	Semester – II
18MBAP203 HUMAN RESOURCE MANAGEMENT	4H – 3C

Instruction Hours / week L: 4 T: 0 P : 0   Marks: Internal: 40   External: 60   Total: 100

End Semester Exam: 3 Hours

COURSE OBJECTIVES:
To make the students

1. To acquire knowledge in human resource management. HR audit, and HR analytics.
2. To gain knowledge of HR planning. Selection. Recruitment. job analysis and its interrelations.
3. To understand the concepts and practical implications of performance management. Training methods and career planning.
4. To know about compensation and reward management and its practice in industry.
5. To be familiar with Employee relations and its application for the development of Human resources.

COURSE OUTCOMES:
Learners should be able to

1. Assess the job analysis for a profile and understand its linkage with HR planning
2. Evaluate the training needs and draft a training programme.
3. Understand the compensation and reward system applicable to the industry based and understand its linkage with performance management
4. Understand and apply the appropriate employee relations measures.
5. Understand the HR functions and latest developments in the field of HR and effectively communicate ideas. explain procedures and interpret results and solutions in written and oral forms to different audiences.

UNIT I HRM and latest trends in HR

Human resource management - introduction to Human Resource Management Functions and importance of HRM — Globalization and challenges to HR manager Diversity management Strategic Human resource management HR audit accounting - HR analytics

UNIT II HRP, Selection, Recruitment and Job Analysis

Human Resource Planning and Staffing - Human resource planning and forecasting Job Analysis –Recruitment — Employee testing and selection Interviewing for selection Employee Socialisation - Employee termination and Exit interviews. Job analysis and Design Process of Job Analysis - Job description. Job specification. Job rotation. Job enrichment- Job enlargement Job enhancement - Recruitment and selection: Sources of recruitment. Recruitment process Process of selection - Induction and Placement.

UNIT III Training, Performance Management and career development.

Training Need assessment - Designing Training Programs – Methods and Techniques of Training and Development – training evaluation – Management development programs - Talent Management – techniques of performance appraisal – Orientation – Socialization – Process of socialization – Strategies. Training – Training process - Performance appraisal- Process – Traditional and Modern Methods - 360° - 720° feedback – Ethics of performance appraisal - challenges to performance appraisal – career and development planning- mentoring – coaching – succession planning

UNIT IV Compensation and Reward

Compensation and Reward Management Factors influencing pay rates – Components of compensation – Types of incentives and rewards – Employee benefits and services - Executive compensation – Employee social security - Employee engagement

UNIT V Employee Relations.

Employee Relations - Managing employee relations – Grievance Management - organizational discipline – dispute settlement – Collective bargaining – Employee Health and Safety – IHRM and Managing Expatriates - Quality of Work life – Concepts – Methods to improve quality of work life

SUGGESTED READINGS:

1. Dessler, G. and Bijju Varkkey (2017). *Human Resource Management*,15th edition. Pearson Education, New Delhi.
2. Aswathappa, K. (2017). *Human Resource Management*, 6^{8h} edition, McGraw Hill Education, New Delhi.
3. David A. Decenzo , Stephen P. Robbins, Susan L. Verhulst (2015). *Human Resource Management*,11th edition, Wiley, New Delhi.
4. George W Bohlander and Scott., Snell., (2016). *Principles of Human Resource Management* . 16th edition, Cengage India, New Delhi.
5. Scott Snell, George Bohlander , Veena Vohra (2010). *Human Resources Management: A South Asian Perspective*, 1st edition, Cengage India, New Delhi.

KARPAGAM ACADEMY OF HIGHER EDUCATION

(Deemed to be University)
(Established under section 3 of UGC Act 1956)
Coimbatore-641021
Department of Management

Name: **S.NEABA**

Department: **Management**   Subject Code: **18MBAP203**

Semester: **II**   Year: **2018-2020 Batch**

Subject: **HUMAN RESOURCE MANAGEMENT** - **Lesson Plan**

S.No	Lecture Hours	Contents	References
UNIT 1			
1	1	Human resource management	T1:2
2	1	Introduction to Human Resource Management	T1:4
3	1	Functions and importance of HRM	T1:5
4	1	Globalization and challenges to HR manager	T1:12
5	1	Diversity management	T1:74-75
6	1	Strategic Human resource management	T1:86-87;101-102
7	1	HR audit accounting - HR analytics	T1:120-122
8	1	Recapitulation & discussion of important questions	
Total Number of hours planned for Unit 1			**8**
UNIT 2			
1	1	Human Resource Planning and Staffing - Human resource planning and forecasting	T1:166-171
2	1	Job Analysis –Recruitment	T1:132-134;177
3	1	Employee testing and selection – Interviewing for selection	T1:238-246;250-255
4	1	Employee Socialization – Employee termination and Exit interviews	T1:202-208;T1:211-214
5	1	Job analysis and Design – Process of Job Analysis	T1:132-135
6	1	Job description, Job specification, Job rotation, Job enrichment- Job enlargement – Job enhancement	T1:146-155
7	1	Recruitment and selection: Sources of recruitment, Recruitment process	T1:171-187

8	1	Process of selection - Induction and Placement	T1:202;218-226;272-273
9	1	Recapitulation & discussion of important questions	
Total Number of hours planned for Unit 2			**9**
UNIT 3			
1	1	Training Need assessment - Designing Training Programs	T1:278-282
2	1	Methods and Techniques of Training and Development – training evaluation	T1:283-290; T1:305-303
3	1	Management development programs – Talent Management – techniques of performance appraisal	T1:295-300; T1:375-376; T1:320-330
4	1	Orientation – Socialization – Process of socialization – Strategies	T1:271-273
5	1	Training – Training process - Performance appraisal	T1:282-283; T1:320-333
6	1	Process – Traditional and Modern Methods - 360˚ - 720˚ feedback	T1:339-3403
7	1	Ethics of performance appraisal - challenges to performance appraisal	T1:333-335; T1:359-365
8	1	Career and development planning	T1:365-369
9	1	mentoring – coaching – succession planning	T1:161;356-358
10	1	Recapitulation & discussion of important questions	
Total Number of hours planned for Unit 3			**10**
UNIT 4			
1	1	Compensation and Reward Management Factors influencing pay rates	T1:396-398
2	1	Components of compensation	T1:407-415
3	1	Types of incentives and rewards	T1:447-452
4	1	Employee benefits and services	T1:476-479
5	1	Executive compensation	T1:418-420
6	1	Employee social security	T1:492-495
7	1	Employee engagement	W2

8	1	Recapitulation & discussion of important questions	
Total Number of hours planned for Unit 4			**9**
UNIT 5			
1	1	Employee Relations - Managing employee relations - Grievance Management	T1:521-523; T1:566-567
2	1	Organizational discipline - Dispute settlement	T1:529-532;559
3	1	Collective bargaining	T1:559-566
4	1	Employee Health and Safety - IHRM and Managing Expatriates	T1:580-593; T1:630-646
5	1	Quality of Work life – Concepts - Methods to improve quality of work life	W3
6	1	Recapitulation & discussion of important questions	
7	1	Discussion of previous year ESE QP	
8	1	Discussion of previous year ESE QP	
9	1	Discussion of previous year ESE QP	
Total Number of hours planned for Unit 5			**9**
Total Number of hours allotted for all five units			**44**

SUGGESTED READINGS:

T1. Dessler, G. and Bijju Varkkey (2017). Human Resource Management, 15th edition, Pearson Education, New Delhi.

T2. Aswathappa, K. (2017). Human Resource Management, 68th edition, McGraw Hill Education, New Delhi.

T3. David A. Decenzo , Stephen P. Robbins, Susan L. Verhulst (2015), Human Resource Management,11th edition, Wiley, New Delhi.

T4. George W Bohlander and Scott., Snell., (2016). Principles of Human Resource Management , 16th edition, Cengage India, New Delhi.

