduce the extent of their differences and to arrive at an amicable settlement or agreed solution. It is a process of rational and orderly discussion of differences between the parties to a dispute under the guidance of a conciliator.”

The act made provision for appointment of Conciliation Officer and Board of Conciliation Officer. The arrangement of Conciliation officers might be for all time or for a constrained period, for explicit zone or for a particular industry, to whom the industrial dispute will allude for conciliation. Officer enjoys the power of civil court; he/she can call and observe parties on the pledge. The officer looks at all certainties important to the disputed issue and afterward gives his/her report within 14 days.

In the event that the issue can't comprehend by Conciliation Officer, at that point, the suitable Government can delegate the Board of Conciliation Officer for the settlement of question and need to submit the report within two months. The Board is a tripartite body comprising of a chairman and two to four different individuals selected by the parties to the dispute.

If the dispute is not settled through the above two, the matter will refer to “Court of inquiry” by the appropriate government. The Court is estimated to give its findings within 6 months.

**(b) Arbitration:** “Section 10A in The Industrial Disputes Act, 1947 made provision of arbitration. In the event that the conciliation procedures progress toward becoming fizzle, the officer may influence the gatherings to allude the dispute to a voluntary arbitrator. Voluntary arbitrator refers to the settlement of a dispute by an independent individual picked by the parties included mutually and voluntarily. Result of the arbitration is known as award and it is binding in nature between the two parties.”

**(c) Adjudication:** The ultimate remedy for the settlement of an unresolved dispute is adjudication. Adjudication means “A process which involves intervention in the dispute by a third party appointed by the government, with or without the consent of the parties to the dispute, for the purpose of settlement of a dispute.” The Industrial Disputes Act, 1947 provides three-tier adjudication machinery comprising

- Labour Courts
- Industrial Tribunals
- National Tribunals

**Labour Courts:** “The appropriate Government may constitute one or more Labour Courts by notification in the Official Gazette for the adjudication of industrial disputes connecting to any matter specified in the 2nd Schedule.”

**Industrial Tribunals:** “The appropriate Government may constitute one or more Industrial Tribunals by notification in the Official Gazette for the adjudication of industrial disputes linking to any matter, whether specified in the 2nd Schedule or the 3rd Schedule and for performing such other functions as may be assigned to them under this Act. “

**National Tribunals:** “The Central Government may comprise at least one National Industrial Tribunals by notifying in the Official Gazette for the settling of industrial dispute which, in the views of the Central Government, involve matter of national importance or are of such a nature, that industrial setup located in more than one State are probably going to be keen on, or influenced by, such dispute.”

### 18.3 IMPORTANCE OF FORMAL GRIEVANCE REDRESSAL SYSTEM IN THE ORGANIZATION

If organization implement and follow proper grievance redressal system then it may be benefited

as mention below;

- The proper system brings complaints into the open so that the administration can notice and hear it so that they can take remedial measures.
- It assistance in stopping grievances from assuming big proportions. The administration can identify and resolves a complaint before it becomes a major source of dispute.
- It provides to the workforce a dignified means of emotional relief for their disappointments.
- It helps to promote a harmonious relationship among all the actors of employment.
- Formal and strict grievance procedure helps to maintain discipline in the organization.
- It helps to build an organizational climate based on openness and trust.
- It helps various levels in the organization to know the type of issues and facts that are connected to employees and managers.

### 18.4 OBJECTIVES OF FORMAL EMPLOYEE GRIEVANCE HANDLING PROCEDURE

The main aim of having a formal Grievance Redressal procedure is to empower employees to air grievances/issues, to have them heard in a fair and regularized environment, and, where appropriate, to have them redressed. Followings are the aims of formal employee grievance handling procedure;

- To facilitated the worker/employee to place their problem or grievance.
- To do a speedy solution to the issues.
- To make suitable actions and ensure that promises are kept.
- To find out the reasons for dissatisfaction.

- To update the worker of their rights to take the complaint to a further stage of the process if they are not satisfied with the decision of respective officials.

### **18.5 STEPS OF EMPLOYEE GRIEVANCE HANDLING/REDRESSAL PROCEDURE**

As concern to the steps of employee grievance handling procedure, there is no as such hard and fast rules to be followed. It depends upon the size of the organization and of course policy of the organization. Small size organization follows lesser steps than big size organization.

According to IIPM (The Indian Institute of Personnel Management, Kolkata) has listed the subsequent five stages contained in a grievance procedure:

1. "The worker should raise the grievance with the immediate boss."
2. "If the choice taken by the supervisor is not satisfactory to the distressed worker, he or she should be made known to whom next in the echelon of management, he or she should refer the grievance."
3. "The complaint should be handled quickly and impassively."
4. "Once the grievance raised by the employee having understood after that register the protest and set the grievance handling the procedure in motion."
5. "If the aggrieved worker/employee yet remains unhappy, there will be no direct action by either party which might prejudice the case or raise doubts while the grievance is being investigated."

### **18.6 "MODEL GRIEVANCE PROCEDURE: - THE DRAFT MODEL GRIEVANCE PROCEDURE ACCEPTED BY THE LABOUR CONFERENCE IN 1958 IS AS FOLLOWS."**

1. "An aggrieved employee will take his complaint verbally face to face to the officer assigned by the administration for this reason. The officer will give the reaction within forty-eight hours of the introduction of the issue. In the event that the laborer isn't happy with the choice of the officer or neglects to get the appropriate response within 48 hours, he or she will take his complaint to the department head."
2. "The HoD have to give his/her answer within three days or if move can't be made within this period, the explanation behind postponement ought to be recorded. In the event that the worker is disappointed with the choice of the departmental head, he/she may ask for to forward his/her matter to the grievance committee."
3. "The grievance committee will make its proposal to the manager within the seven days of the aggrieved employee's demand. On the off chance that choice can't be given within this period, reason ought to be recorded. The management will implement a consistent decision of the committee. If there is a contrast of opinion among the individuals from the committee, the issue will allude to the manager alongside the different views of members and the important papers for the ultimate conclusion."
4. "In either case, the final official decision of the manager will be conveyed to the aggrieved employee within three days from the receipt of the complaint grievance committee."

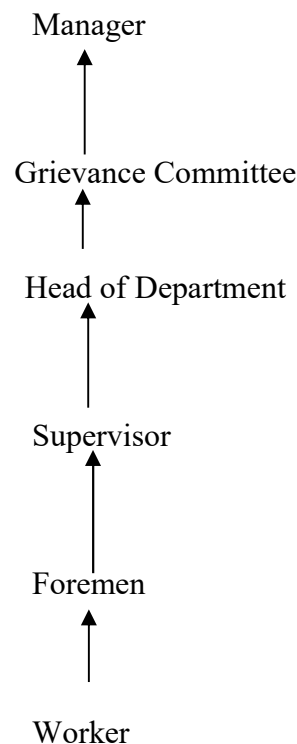
5. "In the event that if the aggrieved employee isn't satisfied with the decision of the manager, he/she may reserve the option to appeal manager for the revision of the outcome. In making this appeal, he may take union official alongside him to facilitate discussion with the administration. The administration will convey the choice within seven days of his/her request."

6. "If the aggrieved worker is yet not pleased then the issue may be referred to voluntary arbitration."

7. "Where an aggrieved employee has taken a complaint about redressal under the grievance redressal system, the formal conciliation system will not intercede till all means in the procedure have depleted. A complaint will be attempted to accept the type of a debate just when the laborer turns down an official choice of the top administration. The grievance board of trustees will comprise of 4 to 6 individuals."

**Grievance Procedure:** The following grievance procedure is suggested by National Commission of labour. This procedure involves six successive time-bound steps.

Appeal against within a week



In this grievance procedure the dissatisfied employee first approaches to foreman and tell him of his grievance orally. The foreman has to give solution and if the worker is not satisfied with his solution then he approaches to supervisor. The supervisor has to give answer within 48 hours. If the supervisor has not given answer or the answer not being accepted to the worker, the worker goes to the next step. At this step the worker approaches to Head of Department who has to give an answer within 3 days. If Head of Department fails to give an answer (or) the worker may appeal to grievance committee. The Grievance committee is a body which consists of representatives of employees and employers. This committee has to give its recommendations to manager within 7 days from the date of grievance reached. The manager has to take decision and inform to worker within 3 days. The worker can appeal



against manager's decision within a week. If the employee has not satisfied in this stage the union and management refer the grievance to voluntary arbitration within a week.

**Handling procedure for grievance handling:** For handling of grievance procedure the HR manages should follow the following steps:

- a) **Identify Grievance :**Employee dissatisfaction should be identified by the management if they are not expressed. If they are ventilated, management has to promptly acknowledge them.
- b) **Define Correctly :**After identifying the dissatisfaction in the first step that grievance should define correctly which is used effectively for data collection.
- c) **Collect data and analyze data :**After defining the grievance complete information should be collected, analyzed and alternative solutions to the grievance should be developed and the best solution should be selected.
- d) **Prompt Redressal :**The grievance should be redressed by implementing the solution.
- e) **Implement and follow up:** Implementation of the solution must be followed up at every stage in order to ensure effective and speedy implementation.

### 18.7 GUIDELINES FOR HANDLING GRIEVANCES:

The following are the guidelines to the HR manager for handling grievance procedure effectively.

- i) Treat each case as important.
- ii) Talk to the employee directly.
- iii) Discuss the case with employee in private place.
- iv) Get all relevant facts about the grievance
- v) Control your emotions while discussing with employee.
- vi) Maintain proper record regarding case.

### 18.8 SUMMARY

Grievance handling mechanisms are crucial for organizations to resolve internal issues within their organizations. The automobile industry, based on external outsources and offshore, faces challenges due to its unsustainable growth. The Indian government has given exemptions and allowed HRM intervention to change the business environment after liberalization, reducing the industrial relation concept. The industry has faced criticism in the media for its work and employment conditions, including discussions on stressful work, rigid control mechanisms, lack of policies and regulation implementation, exemptions on legislations, improper implementation of labor laws, avoidance of worker rights, and freedom on association and collective bargaining.