T5. Scott Snell, George Bohlander , Veena Vohra (2010), Human Resources Management: A South Asian Perspective, 1st edition, Cengage India, New Delhi.

W1:https://www.analyticsinhr.com/blog/what-is-hr-analytics/

W2:https://www.custominsight.com/employee-engagement-survey/what-is-employee-engagement.asp

W3: http://shodhganga.inflibnet.ac.in/bitstream/10603/71421/8/08_chapter%201.pdf

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UNIT I HRM and latest trends in HR

Human resource management - introduction to Human Resource Management– Functions and

importance of HRM – Globalization and challenges to HR manager –Diversity management –

Strategic Human resource management – HR audit accounting - HR analytics

HUMAN RESOURCE MANAGEMENT

Meaning and Definition

Human Resource Management is the process of recruitment, selection of employee, providing proper orientation and induction, providing proper training and the developing skills, assessment of employee (performance of appraisal), providing proper compensation and benefits, motivating, maintaining proper relations with labor and with trade unions, maintaining employee's safety, welfare and health by complying with labor laws of concern state or country.

Edwin Flippo defines- HRM as "planning, organizing, directing, controlling of procurement, development, compensation, integration, maintenance and separation of human resources to the end that individual, organizational and social objectives are achieved."

The National Institute of Personal Management (NIPM) of India has defined human resources – personal management as "that part of management which is concerned with people at work and with their relationship within an enterprise. Its aim is to bring together and develop into an effective organization of the men and women who make up enterprise and having regard for the well – being of the individuals and of working groups, to enable them to make their best

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contribution to its success".

Features of HRM

The features of human resource management can be highlighted as follows:

1. It is an inherent part of management:

Human resource management is inherent in the process of management. This function is performed by all the managers throughout the organisation rather that by the personnel department only. If a manager is to get the best of his people, he must undertake the basic responsibility of selecting people who will work under him.

2. It is a pervasive function:

Human Resource Management is a pervasive function of management. It is performed by all managers at various levels in the organisation. It is not a responsibility that a manager can leave completely to someone else. However, he may secure advice and help in managing people from experts who have special competence in personnel management and industrial relations.

3. It is basic to all functional areas:

Human Resource Management permeates all the functional area of management such as production management, financial management, and marketing management. That is every manager from top to bottom, working in any department has to perform the personnel functions.

4. It is people centered:

Human Resource Management is people centered and is relevant in all types of organisations. It is concerned with all categories of personnel from top to the bottom of the organisation. The broad classification of personnel in an industrial enterprise may be as follows: (i) Blue-collar workers (i.e.

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those working on machines and engaged in loading,unloading etc.) and white-collar workers (i.e. clerical employees), (ii) Managerial and nonmanagerial personnel, (iii) Professionals (such as Chartered Accountant, Company Secretary,Lawyer, etc.) and non-professional personnel.

5. It involves Personnel Activities or Functions:

Human Resource Management involves several functions concerned with the management of people at work. It includes manpower planning, employment, placement, training, appraisal and compensation of employees. For the performance of these activities efficiently, a separate department known as Personnel Department is created in most of the organisations.

6. It is a continuous process:

Human Resource Management is not a "one shot" function. It must be performed continuously if the organizational objectives are to be achieved smoothly.

7. It is based on Human Relations:

Human Resource Management is concerned with the motivation of human resources in the organization. The human beings can't be dealt with like physical factors of production. Every person has different needs, perceptions and expectations. The managers should give due attention to these factors. They require human relations skills to deal with the people at work. Human relations skills are also required in training performance appraisal, transfer and promotion of subordinates.

Objectives of HRM

The primary objective of HRM is to ensure the availability of competent and willing workforce to an organization. The specific objectives include the following:

- Human capital: assisting the organization in obtaining the right number and types of employees to fulfil its strategic and operational goals.

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- Developing organizational climate**:** helping to create a climate in which employees are encouraged to develop and utilize their skills to the fullest and to employ the skills and abilities of the workforce efficiently

- Helping to maintain performance standards and increase productivity through effective job design; providing adequate orientation, training and development; providing performance-related feedback; and ensuring effective two-way communication.

- Helping to establish and maintain a harmonious employer/employee relationship

- Helping to create and maintain a safe and healthy work environment

- Developing programs to meet the economic, psychological, and social needs of the employees and helping the organization to retain the productive employees

- Ensuring that the organization is in compliance with provincial/territorial and federal laws affecting the workplace (such as human rights, employment equity, occupational health and safety, employment standards, and labour relations legislation) to help the organization to reach its goals.

- To provide organization with well-trained and well-motivated employees

- To increase the employees satisfaction and self-actualization

- To develop and maintain the quality of work life

- To communicate HR policies to all employees.

Functions of HRM

The main functions of human resource management are classified into two categories: (a) Managerial Functions and (b) Operative Functions

(a) Managerial Functions: Following are the managerial functions of Human Resource Management

1. Planning

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The planning function of human resource department pertains to the steps taken in determining in advance personnel requirements, personnel programmes, policies etc. After determining how many and what type of people are required, a personnel manager has to devise ways

and means to motivate them.

2. Organisation

Under organisation, the human resource manager has to organise the operative functions by designing structure of relationship among jobs, personnel and physical factors in such away so as to have maximum contribution towards organisational objectives. In this way a personnel manager performs following functions: (a) preparation of task force; (b) allocation of work to individuals; (c) integration of the efforts of the task force; (d) coordination of work of individual with

that of the department.

3. Directing

Directing is concerned with initiation of organised action and stimulating the people

to work. The personnel manager directs the activities of people of the organisation to get its function performed properly. A personnel manager guides and motivates the staff of the organisation to follow the path laid down in advance.

4. Controlling

It provides basic data for establishing standards, makes job analysis and

performance appraisal, etc. All these techniques assist in effective control of the qualities, time and efforts of workers.

(b) Operative Functions: The following are the Operative Functions of Human Resource Management:

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1. Procurement of Personnel

It is concerned with the obtaining of the proper kind and number of personnel necessary to accomplish organisation goals. It deals specifically with such subjects as the determination of manpower requirements, their recruitment, selecting, placement and orientation, etc.

2. Development of Personnel

Development has to do with the increase through training, skill that is necessary for proper job performance. In this process various techniques of training are used to develop the employees. Framing a sound promotion policy, determination of the basis of promotion and making performance appraisal are the elements of personnel development function.

3. Compensation to Personnel

Compensation means determination of adequate and equitable remuneration of personnel for their contribution to organisation objectives. To determine the monetary compensation for various jobs is one of the most difficult and important function of the personnel management. A number of decisions are taken into the function, viz., job-evaluation, remuneration, policy, inventive and premium plans, bonus policy and co-partnership, etc. It also assists the organisation for adopting the suitable wages and salaries, policy and payment of wages and salaries in right time.

4. Maintaining Good Industrial Relation

Human Resource Management covers a wide field. It is intended to reduce strifies, promote industrial peace, provide fair deal to workers and establish industrial democracy. It the personnel manager is unable to make harmonious relations between management and labour industrial unrest will take place and millions of man-days will be lost. If labour management relations are not good the moral and physical condition of the employee will suffer, and it will be a loss to an

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organisation vis-a-visa nation. Hence, the personnel manager must create harmonious relations with the help of sufficient communication system and co-partnership.

5. Record Keeping

In record-keeping the personnel manager collects and maintains information concerned with the staff of the organisation. It is essential for every organisation because it assists the management in decision making such as in promotions.

6. Personnel Planning and Evaluation

Under this system different type of activities are evaluated such as evaluation of performance, personnel policy of an organisation and its practices, personnel.

Importance of HRM

Human Resource Management has a place of great importance. According to Peter F. Drucker,―The proper or improper use of the different factors of production depends on the wishes of the human resources. Hence, besides other resources human resources need more development. Human resources can increase cooperation but it needs proper and efficient management to guide it.

Importance of personnel management is in reality the importance of labour functions of personnel department which are indispensable to the management activity itself. Because of the following reasons human resource management holds a place of importance.