### 18.9 TERMINOLOGY

- ✓ Conciliation,
- ✓ Arbitration,
- ✓ Adjudication
- ✓ Redressal
- ✓ Labour Courts
- ✓ Industrial Tribunals
- ✓ National Tribunals

**18.10 SELF ASSESSMENT QUESTIONS**

1. Explain Grievance Handling Mechanism
2. Explain Importance of Formal Grievance Redressal System In The Organization
3. Explain Objectives of Formal Employee Grievance Handling Procedure
4. Explain Steps of Employee Grievance Handling/Redressal Procedure
5. Explain Model Grievance Procedure
6. Explain Guidelines for Handling Grievances

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## **LESSON-19**

# **EMPLOYEE DISCIPLINE**

### **OBJECTIVES:**

After reading this lesson, you should be able to:

- Employee Discipline
- Importance of Creating and Following an Employee Discipline Policy
- Types of Discipline
- Causes of Indiscipline
- Objectives of Discipline

### **STRUCTURE:**

- 19.1 Introduction
- 19.2 Objectives of Discipline
- 19.3 Aspects of Discipline
- 19.4 Discipline Procedure
- 19.5 Importance of Creating and Following an Employee Discipline Policy
  - 19.5.1 Employee Growth
  - 19.5.2 Employer Protection
  - 19.5.3 Fair Workplace
- 19.6 Causes of Indiscipline
  - 19.6 .1 Ineffective leadership or supervision
  - 19.6 .2 Lack of proper communication
  - 19.6 .3 Favoritism and discrimination
  - 19.6 .4 Divide and Rule Policy
  - 19.6 .5 Lack of clear rules and regulations
  - 19.6 .6 Victimization and bad working conditions
  - 19.6 .7 Personal problems of the employees
  - 19.6 .8 Improper co-ordination between authority and responsibility
- 19.7 Characteristics of Discipline
- 19.8 Labour Laws and Legislation Deals with Grievances Redressal in Indian Context
- 19.9 Summary
- 19.10 Terminology
- 19.11 Self Assessment Questions
- 19.12 Further References

### **19.1INTRODUCTION**

Discipline refers to a condition or attitude, prevailing among the employees, with respect to rules and regulations of an organization. It simply means working, cooperating and behaving in a normal and orderly way, as any responsible person would expect an employee to do. Discipline is a force that prompts individuals or groups to observe the rules, regulations and procedures which are deemed to be necessary for the effective functioning of an organization.

*“Discipline is a force that prompts individuals and groups to observe rules, regulations, standards or procedures deemed necessary for an organization”- R. D. Calhoon*

### Employee Discipline Definition

Employee discipline refers to the range of strategies that employers use to manage employee behavior and performance in the workplace. These strategies can include verbal or written warnings, performance improvement plans, coaching and counseling, and disciplinary measures such as suspension or termination of employment. – **Society for Human Resource Management (SHRM)**

Employee discipline is the process by which an employer takes corrective action to address employee misconduct or performance issues. This can include verbal or written warnings, suspension, demotion, or termination of employment. – **National Council of Nonprofits**

## 19.2 OBJECTIVES OF DISCIPLINE

The vital objectives of discipline are:

- i) To make the employees to accept rules, regulations and procedures of an organization.
- ii) To develop a spirit of tolerance and desire to make adjustments among the employees.
- iii) To give direction and responsibility to employee.
- iv) To create an atmosphere of respect for the human personality and human relations.
- v) To increase the working efficiency and morale among the employees.

## 19.3 ASPECTS OF DISCIPLINE

There are two aspects of discipline:

- i) Positive aspect.
  - ii) Negative aspect
- 
- i) **Positive Aspects:** In this aspect discipline takes the form of positive support and reinforcement for approved actions and its aim is to help the individual in moulding his behaviour and developing him in a corrective and supportive manner. This aspect is also called constructive discipline or self-discipline.
  - ii) **Negative aspect :** In this aspect disciplinary programme forces the employee to obey orders and functions in accordance with set rules and regulations through warning, penalties and other form of punishment. This approach is also called corrective approach or punitive approach.

## 19.4 PROCEDURE

Disciplinary procedures in Indian industries comprise of the following “Steps”.

- a) **Issue a letter of charge:** When an employee performs an act of misconduct that requires disciplinary action, the employee should be issued a charge sheet. The charge sheet also asks the employee explanation for his misconduct.
- b) **Consideration of the Explanation:** If the explanation given by employee in letter satisfies the employer then no disciplinary action needs to be taken. On contrary when the

employer is not satisfied with the employee explanation there is a need for serving a show-cause notice.

- c) **Show-Cause Notice:** In Show-Cause notice, the employer provides another chance to employee to explain his conduct and rebut the charges made against him. Show-cause notice is issued by the manager, who decides to punish the employee.
- d) **Holding of a full-pledged enquiry:** In this the delinquent employee must be given a reasonable opportunity of being heard. The enquiry officer should record his findings in the process of an enquiry.
- e) **Making a final order of punishment:** In this disciplinary action is taken when the misconduct of the employee is proved. The employee's previous record and precedents have to consider while deciding the nature of disciplinary action.
- f) **Follow-Up :** A proper follow up action has to be taken and the consequences of the implementation of disciplinary action should be noted and taken care after taking the disciplinary action.

### 19.5 IMPORTANCE OF CREATING AND FOLLOWING AN EMPLOYEE DISCIPLINE POLICY

Implementing an effective discipline policy benefits both employees and employers by providing opportunities for professional growth and development, while also serving as a protective measure in cases where termination becomes necessary.