- o It helps management in the preparation adoption and continuing evolution of personnel programmes and policies.
- o It supplies skilled workers through scientific selection process.
- o It ensures maximum benefit out of the expenditure on training and development and appreciates the human assets.
- o It prepares workers according to the changing needs of industry and environment.

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- o It motivates workers and upgrades them so as to enable them to accomplish the organisation goals.

- o Through innovation and experimentation in the fields of personnel, it helps in reducing casts and helps in increasing productivity.

- o It contributes a lot in restoring the industrial harmony and healthy employer-employee relations.

- o It establishes mechanism for the administration of personnel services that are delegated to the personnel department.

GLOBALISATION & HRM

Introduction to Globalization

Background to Globalization:

International Business evolved from the age of World War I (1919) & World War II(1939) . The economies of several counties were down. Exports & imports were restricted due to unhealthy relations. Then the world war countries found the need of international cooperation in global trade. This lead to the formation of IMF(International Monetary Fund) & World Bank. The attempt of these advanced countries ended with the GATT(general Agreement of Trade & Tariffs) & gradually GATT was replaced by WTO(World Trade Organisation) in 1995.Hence the efforts of IMF, World Bank & WTO lead to the globalization of business during 1990s.

- ❖ Phase 1 – From export-import to International Marketing: Earlier organisations used to only export or import their products across nations. Later these organisations began their promotion in the countries where their products were in demand thus starting international marketing.

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❖ Phase 2 – From International Marketing to International Business: Since the demand of the products started increasing in the neighboring countries, it was becoming difficult for the producers to export at a larger rate hence they decided to manufacture their products in the countries where there is high demand. Eg: Uni lever established its subsidiary in India i.e HUL/HLL. Now HUL produces its product in India and markets them not only in India but to Bangladesh, Sri Lanka, Nepal etc. Thus began the International Business

Globalization:

- o   Doing business in more than one country
- o   Operating and expanding the business throughout the world
- o   Establishing manufacturing and distribution facilities in any part of the world
- o   Global organizational structures, organizational culture & strategies
- o   Advantages & Disadvantages of Globalization

Advantages:

- ▪   Cheaper Products for Consumer: Mass production leads to availability of products at low price.
- ▪   Consumers get the product they want at more competitive prices.
- ▪   Consumers to get much wider variety of products to choose from.
- ▪   Globalization leads to Outsourcing in some cases which can increase of job in other countries. Eg: Moving call centers to India.

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- The international barrier gets reduced between counties which fosters the relation among nations.

- Better qualities of products are available due to standard norms set for production across the globe.

- Helps prevent market saturation in a specific market i.e it reduces too much competition in one place. For e.g too much call centers were existing in UK market which moved to India

- Standardization of product: The same products can be seen in some many places – e.g coke and McDonalds

- Companies get access to much wider markets which give a scope of further development of organisations

- Increased Standard of living due to the availability of goods & services across the globe

- Increased flow of skill and non skilled jobs and workers which enables better employment conditions across the countries. Eg: Large numbers of Indian citizens work in the Middle East country which helps both the countries.

Disadvantages of globalization:

➢ Companies face much greater competition. This can put smaller companies, at a disadvantage as they do not have resources to compete at global scale.

➢ It can increase spread of communicable diseases.

➢ Economic depression in one country can trigger adverse reaction across the globe.

➢ Widening of Gap between rich and poor countries

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> ➢ Exploitation of workers: Paying the workers in less economic developed countries a fraction of what would be paid to the parent citizen workers

Impact of Globalization in India:

Indian consumers are availing cheaper products due to globalization. There was one stage where only Ambassador Cars were available at high prices but now plenty of automobile companies are existing supply at low prices.

Indian consumers have more choices to choose from. In consumer durable industries at one point , only Videocon, Onida & BPL ruled the market, but now these companies are no more capturing a big market share. Consumer has plenty to choose from variety of companies such as Samsung, Sony, HP etc.

❖ Indian consumers have an access to better quality of products due to global standardization. MNC's such as Mc Donald's, Coke etc maintain the same standard in India which is maintained throughout the world.

❖ Indian consumers now have a better standard of living due to the easy access of products across the globe. Online marketing, E Business & Mobile banking has helped Indian Consumers to establish a global living standard.

❖ Due to globalization the concept of outsourcing is made possible. The employment in India has improved to a great extent due to the emergence of call centers, BPO's & KPO's.

❖ Any Indian company can dream now to become a Indian MNC due to globalization. In finger tips the world market is available to them. Companies get access to much wider markets which give a scope of further development of organisations

❖ Increased flow of skill and non skilled jobs and workers which enables better employment conditions across the countries. Eg: Large numbers of Indian citizens work in the Middle East country which helps both the countries.

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Global Mind Set:

The process of globalization forces companies and individuals to develop global mindset.

A Mindset is the way we, whether an individual or an organisation observes, accepts and makes sense of the world around us.A global mindset will comprise of the following aspects:

➢ Intellectual global mindset:

➢ Understanding of how to build and manage global alliances, partnerships and value networks
➢ Ability to manage the tension between corporate requirements and local challenge
➢ Ability to handle complex cross-culture issue
➢ Understanding of global business and industry
➢ Understanding cultural similarities
➢ Understanding other cultures and histories
➢ Psychological global mindset:
➢ Respect for cultural differences
➢ Willingness to adapt, learn and cope with other cultures
➢ Willingness to accept good ideas no matter where they come from
➢ Acknowledgement of validity of different views
➢ Openness to cultural diversity
➢ Ability to suspend judgment about those from other cultures
➢ Positive attitude toward those from other cultures and regions

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➢ Ability to adjust behaviour in a different cultural and regions

➢ Willingness to work across time and distance

➢ Desire to learn about other cultures and other parts of the world

➢ Social global mindset:

➢ Ability to generate positive energy in people from a different part of the world

➢ Ability to excite people from a different part of the world

➢ Abilty to connect with people from other parts of the world

➢ Collaborative

Impact of Globalization on HRM

Globalization symbolizes free flow of technology and human resources across national boundaries presenting an ever-changing and competitive business environment. Globalization is a process that is drawing people together from all nations of the world into a single community linked by the vast network of communication technologies. This aspect of globalization has also affected the HRM in the business world of today. HR managers today not need to rely in a small limited market to find the right employees needed to meet the global challenge, but today they can recruit the employees from around the world. The future success of any organizations relies on the ability to manage a diverse body of talent that can bring innovative ideas, perspectives and views to their work. Thus, a HR manager needs to be mindful and may employ a 'Think Global, Act Local' approach in most circumstances. Many local HR managers have to undergo cultural-based Human Resource Management training to further their abilities to motivate a group of professional that are highly qualified but culturally diverse. . Furthermore, the HR professional must assure the local professionals that these foreign talents are not a threat to their career advancement. In many ways, the

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effectiveness of workplace diversity management is dependent on the skilful balancing act of the HR manager.

Global HRM refers to Human Resource Management practices that deal with managing a diversity of workforce from all around the world.

The impact of globalization on HRM is as follows:

❖ Managing Cultural Diversity: Managing different employees from different cultures in the same organisation is a complex activity. Employees from each country think differently, perceptions are different towards work culture, the languages change, vocabulary differs and even non verbal communications are quite different from each region. This makes the task of the human resource department challenging due to globalization.

❖ Managing Expatriates: Preparing the home country employees to work in a different country is a herculean task. The beliefs, value system, culture, attitude are diverse in nature. Recruiting, retaining and motivating expatriates have a major impact on the business. Understanding expatriate's need is a prime concern for the human resource team.

❖ Difference in the Employment Laws: The employment laws or the labour laws differ from one country to another. The understanding of not only the monetary benefits becomes essential but also the non monetary benefits such as leaves, flexi timings are important to be included in the human resource policy.