#### ➤ Employee Growth

A successful business helps their employees improve and grow. Through a progressive discipline policy, you can help employees address their mistakes and become greater contributors to the business.

#### ➤ Employer Protection

Some employees fight termination or other disciplinary action, and the conflict may become a legal case. Creating and following a discipline policy will ensure you have documentation and help you remain fair in your decisions, ultimately protecting your business

#### ➤ Fair Workplace

A policy also makes sure that everyone is treated fairly. You will follow and document the same process for everyone, helping to avoid any biases or discrimination

### 19.6 CAUSES OF INDISCIPLINE

Indiscipline at the workplace can take place as a result of various socio-economic and cultural factors prevailing at the workplace. Discussed below are some of the factors that greatly impact the mindset of the employees and motivate or demotivate them to comply with the rules and regulations.

- Ineffective leadership or supervision
- Lack of proper communication
- Favoritism and discrimination
- Divide and Rule Policy
- Lack of clear rules and regulations
- Victimization and bad working conditions

- Personal problems of the employees
- Improper co-ordination between authority and responsibility

### **19.6.1 Ineffective leadership or supervision**

When the leader or supervisor is not active in delegating the duties and responsibilities to the employees it leads to indiscipline. If he fails to instruct and guide them in areas of their work it leads to a loss of sense of direction amongst the employees.

Instructions to do a job should be followed by proper supervision by the supervisor. In case he fails to check whether the employees are following the desired course of action it may lead to chaos eventually.

Employees start doing their job according to their desire which will lead to inefficiency in achieving organizational objectives.

### **19.6.2 Lack of proper communication**

The communication gap between management and the employees gives rise to indiscipline in the organization. If the policies of the company are not properly communicated to the employees, they will face problems in following them.

The employer should adopt a humane and empathetic approach towards the employees. This requires the removal of barriers of any kind in the communication between the supervisor and the subordinate.

### **19.6.3 Favoritism and discrimination**

Special attention given to few employees, or discrimination while handing out rewards or imposing penalties leads to discontent and indiscipline amongst the employees who are not favored within the organization.

Discrimination can also be based on the characteristics which are protected by law related to age, gender, qualification and religion etc.

### **19.6.4 Divide and Rule Policy**

Divide and Rule is the most common policy to be followed by the organizations to get the work done by the employees. The management does not want all employees to make a group and work together; they always divide the employees in small groups get information from a group about others and encourage spying activities.

This is highly detrimental to the team spirit and leads to misunderstanding and friction amongst the employees which in turn results in indiscipline.

### **19.6.5 Lack of clear rules and regulations**

When the rules and regulations of the organization are not clear to all the employees, they can make mistakes while following them. This will lead to confusion and chaos at work and misunderstanding among the employees and the management.

### 19.6.5 Victimization and bad working conditions

Victimization of subordinates in the form of excessive work pressure or inhuman work conditions can also result in indiscipline. The management should not exploit the workers.

The conditions in which they are working including things as amenities, physical environment, stress and noise levels, degree of safety or danger and the like should be maintained at a desirable standard.

### 19.6.6 Personal problems of the employees

Sometimes, employees are facing few personal problems about which management have no ideas. Employees will stay frustrated and will not be able to focus on his job.

So the management should take care about it and try to solve it as soon as possible. This will help the employees to put their best efforts to achieve organizational objectives.

### 19.6.7 Improper co-ordination between authority and responsibility

Authority here means power, rights or ability of the employees on a specific job whereas, responsibility means an employee's duty, accountability and liability within a job.

When these both are not in proper coordination it can lead to frustration in the mind of the employee and he may deny following the rules and regulations in certain situations.

## 19.7 CHARACTERISTICS OF DISCIPLINE

The main features or characteristics of discipline that flow from above definitions are:

- **Discipline is self-control:** It refers to one's efforts at self-control to conform to organisational rules, regulations and procedures which have been established to ensure the successful attainment of organisational goals.
- **It is a negative approach:** It means discipline encourages people to undertake some activities, on the one hand, and restrains them from undertaking others, on the other.
- **It is a punitive approach:** It means that discipline also imposes penalty or punishment if the rules and regulations framed by the organisation are not obeyed or ignored by the members. Punishment is imposed not to change past behaviour but to prevent its recurrence in future.

## 19.8 LABOUR LAWS AND LEGISLATION DEALS WITH GRIEVANCES REDRESSAL IN INDIAN CONTEXT

Govt. of India approved "Article 1 of the Convention 122 of the International Labor Organization in 1998". "Article 1 of the Convention, it can thus be concluded confers upon workers the right to have redressal mechanisms to their grievances and thus the Indian Government has ratified the Article 1 of the Convention 122 obligated to look into such interests

if the workers". Govt. of India had started a few laws which partially focus around component or

part of employee's grievance. Such act as follows;

- i. **Industrial Employment (Standing Orders) Act, 1946:** According to this act that every industrialized establishment wherein 100 or more workers are engaged or were employed on any day of the preceding 12 months then it must frame standing orders, which should

cover provision for the redressal of grievances of workforces against unfair practices and activities by the employer or the supervisor at that workplace. The Central or State Govt. may, however, extend its provision to any industrial establishment employing even less than a hundred workmen. When the act becomes applicable, it doesn't stop to apply because of an ensuing fall in the number of laborers in the organization. "Model Grievance Procedure" was embraced by the "Indian Labor Conference" in its sixteenth session held in 1958 and the Indian ventures are adopting either the "Model Grievance Procedure" or formulated by themselves within the guidelines of the act. This act talks about "Code of Discipline" too. This is a set of commonly concurred willful standards of order to improve shared understanding and amicable connection amid the administration and laborers in the business. In light of developing Industrial conflict, the "Fifteenth Indian Labor Conference" agreed that there should be a set of a general principle 10 of discipline, which should be adopted by workers union and the management voluntarily. To advance such a set of standards or principle, a tripartite sub-council was set up. At the "Sixteenth Indian Labor Conference" held in 1958, the final form of "Code of Discipline" was affirmed.

- ii. ***Industrial Disputes Act, 1947:*** It is an Act to make arrangement and provision for the examination and settlement of the industrial dispute, and for certain different objectives which was formed on 11th March 1947. "Industrial dispute" means any dispute or contrast among employer to employer or employer to employee or employee to an employee which is associated with the employment or non-employment or the terms of work or with the conditions of work, of any person. So this act has been framed to handle or settle many aspects of industrial dispute such as strike & lockout, issues relating to discharge, dismissal, retrenchment and lay off, etc. The act was amended in 1965 which made provisions for the redressal of individual disputes relating to dismissal, retrenchment or discharge. Two most aspects of Industrial dispute act 1947 is Section 2A and Section 11A. Industrial dispute act has made provision of various dispute settlement machinery. Such as follows;
- ✓ Works committee.
  - ✓ Conciliation officer.
  - ✓ Board of a conciliation officer.
  - ✓ Courts of Inquiry.
  - ✓ Labour Courts.
  - ✓ Tribunals and National Tribunals.
- iii. ***The Sexual Harassment at The Workplace (Prevention, Prohibition and Redressal) Act 2013:*** Now a day's number of women workforce is increasing than earlier. In past women's rights were deprived. Recently, many leaders of the top organization whether public or private occupied by women. But still, there is a growing concern for women safety in the workplace. Sexual harassment of women at workplace is another basis of grievance among lady workers. Therefore, Govt. of India started "The Sexual Harassment Act at the Workplace (Prevention, Prohibition and Redressal) Act, 2013". The act came in the wake of voyaging numerous stages.

This is an Act to give security against lewd behaviour at the working environment and for the aversion and redressal of objections of sexual harassment and additionally, matters associated therewith or incidental thereto. It expressed in the act. That any aggrieved lady employee may make, recorded as a hard copy, an objection of lewd behavior at working environment to the "Internal Committee" if so comprised, or the "Local Committee" in the event that it isn't so established, within a period of 3 months



from the date of occurrence and in case of series of occurrences, within 3 months from the date of the last incident. Further it is providing that where such issues or complaint can't be made in writing, the "Presiding Officer" or any individual from the "Internal Committee" or the Chairperson or any Member of the "Local Committee" all things considered, will render all sensible help to the lady for making the protest recorded as a written complain. It likewise given further that the "Internal Committee" or, as the case may be, the "Local Committee" may, for the motivations to be recorded as a written, extend as far as possible not surpassing three months, 12 in the event that it is fulfilled that the conditions were such which kept the lady from documenting a grievance within the said period.

## 19.9 SUMMARY

Employee discipline issues stem from a variety of causes, including employee misconduct like insubordination, theft, or harassment, and performance problems such as poor work quality or chronic absenteeism. Other factors include poor management practices, a lack of clear rules and communication, and personal issues that affect an employee's behavior and performance.

## 19.10 TERMINOLOGY

- ✓ Employee Growth
- ✓ Employer Protection
- ✓ Fair Workplace
- ✓ *Redressal*
- ✓ Works committee.
- ✓ Conciliation officer.
- ✓ Board of a conciliation officer.
- ✓ Courts of Inquiry.
- ✓ Labour Courts.
- ✓ Tribunals and National Tribunals.

## 19.11 SELF ASSESSMENT QUESTIONS

1. Explain Importance of Creating and Following an Employee Discipline Policy
2. Explain Causes of Indiscipline
3. Labour Laws and Legislation Deals with Grievances Redressal in Indian Context

## 19.12 FURTHER REFERENCES

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## LESSON-20

# QUALITY OF WORK LIFE

### OBJECTIVES:

After reading this lesson, you should be able to:

- Conditions of QWL
- Specific Issues of QWL
- Factors of Quality of Work Life
- Strategies for Quality of Work Life
- Models of QWL

### STRUCTURE:

20.1 Introduction  
20.2 Conditions of QWL  
20.3 Specific Issues of QWL  
20.4 Factors of Quality of Work Life  
20.5 Strategies for Quality of Work Life  
20.8 Models of QWL  
20.9 Summary  
20.10 Terminology  
20.11 Self Assessment Questions  
20.12 Further References

### 20.1 INTRODUCTION

Quality of Work Life is becoming an increasingly popular concept in recent times. It basically talks about the methods in which an organization can ensure the holistic well-being of an employee instead of just focusing on work-related aspects.