❖ Managing Outsourcing of employees: Outsourced employees to manage business are the big impact of globalization. Managing the BPO, KPO employees working with a different culture, different language, working in completely opposite shifts is a new shift in the area of human

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resources. Managing the expectation of these employees is a challenge for today's HR and this challenge is a result of globalization.

❖ Managing virtual employees: Majority of the information technology based organisations have employees working "on-site" at a client's location which is completely new to them. The virtual employees have to be managed, retained and motivated in a different way unlike the "off-shore" employees. This practice of managing the virtual employees is a result of organisations going global.

❖ Corporate Social Responsibility: Corporate houses actively participating in the practice of doing for the betterment of the society has emerged from the western countries. It is one of the ways make the presence felt in the host countries. Employees are encouraged to participate in such activities which help to reduce stress working with MNC's.

❖ Coping with flexible working hours: The practice of flexible working hours has emerged as one of the retention initiative of workforce specially women employees who can maintain the work life balance. This practice of flexible working hours is result of working beyond normal time zones. Organisations which have a global presence need the attention of employees at various time zones which is not possible for all employees doing a continuous shift. Hence this practice emerged from globalization and has a positive impact on the HRM practice.

❖ Evolution of more part-time and temporary work (especially among women, the elderly and students): The concept of part time employment, contract jobs have emerged from the practice of MNC's since hundred percent of workforce on permanent payroll is quite a expensive matter to these organisations. Majority of large MNC's in the information technology sector has their employees under contract employment.

❖ Coping up with emerging technologies & quality measures: Every employee in today's leading organisation is being trained with the latest technologies especially with the ERP

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concept like SAP or Peoplesoft. This step has been taken by MNC's to equip the employees with latest technology enabling the employees to cope up with the changing technology. Certifications like Six Sigma are availed to employees to manage the business on an international platform.

❖ Changing perspective from subordinates to business partners: The shift has been observed in today's MNC that culture of subordinates is getting extinct. Employees have been treated as business partners' i.e every employee is responsible towards the growth of the organisation and considered as a partner in the company. This impact is the result of globalization.

Diversity Management

Diversity management refers to organizational actions that aim to promote greater inclusion of employees from different backgrounds into an organization's structure through specific policies and programs. Organizations are adopting diversity management strategies as a response to the growing diversity of the workforce around the world.

Advancements in technology now allow companies to hire and manage employees from around the world and in different time zones. Companies are designing specific programs and policies to enhance employee inclusion, promotion, and retention of employees who are from different backgrounds and cultures. The programs and policies are designed to create a welcoming environment for groups that lacked access to employment and more lucrative jobs in the past.

The concept of diversity started in North America in the mid-1980s, spreading to other parts of the world afterward. The then United States President, Ronald Reagan, originally vowed to dismantle the equality and affirmative action laws that were viewed as legal constraints. Equality and affirmative

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action employees presented the argument that diversity management should be seen as a competitive advantage to US companies rather than as legal constraints. The discussion attracted research into the concept of diversity and benefits of diversity management. The globalization of the world economy and the spread of multinational corporations brought a new twist into the concept, in that diversity management does not solely refer to the heterogeneity of the workforce in one country but to workforce composition across countries.

Types of Diversity Management

The following are the two types of diversity management:

Intranational diversity management

Intranational diversity management refers to managing a workforce that comprises citizens or immigrants in a single national context. The diversity programs focus on providing employment opportunities to minority groups or recent immigrants. For example, a French company may implement policies and programs with the aim of improving sensitivity and providing employment to minority ethnic groups in the country.

Cross-national diversity management

Cross-national, or international, diversity management refers to managing a workforce that comprises citizens from different countries. It may also involve immigrants from different countries who are seeking employment. An example is a US-based company with branches in Canada, Korea, and China. The company will establish diversity programs and policies that apply in its US headquarters as well as in its overseas offices. The main challenge of cross-national diversity management is that

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the parent company must consider the legislative and cultural laws in the host countries it operates in, depending on where the employees live.

Characteristics of Diversity Management

Voluntary

Unlike legislation that is implemented through sanctions, diversity management is a voluntary organizational action. It is self-initiated by organizations with a workforce from different ethnicities, religions, nationalities, and demographics. There is no legislation to coerce or government incentives to encourage organizations to implement diversity management programs and policies.

Provides tangible benefits

Unlike in the past when diversity management was viewed as a legal constraint, companies use the diversity strategy to tap into the potential of all employees and give the company a competitive advantage in its industry. It allows each employee, regardless of his/her color, religion, ethnicity, or origin to bring their talents and skills to the organization. A diverse workforce enables the organization to better serve clients from all over the world since diverse employees can understand their needs better.

Broad definition

While legislation and affirmative action target a specific group, diversity management uses a broad definition since the metrics for diversity are unlimited. The broad definition makes diversity programs more inclusive and having less potential for rejection by the members of the majority group or privileged sections of the society.

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Best Practices of Diversity Management

Organizations can implement these best practices to maintain a competitive business advantage and also capitalize on the potential of its diverse workforce. The following are the best practices that an organization can implement:

Commitment from top management

Workforce diversity can succeed if it is adopted by a shared vision with the company's top management. The senior executives of an organization are responsible for policy formulation, and they can promote or kill workplace diversity depending on the policies they make. When the senior management fails to show commitment to implementing the diversity strategies, the diversity plan becomes severely limited.

Identify new talent pools

In an organization where more people are leaving the workforce than are being hired, management must immediately employ fresh talents. Most companies prefer the traditional new-employee sources like competitor organizations and graduate schools to recruit the best talent. Companies should look beyond the traditional new-hire sources and explore other talent pools, such as veterans exiting the military, minority groups, and talents from other regions or countries. Hiring individuals with diverse skills and knowledge can help companies to deliver better quality services to a global client base.

Provides a safe avenue for dialogue on diversity-related issues

Organizations should organize resource groups where employees from similar backgrounds can connect and communicate their concerns in a safe environment. People from minority groups often feel isolated from organizations and may, therefore, increase employee turnover. Creating avenues for

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mentorship, networking, and socializing helps to increase employee engagement and performance levels. Successful staff members can demonstrate how they found success within the organization and mentor new staff members.

Make diversity part of the company's objectives

An organization that practices workforce diversity should not shy away from letting the world know that the organization embraces diversity and works with people from all backgrounds. The organization can start by encouraging and supporting its staff who volunteer in different causes such as a disability walk or HIV/AIDs awareness forum. It can sponsor fund drives to raise funds to support vulnerable and underrepresented populations. The organization can also offer internships and scholarships to minority groups.

Distinguish between diversity and affirmative action

Various governments around the world have implemented affirmative action programs to provide opportunities for women and other minority groups. While such affirmative actions complement diversity, organizations should make a distinction between affirmative action and diversity. Diversity is proactive rather than reactive, and it requires a change in the organization. People from diverse cultures, backgrounds, and beliefs bring a range of work styles, thoughts, and perspectives that an organization can use to improve efficiency and encourage creativity in product development.

Strategic Management

Strategic management is the process of formulating, implementing and evaluating business strategies to achieve organisational objectives. Cunningham' has defined strategic management as a manner by which organisations plan to deal with the various aspects of management like problem perception,

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divergent thinking, substantial resources, decisions making, innovations, taking risks and facing uncertainty.

Meaning of strategic HRM:

Human Resource Management

The best way to understand strategic human resources management is by comparing it to human resource management. Human resource management (HRM) focuses on recruiting and hiring the best employees and providing them with the compensation, benefits, training, and development they need to be successful within an organization. However, strategic human resource management takes these responsibilities one step further by aligning them with the goals of other departments and overall organizational goals. HR departments that practice strategic management also ensure that all of their objectives are aligned with the mission, vision, values, and goals of the organization of which they are a part.

Strategic Human Resource Management

Strategic human resource management is the practice of attracting, developing, rewarding, and retaining employees for the benefit of both the employees as individuals and the organization as a whole. HR departments that practice strategic human resource management do not work independently within a silo; they interact with other departments within an organization in order to understand their goals and then create strategies that align with those objectives, as well as those of the organization. As a result, the goals of a human resource department reflect and support the goals of the rest of the organization. Strategic HRM is seen as a partner in organizational success, as

opposed to a necessity for legal compliance or compensation. Strategic HRM utilizes the talent and opportunity within the human resources department to make other departments stronger and more effective.

Benefits of strategic management:

The strategic HR framework aims to leverage and / or align HR practices to build critical capabilities that enable an organisation to achieve its goals. Strategic management offers both financial and non-financial benefits to an organization which practices it.

Fred R. David' has listed the following benefits that strategic management brings for an organization:

1.   Allows identification, prioritization and exploitation of opportunities.

2.   Provides an objective view of management problems.

3.   Represents a framework for improved co-ordination and control of activities.

4.   Minimizes the effects of adverse conditions and changes.

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5.   Allows major decisions to better support established objectives.

6.   Allows more effective allocation of time and resources to identified opportunities.

7.   Allows fewer resources and lesser time to be devoted to correcting erroneous or adhoc decisions.

8.   Creates a framework for internal communication among personnel.

9.   Helps to integrate the behaviors of individuals into a total effort.

10.   Provides a basis for the clarification of individual responsibilities.

11.   Gives encouragement to forward thinking.

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12.   Provides a co-operative, integrated and enthusiastic approach to tackling problems and opportunities.

13.   Encourages a favourable attitude towards change.

14.   Gives a degree of discipline and formality to the management of a business.

Role of HRM in strategic management:

We have already mentioned that strategic business plan is formulated to achieve competitive advantage. From this specific strategy for each functional area viz., marketing, finance, production operations and human resources need to be drawn in alignment with strategic business plan to carry out the organisational plan.

In other words, the formulation of organisational strategy is integrative with the formulation of functional strategies. Here, human resource strategy assumes more importance because it provides human resources for other functional areas also.

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Lengnick Hall and Lengnick- Hall in this respect argue in 'Strategic Human Resource Management' that reciprocal interdependence between an organisation's business strategy and human resource strategy underlines the proposed approaches to the strategic management of human resources.

This suggests that we must recognize that human resources integrally affect the overall strategy of an organisation. With this in mind, we are now discussing the integrative role played by human resources in the strategic management of an organisation.

Human resource planning is a process that identifies current and future human resources needs for an organization to achieve its goals. Human resource planning should serve as a link between human resource management and the overall strategic plan of an organization. Ageing workers population in most western countries and growing demands for qualified workers in developing economies have underscored the importance of effective human resources planning.

As defined by Bulla and Scott, human resource planning is 'the process for ensuring that the human resource requirements of an organization are identified and plans are made for satisfying those requirements'.[1] Reilly defined workforce planning as: 'A process in which an organization attempts to estimate the demand for labour and evaluate the size, nature and sources of supply which will be required to meet the demand.'[2] Human resource planning includes creating an

employer brand, retention strategy, absence management strategy, flexibility strategy, talent management strategy, recruitment and selection strategy.

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The planning processes of most best practice organizations not only define what will be accomplished within a given time-frame, but also the numbers and types of human resources that will be needed to achieve the defined business goals (e.g., number of human resources; the required competencies; when the resources will be needed; etc.).

Competency-based management supports the integration of human resources planning with business planning by allowing organizations to assess the current human resource capacity based on their competencies against the capacity needed to achieve the vision, mission and business goals of the organization. Targeted human resource strategies, plans and programs to address gaps (e.g., hiring / staffing; learning; career development; succession management; etc.) are then designed, developed and implemented to close the gaps.

These strategies and programs are monitored and evaluated on a regular basis to ensure that they are moving the organizations in the desired direction, including closing employee competency gaps, and corrections are made as needed. This Strategic HR Planning and evaluation cycle is depicted in the diagram below. Human resource planning is the ongoing process of systematic planning to achieve the best use of an organisation's most valuable asset – its human resources. The objective of human resource (HR) planning is to ensure the best fit between employees and jobs, while avoiding workforce shortages or spares. The three key elements of the HR planning process are forecasting labour demand, analysing present labour supply, and balancing projected labour demand and supply.

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Implementation stages

1.   Assessing the current HR capacity

Develop a skills catalog for your employees so that you have a clear understanding of what your staff currently holds. This employee catalog should include everything from volunteer activities to certifications, of all degrees not just topics pertaining to their

particular position. These catalogs can be assessed to deem whether or not an employee is ready to add more responsibility, or to forecast the employee's future development plans.

2.   Forecasting HR requirements

This step includes projecting what the HR needs for the future will be based on the strategic goals of the organization. Keep in mind you will need to also accommodate for external challenges that can affect your organization.

Some questions to ask during this stage include:

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o   Which jobs will need to be filled in the upcoming period?

o   What skill sets will people need?

o   How many staff will be required to meet the strategic goals of our organization?

o   Is the economy affecting our work and ability to appeal to new employees?

o   How is our community evolving or expected to change in the upcoming period?

3.   Gap analysis

•   During this step you will observe where your organization is currently, and where you want to be in the future. You will identify things such as, the employee count, and the skills evaluation and compare it to what will be needed to achieve your future goal. During this phase you should also review your current HR practices and identify what you are doing that is useful and what you can add, that will help you achieve your goal.

Questions to answer in this stage include:

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o   What new jobs will we need?

o   What new skills will we need?

o   Do our present employees have the necessary skills?

o   Are employees currently aligned to their strengths?

o   Are current HR practices adequate to meet our future goal?

4.   Developing HR strategies to support the strategies of the organization.

There are 5 HR strategies that you can follow to meet your organizational goals.

➕ Restructuring strategies

This includes reducing staff, regrouping tasks to create well-designed jobs, and reorganizing work groups to perform more efficiently.

➕ Training and development strategies

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This includes providing the current staff with training and development opportunities to encompass new roles in the organization

🔸 Recruitment strategies

This includes recruiting new hires that already have the skills the organization will need in the future.

🔸 Outsourcing strategies

This includes outreaching to external individuals or organizations to complete certain tasks.

🔸 Collaboration strategies

This includes collaborating with other organizations to learn from how others do things, allow employees to gain skills and knowledge not previously available in their own organization.

How Does HRM Influence Organizational Performance?

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● Effective HRM systems increase an organization's ability to meet its goals, enhance its ability to grow and manage change, and increase employee engagement, effort, and performance.

● Managing HR helps organizations with strategic risk, operational risk, financial risk, and compliance risk.

The most effective HRM systems are based on solid research, identifying and implementing best practices, and aligning the HRM system with organizational goals and environmental realities.

HR audit accounting

HR auditing

Concept of Human Resource Audit

The word "audit" comes from the Latin verb audire , which means, to listen. Listening implies an attempt to know the state of the affairs as they exist and as they are expected/ promised to exist. Auditing as a formal process is rooted in this feature of listening. Consequently, it is a diagnostic tool to gauge not only the current status of things but also the gaps between the current status and the desired status in the area that is being audited.

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Auditing has been a routine exercise in the area of finance, especially because it is a statutory obligation. However, in case of Human Resource, there is no legal binding to adopt auditing. Some of the companies nevertheless prefer to have Human Resource audits.

Like any audit, the Human Resource Audit is also a systematic formal process, which is designed to examine the strategies, policies, procedures, documentation, structure, systems and practices with respect to the organization's human resource management. It systematically and scientifically assesses the strengths, limitations, and developmental needs of the existing human resources from the larger point of view of enhancing organisational performance.

The human resource audit is based on the premise that human resource processes are dynamic and must continually be redirected and revitalized to remain responsive to the ever changing needs. Human Resource Audits are not routine practices aimed at problem solving. Instead of directly solving problems, HR audits, like financial audits, help in providing insights into possible causes for current and future problems.