It is a fact that an individual's life can't be compartmentalized and any disturbance on the personal front will affect his/her professional life and vice-versa. Therefore, organizations have started to focus on the overall development and happiness of the employee and reducing his/her stress levels without the economic health of the company.

**i) Adequate and Fair Compensation:** There are different opinions about adequate compensation. The committee on Fair Wages defined fair wage as " . . . the wage which is above the minimum wage, but below the living wage."

**(ii) Safe and Healthy Working Conditions:** Most of the organizations provide safe and healthy working conditions due to humanitarian requirements and/or legal requirements. In fact, these conditions are a matter of enlightened self interest.

**(iii) Opportunity to Use and Develop Human Capacities:** Contrary to the traditional assumptions, QWL is improved... "to the extent that the worker can exercise more control over his or her work, and the degree to which the job embraces and entire meaningful task"

... but not a part of it. Further, QWL provides for opportunities like autonomy in work and participation in planning in order to use human capabilities.

**iv) Opportunity for Career Growth:** Opportunities for promotions are limited in case of all categories of employees either due to educational barriers or due to limited openings at the higher level. QWL provides future opportunity for continued growth and security by expanding one's capabilities, knowledge and qualifications.

**(v) Social Integration in the Work Force:** Social integration in the work force can be established by creating freedom from prejudice, supporting primary work groups, a sense of community and inter-personnel openness, and upward mobility.

**(vi) Work and Quality of Life:** QWL provides for the balanced relationship among work, non-work and family aspects of life. In other words family life and social life should not be strained by working hours including overtime work, work during inconvenient hours, business travel, transfers, vacations etc.

**(viii) Social Relevance of Work:** QWL is concerned about the establishment of social relevance to work in a socially beneficial manner. The workers' self esteem would be high if his work is useful to the society and the vice versa is also true.

## 20.2 CONDITIONS OF QWL

**1. Adequate and fair compensation:** The committee on fair wages defines wages as the wage which is above the living wage.

**2. Safe and healthy working conditions:** Most of the organizations provide safe and healthy working conditions.

**3. Opportunity to use and develop human capacities:** The worker can exercise more control over his or her work, QWL provides for opportunities like autonomy in work and participation in planning in order to use human capabilities. **4. Opportunity for career growth:** Opportunities for promotions are limited for the employees due to either educational barriers or due to limited opening at the higher level. QWL provides opportunity for continued growth and security and by expanding employs knowledge and qualifications.

**5. Social integration in the work place:** it can be established by creating freedom from prejudice, supporting primary work groups, a sense of community and inter personal open egalitarianism and upward mobility.

**6. Constitutionalism in the work organizations:** constitutionalism protection is provided to employees on such matters as privacy, free speech, equity and due process.

**7. Work and quality of life:** QWL provides for the balanced relationship among work, non work and family life should not be strained by working hours, including business travel, transfers, vacations etc.

**8. Social Relevance of work:** QWL is concerned about the establishment of social relevance to work in a socially beneficial banner.

### Key components of Quality of Work Life

- **Job satisfaction:** The degree to which an employee feels fulfilled and content with their role.
- **Work-life balance:** The ability to effectively manage professional and personal life without excessive stress.
- **Working conditions:** Having a safe, healthy, and conducive environment, including appropriate working hours and salary.
- **Organizational and interpersonal relationships:** Favorable relationships with colleagues, supervisors, and management.
- **Job security:** A sense of stability and confidence in one's employment.
- **Employee involvement:** Opportunities for active participation in decision-making and problem-solving.
- **Personal growth:** Opportunities for development, skill-building, and career advancement.

### Benefits of a high Quality of Work Life

- **Improved productivity and efficiency:** Motivated and satisfied employees are more productive.
- **Reduced turnover and absenteeism:** Employees are more likely to stay with an organization that has a positive work environment.
- **Enhanced employee well-being:** A focus on QWL contributes to the physical and psychological health of employees.
- **Better management-employee relations:** QWL promotes cooperation and trust between management and workers.
- **Increased profitability:** A company's success is often directly linked to its employees' satisfaction.

### Principles of quality of work Life?

According to the 4 Principles of Quality of Work Life by Hartick and Maccoby in Organizational Management includes;

1. Principle of security
2. Principle of equity
3. Principle of individuality
4. Principle of democracy

## 20.3 SPECIFIC ISSUES OF QWL

1. **Pay and stability of employment:** Good pay dominates most of the factors in employee satisfaction. Alternative means of providing wages should be developed to increase the cost of living index, profession tax etc.,
2. **Occupational stress:** It's a condition of strain on employee emotions. Stress is caused due to irritability, hyper excitation or depression, unstable behavior, fatigue, stirring heavy smoking and drug abuse has to be identified
3. **Organizational health Programmes:** Its helps to aim at educating about health Programmes, means of maintaining and improving of health.
4. **Alternative work schedules:** Includes flexi times, work at home, staggered hours, reduce work hours, part time employment.