The findings of these audits aid decision making in the organisation and are usually internal documents that need not necessarily be shared with the public. Moreover, unlike Financial Audits that are routine, regulated and standardised, Human Resource Audits are non-routine and may be designed to cater to the unique needs of the organisation at a particular point in time. These are in fact, studies

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of an unusual nature. The manner in which the Audit is conducted could vary from self-directed surveys to interventions by outside consultants.

Definition:

The American Accounting Association's Committee on Human Resource Accounting (1973) has defined Human Resource Accounting as

"the process of identifying and measuring data about human resources and communicating this information to interested parties".

HRA, thus, not only involves measurement of all the costs/ investments associated with the recruitment, placement, training and development of employees, but also the quantification of the economic value of the people in an organisation.

Flamholtz (1971) too has offered a similar definition for HRA. They define HRA as "the measurement and reporting of the cost and value of people in organizational resources".

Human Resource Audit means the systematic verification of job analysis and design, recruitment and selection, orientation and placement, training and development, performance appraisal and job evaluation, employee and executive remuneration, motivation and morale, participative management, communication, welfare and social security, safety and health, industrial relations, trade unionism, and disputes and their resolution. HR audit is very much useful to achieve the organizational goal and also is a vital tool which helps to assess the effectiveness of HR functions of an organization.

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An HR audit also goes beyond looking at the hiring process into areas like employee retention, budgeting, training, employee compensation, management/employee relations and virtually any process or practice within the company that affects its people.

A periodic Human Resource audit can qualify its effectiveness within an organization. Human Resource audits may accomplish a variety of objectives, such as ensuring legal compliance; helping maintain or improve a competitive advantage; establishing efficient documentation and technology practices; and identifying strengths and weaknesses in training, communications and other employment practices.

Human Resource auditing is something that many companies do annually, just as they audit their financial information. This gives them an accounting of their workforce and the efficiency with which the organization as an entity deals with its people, from recruiting to firing. Human Resource auditing can be likened to a person going to the doctor for a general check-up to stay well. The process allows a company to get a general idea of where it stands so it can better correct any potential problems and plan for the future.

When it comes to physical health, prevention of problems is far better than waiting until a problem arises and trying to cure it. The same holds true for human resources auditing. Preventing problems is

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much easier than trying to fix them after the fact. Good Human Resource planning and auditing can help prevent those problems, and save companies money and difficulties.

Human Resource Accounting benefits the company ascertain how much Investment it has made on its Employees and how much return it can expect from this Investment.

Need and Purpose of Human Resource Auditing

The commonly understood audits are the established and regular accounting audits carried out in accordance with specific statutory regulations. However, in the case of human resource audits, there is no legal obligation, but enlightened managements have voluntarily accepted its usefulness depending upon the circumstances. The following circumstances may be cited as examples:

1. felt concern by top management,
2. compulsions of the external forces necessitating a situational audit,
3. business changing significantly influenced by international business decisions affecting human resource management, and
4. An urge on the part of human resource management professionals towards advancement of the practices and systems.

It is necessary to take a look at these and other questions. Human Resource audit is highly useful for the purpose

1. Does the organisation regularly forecast the supply of and demand for employees in various categories?
2. Do job analyses exist for all positions in the organisation?

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3. Are all potential sources of recruitment identified and evaluated?

4. Are measurable selection criteria developed and used while filling up jobs?

5. Do effective training and development programmes exist?

6. Is there a performance evaluation system that helps assess past and potential performance?

7. Is the remuneration programme designed to motivate employees?

8. Is the plant unionised?

9. Does a grievance procedure exist?

10. Does the organisation have high quality of work life?

11. Does the HRM practice contribute to organisational effectiveness?

12. Does the management underestimate the capacity of HRM to contribute to organizational effectiveness?

Approaches to Human Resources Audit

The following approaches are adopted for purpose of evaluation:

1. Comparative approach

2. Outside authority approach

3. Statistical approach

4. Compliance approach

5. Management by objectives (MBO) approach

Comparative approach

In this, the auditors identify Competitor Company as the model. The results of their organization are compared with that Company/ industry.

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Outside authority approach

In this, the auditors use standards set by an outside consultant as benchmark for comparison of own results.

Statistical approach

In this, Statistical measures are performance is developed considering the company's existing information.

Compliance approach

In this, auditors review past actions to calculate whether those activities comply with legal requirements and industry policies and procedures.

Management by objectives (MBO) approach

This approach creates specific goals, against which performance can be measured, to arrive at final decision about organization's actual performance with the set objectives.

Sample Human Resource Audit question

1. How effective is the selection process in ensuring that people are placed in appropriate positions? Explain.
2. How effective is the appraisal process in accurately assessing performance? Explain.
3. How effective are rewards (financial and non-financial) in driving performance? Explain.
4. How effective are the training, development, and career planning activities in driving performance? Explain.

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5. How effective is the appraisal process in differentiating performance levels for justifying reward allocation decisions? Explain.

6. How effective is the appraisal process in identifying developmental needs of individuals to guide training, development, and career planning? Explain.

7. How effective are the training, development, and career planning activities in preparing people for selection and placement into new positions in the organization? Explain.

8. Overall, how effectively are the five components integrated and mutually supportive? Explain.

HR accounting

Human Resource Accounting is the activity of knowing the cost invested for employees towards their recruitment, training them, payment of salaries & other benefits paid and in return knowing their contribution to organisation towards it's profitability.

The American Accounting Association's Committee on Human Resource Accounting (1973) has defined Human Resource Accounting as "the process of identifying and measuring data about human resources and communicating this information to interested parties". HRA, thus, not only involves measurement of all the costs/ investments associated with the recruitment, placement, training and development of employees, but also the quantification of the economic value of the people in an organisation.

Flamholtz (1971) too has offered a similar definition for HRA. They define HRA as "the measurement and reporting of the cost and value of people in organizational resources".

CONCEPT OF HUMAN RESOURCE ACCOUNTING

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Human Resource Accounting (HRA) is a new branch of accounting. It is based on the traditional concept that all expenditure of human capital formation is treated as a charge against the revenue of the period as it does not create any physical asset. But now a day this concept has changed and the cost incurred on any asset (as human resources) should be capitalised as it yields benefits measurable in monetary terms.

Human Resource Accounting means accounting for people as the organisational resources. It is the measurement of the cost and value of people to organisations. It involves measuring costs incurred by private firms and public sectors to recruit, select, hire, train and develop employees and judge their economic value to the organisation.

According to Likert (1971), HRA serves the following purposes in an organisation:

It furnishes cost/value information for making management decisions about acquiring, allocating, developing, and maintaining human resources in order to attain cost-effectiveness;

It allows management personnel to monitor effectively the use of human resources;

It provides a sound and effective basis of human asset control, that is, whether the asset is appreciated, depleted or conserved;

It helps in the development of management principles by classifying the financial consequences of various practices.

Objectives of HR Accounting

The objective of HRA is not merely the recognition of the value of all resources used by the organisation, but it also includes the management of human resource which will ultimately enhance

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the quantity and quality of goods and services. The main objectives of HR Accounting system are as follows:

To furnish cost value information for making proper and effective management decisions about acquiring, allocating, developing and maintaining human resources in order to achieve cost effective organisational objectives.

To monitor effectively the use of human resources by the management.

To have an analysis of the human assets i.e. whether such assets are conserved, depleted or appreciated.

To aid in the development of management principles. and proper decision making for the future by classifying financial consequences of various practices.

In all, it facilitates valuation of human resources recording the valuation in the books of account and disclosure of the information in the financial statement.

It helps the organisation in decision making in the following areas:

Direct Recruitment vs. promotion, transfer vs. retention, retrenchment vs. retention, impact on budgetary controls of human relations and organisational behaviour, decision on reallocation of plants closing down existing units and developing overseas subsidiaries etc.

Methods of accounting

Standard Cost

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The standard cost method of human resource accounting involves determining the total cost of recruiting and hiring each employee, as well as the cost of any training or development. According to the standard cost method, the economic value of an employee is the total of these expenditures, and the annual economic value of the entire workforce is equal to the total amount of money spent on recruiting, hiring, training and developing all employees during the year.

Replacement Cost

The replacement cost method of HR accounting values an employee in terms of the amount it would cost the company to replace him. This method holds that the economic worth of a worker is equal to the estimated cost of recruiting, hiring and training a replacement, or of finding an employee with a similar set of skills and talents.

Opportunity Cost

The opportunity cost method of human resource accounting, also referred to as the competitive bidding model, assigns value to an employee based on what each department would be willing to pay him. This method envisions a fictitious situation in which a company suddenly finds labor and talent scarce and individual divisions or departments within the company must bid on existing employees.

Economic Value

The economic value model of human resource accounting involves estimating the total inflow of cash that will be produced by an employee over the course of his service to the company. Subtract the total cost of hiring, training, developing and paying an employee from the estimate of the cash he will generate for the company, and you have arrived at his net worth according to the economic value method of HR accounting.

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Benefits of HRA

There are certain benefits for accounting of human resources, which are explained as follows:

1. The system of HRA discloses the value of human resources, which helps in proper interpretation of return on capital employed.

2. Managerial decision-making can be improved with the help of HRA.

3. The implementation of human resource accounting clearly identifies human resources as valu¬able assets, which helps in preventing misuse of human resources by the superiors as well as the management.

4. It helps in efficient utilization of human resources and understanding the evil effects of labour unrest on the quality of human resources.

5. This system can increase productivity because the human talent, devotion, and skills are consid¬ered valuable assets, which can boost the morale of the employees.

6. It can assist the management for implementing best methods of wages and salary administration.

Limitations of HRA

HRA is yet to gain momentum in India due to certain difficulties:

1. The valuation methods have certain disadvantages as well as advantages; therefore, there is always a bone of contention among the firms that which method is an ideal one.

2. There are no standardized procedures developed so far. So, firms are providing only as additional information.

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3. Under conventional accounting, certain standards are accepted commonly, which is not possible under this method.

4. All the methods of accounting for human assets are based on certain assumptions, which can go wrong at any time. For example, it is assumed that all workers continue to work with the same organization till retirement, which is far from possible.

5. It is believed that human resources do not suffer depreciation, and in fact they always appreciate, which can also prove otherwise in certain firms.

6. The lifespan of human resources cannot be estimated. So, the valuation seems to be unrealistic.

HR Analytics

Human Resource analytics (HR analytics) is about analyzing an organizations' people problems. For example, can you answer the following questions about your organization?

How high is your annual employee turnover?

How much of your employee turnover consists of regretted loss?

Do you know which employees will be the most likely to leave your company within a year?

You can only answer these questions when you use HR data. Most HR professionals can easily answer the first question. However, answering the second question is harder.

To answer the second question, you'd need to combine two different data sources. To answer the third one, you'd need to analyze your HR data.

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HR departments have long been collecting vast amounts of HR data. Unfortunately, this data often remains unused. As soon as organizations start to analyze their people problems by using this data, they are engaged in HR analytics.

The scientific definition of HR analytics

What is the scientific definition of HR analytics? HR analytics is the systematic identification and quantification of the people drivers of business outcomes (Heuvel & Bondarouk, 2016).

How HR analytics helps Human Resource Management

Like marketing analytics has changed the field of marketing, HR analytics is changing HR. It enables HR to:

1. Make better decisions using data
2. Create a business case for HR interventions
3. Test the effectiveness of these interventions
4. Move from an operational partner to a tactical, or even strategic partner
5. Today, the majority of HR departments focus on reporting employee data. This doesn't suffice in today's data-driven economy.

Just keeping records is often insufficient to add strategic value. In the words of Carly Fiorina: "The goal is to turn data into information and information into insight". This also applies to HR.

Doing this enables HR to become more involved in decision-making on a strategic level. The picture below shows how this works in practice.

A few examples

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To get started with HR analytics, you need to combine data from different HR systems. Say you want to measure the impact of employee engagement on financial performance. To measure this relationship, you need to combine your annual engagement survey with your performance data. This way you can calculate the impact of engagement on the financial performance of different stores and departments.

Key HR areas will change based on the insights gained from HR analytics. Functions like recruitment, performance management, and learning & development will change.

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Advantages And Challenges Of HR Analytics

The demand for HR analytics is getting higher day by day as it helps companies to make right decisions about their employees and regular business processes. Traditionally, the HR department works good on managing number of employees, training sessions, salary, attendance, and annual appraisals, etc. With the advent of technology and massive saving of data, the role of HR has extended and the effective use of HR data is influencing overall business strategies. It can be utilized to stimulate growth, especially during tough economic situations. It brings together the information of all the people worked in an organization and utilizes their data to address some specific issues related to hiring, retention, productivity and fraud etc.

Benefits of HR Analytics

Almost every organization collects employees' data in one or other form and utilizes it for planning and transforming business structure. They know very well that effective use of data will help them to leg up on the competition. Most of the organizations know the power of HR analytics and utilize it to solve problems related to the workforce. They use dashboards as an effective tool to collect and monitor employees' related data that affect company's performance.

Key benefits of using HR analytics in an organization include:

- ➢ HR analytics help in managing overall HR works in a better way.
- ➢ It enables the HR department to display its benefits and role to achieve corporate goals.

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- ➢ It helps in improving the overall performance of an organisation through quality decisions especially in talent hiring.
- ➢ It forecasts about workforce requirements and needed skill-set for improving the overall performance of a business.
- ➢ Provide information of various competitive platforms for the organization.
- ➢ Optimization of talent through planning.
- ➢ Help in finding the lacking areas that become the key reason for attrition.
- ➢ Help in maintaining high-value employees.
- ➢ Finding and hiring well qualified staff for a specific position.
- ➢ Defining the Key performance Indicators (KPIs) to evaluate the success and finding the ways so that companies can achieve business objectives quickly.
- ➢ Get to know about the factors which make employees satisfied and happy.

Key Challenges in HR Analytics

HR analytics does not limited to collecting data related to employees' performance, but it aims to implementation of a number of new ways to utilize gathered data. However, there are few challenges that may stop them from utilizing the real power of HR analytics. They may possibly face difficulties to capture the valuable data for a particular purpose. Many organisations are not clear about what type of data needs to be captured to make most accurate decisions. Some of the challenges include:

Data and data variety: Different services of HR use different tools sourced from different vendors that work in isolation. If analytics need to be implemented, the major challenge is to pool these silo systems or connect them to communicate to each other which puts off even the determined ones.

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Training and Mindset: Marketing, Operations, and Data Management and other departments is supported by HR, it is registered in the minds that HR is a supporting department. Due to this thinking limitation and lack of analytical training opportunities towards analytics do not encourage HR analytics in organizations.

Biases and fears: Rising expectations of data driven approaches, leading to conflicting approaches and fears that data-driven decisions might reduce the human essence in problem solving, it might reduce personal preferences.

However, its a fact that organizations using data analytics take more valuable decisions to benefit themselves, maximizing profits ensuring long-term success.

Objectives of HR Analytics

- ➢ Predict attrition especially amongst high performers.
- ➢ Forecast the right fitment for aspiring employee
- ➢ Predict how compensation values will pan out.
- ➢ Establish linkages between Employee engagement score and C-Sat scores(Work in progress)

Critical areas for HR Predictive analytics

1. Turnover modeling.

    Predicting future turnover in business units in specific functions, geographies by looking at factors such as commute time, time since last role change, and performance over time.

2. Targeted retention.

    Find out high risk of churn in the future and focus retention activities on critical few people

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3. Risk Management.

   Profiling of candidates with higher risk of leaving prematurely or those performing below standard.

4. Talent Forecasting.

   To predict which new hires, based on their profile, are likely to be high fliers and then moving them in to fast track programs

Trend wise Analytics – HR analytics capabilities

The three levels of HR analytics and reporting

Level 1: Descriptive analysis

   •Reporting of basic metrics, their frequencies & percentages by various cuts followed by key highlights. These can be monthly, quarterly, half yearly tracking reports

   • Tool: SAS/REPORT

   • Techniques: frequencies, means, percentages etc.