5. **Participative management and control of work:** The trade unions and workers believe that workers participation in management and decision - making improves QWL.
6. **Recognition:** Rewarding system, congratulating the employees for their achievement, job enrichment, offering membership in clubs or association, vehicles, etc recognizes the employees
7. **Congenial worker-supervisor relations:** This gives the worker a sense of social association, belongingness, achievement of work results etc
8. **Grievance procedure:** Employees will have a fair treatment when the company gives them the opportunity to ventilate their grievances and present their case sincerely rather than settling the problem arbitrarily.
9. **Adequacy of resources:** Resources should match with states objectives; otherwise employees will not be able to attain the objectives.
10. **Seniority and meriting promotions:** Seniority is considered as basis for promotion. Merit is considered as the basis for advancement for managerial people.
11. **Employment on permanent basis:** It gives security and leads to higher order QWL.

## 20.4 FACTORS OF QUALITY OF WORK LIFE

1. Attitude
2. Environment
3. Opportunities
4. Nature of Job
5. People
6. Stress Level
7. Career Prospects
8. Challenges
9. Growth and Development
10. Risk Involved and Reward

**Attitude:** The person who is entrusted with a particular job needs to have sufficient knowledge, required skill and expertise, enough experience, enthusiasm, energy level, willingness to learn new things, dynamism, sense of belongingness in the organization, involvement in the job, inter personnel relations, adaptability to changes in the situation, openness for innovative ideas, competitiveness, zeal, ability to work under pressure, leadership qualities and team-spirit.

**Environment:** The job may involve dealing with customers who have varied tolerance level, preferences, behavioral pattern, level of understanding; or it may involve working with dangerous machines like drilling pipes, cranes, lathe machines, welding and soldering machines, or even with animals where maximum safety precautions have to be observed which needs lot of concentration, alertness, presence of mind, quick with involuntary actions, synchronization of eyes, hands and body, sometimes high level of patience, tactfulness, empathy and compassion .

**Opportunities:** Some jobs offer opportunities for learning, research, discovery, self-development, enhancement of skills, room for innovation, public recognition, exploration, celebrity-status and loads

and loads of fame. Others are monotonous, repetitive, dull, routine, no room for improvement and in every sense boring. Naturally the former ones are interesting

**Nature of Job:** For example, a driller in the oil drilling unit, a diver, a fire-fighter, traffic policeman, tram engine driver, construction laborers, welder, miner, lathe mechanic have to do dangerous jobs and have to be more alert in order to avoid any loss of limb, or loss of life which is irreparable; whereas a pilot, doctor, judge, journalist have to be more prudent and tactful in handling the situation; a CEO, a professor, a teacher have more responsibility and accountability but safe working environment; a cashier or a security guard cannot afford to be careless in his job as it involves loss of money, property and wealth; a politician or a public figure cannot afford to be careless, for his reputation and goodwill is at stake. Some jobs need soft skills, leadership qualities, intelligence, decision making abilities, and abilities to train and extract work from others; other jobs need forethought, vision and yet other jobs need motor skills, perfection and extreme carefulness.

**People:** Almost everyone has to deal with three set of people in the work place. Those are namely boss, co-workers in the same level and subordinates. Apart from this, some professions need interaction with people like patients, media persons, public, customers, thieves, robbers, physically disabled people, mentally challenged, children, foreign delegates, gangsters, politicians, public figures and celebrities. These situations demand high level of prudence, cool temper, tactfulness, humor, kindness, diplomacy and sensitiveness.

**Stress Level:** All these above mentioned factors are inter-related and inter-dependant. Stress level need not be directly proportional to the compensation. Stress is of different types - mental stress/physical stress and psychological or emotional stress. A Managing Director of a company will have mental stress, a laborer will have physical stress, a psychiatrist will have emotional stress. Mental stress and Emotional stress because more damage than physical stress.

**Career Prospects:** Every job should offer career development. That is an important factor which decides the quality of work life. Status improvement, more recognition from the Management, appreciations is the motivating factors for anyone to take keen interest in his job. The work atmosphere should be conducive to achieve organizational goal as well as individual development. It is a win-win situation for both the parties; an employee should be rewarded appropriately for his good work, extra efforts, sincerity and at the same time a lethargic and careless employee should be penalized suitably; this will motivate the former to work with more zeal and deter the latter from being so, and strive for better performance.

**Challenges:** The job should offer some challenges at least to make it interesting; That enables an employee to upgrade his knowledge and skill and capabilities; whereas the monotony of the job makes a person dull, non-enthusiastic, dissatisfied, frustrating, complacent, initiative - less and uninteresting. Challenge is the fire that keeps the innovation and thrill alive. A well-accomplished challenging job yields greater satisfaction than a monetary perk; it boosts the self-confidence also.

**Growth and Development:** If an organization does not give chance for growth and personal development it is very difficult to retain the talented personnel and also to find new talent with experience and skill.

**Risk Involved and Reward:** Generally reward or compensation is directly proportional to the quantum of work, man-hours, nature and extent of responsibility, accountability, delegated powers, authority of position in the organizational chart, risk involved level of expected commitment, deadlines and targets, industry, country, demand and supply of skilled manpower and even political stability and economic policies of a nation. Although risk is involved in every job its nature and degree varies in them; all said and done, reward is a key criterion to lure a prospective worker to accept the offer.

## 20.5 STRATEGIES FOR QUALITY OF WORK LIFE

Work-Life Strategy is what an employer does to help employee's harmonies work and personal commitments. It is also a business strategy that maximizes employee productivity at work and helps make organizations more competitive.

Overseas and local research has consistently shown that Work-Life Strategy improves business results and the bottom-line while helping employees to enhance their work performance and quality of life.

A Work-Life Strategy creates a win-win situation for employers and employees with: Committed and engaged employees; Improved morale and productivity; Improved staff recruitment and retention Improved customer satisfaction both indirectly (through an engaged workforce) and directly Work-Life Strategy is also a response to the changing needs of businesses and demands of a new generation of knowledge workers.

The new generation of workers view work flexibility as one of the most important factors influencing their choice of employer. With Work-Life Strategy fast becoming the key driver of employee commitment, it is clear the new knowledge-based economy favors employers that assess and respond to their employees' work-life needs.

A Work-Life Strategy has also become a powerful strategy to use in the competition for valued employees. The competition for good employees is no longer confined to local shores. The demand for a multinational labour force is global and their short supply enables them to look for jobs that allow them to enjoy a good quality of life.

Talented employees place a premium on good Work-Life Harmony and value greatly the flexibility to manage their work schedules to fulfill both work and personal responsibilities. Accordingly, employers who take into account the needs of employees to have a better Work-Life Harmony would have an edge attracting better employees.

## 20.8 MODELS OF QWL

Martel and Dupuis (2006) proposed four approaches for the conceptualization of quality of work life linking quality of personal life that interact and influence each other.

- The Transfer Model (or Spill over Effect)
- The Compensation model
- The Segmentation Model
- The Accommodation model

The first approach is the Transfer Model, also known as the Spill over Effect. This model, initially proposed by Kavanagh & Halpern (1977) and supported by (Schmitt & Bedeian, 1982), traces the linkage between work and non-work areas of life. George & Brief (1990) and Staines (1980) opines that that Employees Job satisfaction affects and is affected by life outside work. Leiter and Durup (1996) suggests that there can be direct or indirect spill over effects between job satisfaction and personal life. A direct effect occurs when objective conditions in either the work or personal life influence the other environment, such as a change of workplace or the arrival of a new baby. An indirect effect occurs when an individual's perception of an objective condition creates either stress or satisfaction.



However, Rousseau (1978) argues that the Transfer Model may not be universally applicable, particularly for individuals who experience high levels of isolation or physical demands in their work or personal life.

The second approach is the Compensation Model, which predicts an inverse relationship between job satisfaction and satisfaction outside of work. Rousseau (1978) and Staines (1980) suggest that individuals who are not satisfied with their work will seek to compensate for this dissatisfaction through engaging in stimulating activities outside of work.

The third approach is the Segmentation Model, proposed by George and Brief (1990). This model looks life at work and life outside of work as independent of each other. In other words, individuals can compartmentalize their work and personal life, treating them as separate spheres with minimal influence on each other.

The fourth approach is the Accommodation Model, proposed by Lambert (1990). This model suggests that individuals may reduce their investment voluntarily in one sphere of activity to give better response to the demands of another. For example, someone may choose to prioritize his or her personal life over his or her work life for a period. However, Loscocco and Roschelle (1991) argue that none of these three models (Transfer, Compensation, and Segmentation) are universally applicable, as they lack precision and are based more on subjective perceptions of individuals as the link between work and personal life.

Another perspective is the Integration Model, proposed by Kiernan and Knutson (1990). This model views quality of work life (QWL) as a social movement. It considers work as a vehicle for personal growth and social support, instead of a means of achieving financial independence. This perspective recognizes that QWL is becoming increasingly important in people's overall quality of life, particularly as workers become better educated and there is a rise in the number of skilled women in the workforce. These various approaches provide different insights into the relationship between work and personal life, highlighting the importance of considering the quality of work life in the broader context of overall quality of life.

## 20.9 SUMMARY

QWL has emerged as a critical concept in understanding the relationship between work and employee well-being. Its importance lies in its potential to create a positive work environment that fosters employee satisfaction, engagement, and overall organizational success. As the concept continues to evolve, organizations must adapt their practices to align with the changing needs and expectations of employees, ensuring that QWL remains a key priority in today's dynamic and ever-evolving work landscape. The paper highlights the importance of Quality of Work Life (QWL) in the workplace and emphasizes the significant amount of time individuals spend at work and the impact it has on their overall well-being and satisfaction. The paper also discusses the historical evolution of work from being a part of the community to becoming detached and separate. The importance of QWL lies in its potential to enhance employee satisfaction, productivity, and retention. When employees experience a high quality of work life, they are more likely to be motivated, committed, and engaged in their roles. This, in turn, positively affects organizational outcomes such as productivity, innovation, and customer satisfaction. Moreover, a positive work environment that prioritizes QWL can help attract and retain top talent, creating a competitive advantage for organizations.

## 20.10 TERMINOLOGY

- Quality of working life
- Workload
- Engagement



- Job satisfaction
- Career development
- Stress
- Work-life balance.

### **20.11 SELF ASSESSMENT QUESTIONS**

1. Explain Conditions of QWL
2. Define QWL. Explain Specific Issues of QWL
3. Explain Factors of Quality of Work Life
4. Explain Strategies for Quality of Work Life
5. Briefly Explain Models of QWL

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