Level 2: Operational metrics
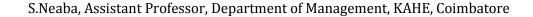
   •Derivation of some HR operational metrics which will help us in tracking the efficiency of HR functions

   • Tool: SAS

   • Techniques: means, variance, control limits, ratios, percentages etc.

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Level 3 : Predictive analysis
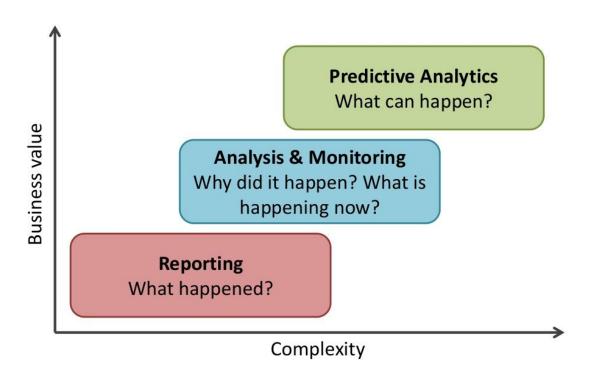
• Predictive analysis based on historical HR data. Attrition forecasting, performance management, compensation analysis, survey analytics, new hire strategies etc.,

• Tool: SAS BASE, SAS E-miner, Excel

• Techniques: Regression analysis, Time series analysis, cluster analysis etc.

Stages of HR Analytics

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Stages of Analytics

Critical areas for HR Predictive analytics

➢ Turnover modeling. Predicting future turnover in business units in specific functions, geographies by looking at factors such as commute time, time since last role change, and performance over time. One can accelerate hiring efforts accordingly, reducing lead time time and panic hiring, which can lead to lower cost, higher quality hiring.

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> Recruitment advertising /HR Branding effectiveness: HR Branding efforts based on Response modeling for advertising jobs.

HR – Predictive analytics

1. Targeted retention.
   a. Find out high risk of churn in the future and focus retention activities on critical few people .
2. Risk Management:
   a. profiling of candidates with higher risk of leaving prematurely or those performing below standard.
3. Talent Forecasting.
   a. To predict which new hires, based on their profile, are likely to be high fliers and then moving them in to fast track programs

Tools and software used

Typical tools / software:

o Microsoft Excel (max used)
o BI reporting tools
o ERP reporting tools, dashboards
o Statistical software like SAS, SPSS etc

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KARPAGAM ACADEMY OF HIGHER EDUCATION
DEPARTMENT ON MANAGEMENT
COURSE NAME - HUMAN RESOURCE MANAGEMENT
COURSE CODE – 18MBAP203

UNIT 1

s.no	Questions	Option A	Option B	Option C	Option D	Answer
1	In business, there are several types of business organisation, what are these?	Private	Public and voluntary	Voluntary and private	Public, Private and Voluntary	**Public, Private and Voluntary**
2	The development function of human resources has three dimensions. Which of the following does not fall under the development function of human resources?	Employee training	Management development	Career development	Identifying ways to motivate employees	**Identifying ways to motivate employees**
3	In which year did the term HRM emerge?	1970	1990	1980	1999	**1970**
4	An HR manager in a large multinational firm is involved in establishing an intentional structure of roles for people and assigning responsibilities. What is the managerial function that the HR manager is performing?	Organizing	Staffing	Directing	Controlling	**Organizing**

5	_____helps the organization in the achievement of long-term and short-term goals through optimum utilization of human resources .It involves the development of HR objectives & their alignment with the organizational objectives.	Employee relations management	strategic HRM	Compensation management	Human relations management	**strategic HRM**
6	Human Resource Management differs from Personnel Management both in ____ and ____	Definitions and functions	Scope and orientation	Functions and objectives	None of the above	**Scope and orientation**
7	Organizations need to evolve HR policies as they ensure _____ and _____ in treating people.	Constancy and similarity	Intention and safety	Consistency and uniformity	None of the above	**Consistency and uniformity**
8	Which of the following is not an objective of the Human Resource Management Function?	Societal objectives	Political objectives	Personal Objectives	Organisational Objectives	**Political objectives**
9	A business, whether national or international, contains the following activities or functions:	Operations, Human Resource Management, Accounting	Production, Human Resource Management, Accounting, Marketing, and Research and Development.	Production, Human Resources, Finance, Sales and Marketing, Research and Development.	Operations, Human Resource Management, Accounting, Sales, Research and Development.	**Operations, Human Resource Management, Accounting**
10	Elements of HRM as a business function include all but which one of the following?	Motivating the workforce	Management of rewards	Training and development	Overseeing quality management	**Overseeing quality management**
11	In strategic human resource management, HR strategies are generally aligned with	business strategy	marketing strategies	finance strategy	economic strategy	**Business strategy**

12	Which of the following is closely associated with strategic human resource management?	efficient utilization of human resources	attracting the best human resources	providing the best possible training	All of the above	**All of the above**
13	Strategic human resource management achieves competitive advantage through	People	Pattern	Technology	Process	**People**
14	Strategic human resource management mould the human resource in such a way to attain	Profit	Organizational goal	Individual goal	Market share	**Organizational goal**
15	SHRM first evolved in the year	1964	1974	1984	1994	**1984**
16	A control technique that helps in measuring the cost and value of people for an organization and helps management to value its human resources is..	Human resource accounting	Employee control systems	Organizational control system	Value based accounting	**Human resource accounting**
17	Which of the following conditions is essential for an effective HR audit?	Top management's commitment	clarity in HR audit objectives	regularity and continuity	All of the above	**All of the above**
18	When the cost incurred on recruiting, training and developing the employees is considered for determining the value of employees, it is called	the replacement cost approach	the historical cost approach	the opportunity cost approach	none of the above	**the historical cost approach**
19	The opportunity cost approach in human resource accounting was introduced by	Hekimian and Jones	Rensis Likert	Eric G. Flamholtz	William C. Pyle	**Hekimian and Jones**
20	The aggregate payment approach in human resource accounting was developed by	Myers and Flowers	Hermanson	S. K. Chakraborty	none of the above	**S. K. Chakraborty**
21	Which of the following statements is not true about an HR audit?	It establishes a benchmark for measuring the performance	It is done by internal employees or external	It gathers data about people, processes, structures and	It is a statutory requirement for an organization.	**It is a statutory requirement for an**

		of the HR department.	consultants.	policies.		**organization.**
22	Which of the following pieces of information is normally not considered for HR audit?	job description and job specification statements	hiring policies, practices and procedures	details about exit and other interviews	None of the above	**None of the above**
23	The HR audit needs to be done at _____ levels of the organization.	Two	Three	Four	Five	**Three**
24	The HR audit needs to be done at _____ levels of the organization.	Internal	External	Self-directed	Task-force	**Internal**
25	The company plan for how it will balance its internal strength and weakness with external opportunities and threats in order to maintain competitive advantage is known as	Environmental scanning	HR strategy	Policies and procedures	Strategy	**Strategy**
26	The HR manager of company involved in heavy downsize due to economic downturn. The HR involved in restructuring the business due to downsize activities. This role of HR is an example of	Executing strategy	Environmental scanning	Operational activities	Formulating strategy	**Executing strategy**
27	The tendency of firms to extend their sales or manufacturing to new markets abroad is known as	Domestication	Globalization	Cultural diversity	Product diversification	**Globalization**
28	The globalization in markets has vastly increased	Employee turnover	Quality of products and service	Prices of products and services	International competition	**International competition**
29	The goal of HRM is to _____	Align people practices to organizational strategy	Manage people and work	Look after payrolls	Provide training and compensation	**Align people practices to organizational strategy**
30	Diversity management is	Another term for	Targeted at the four designated	A voluntarily-initiated	Broader scope and more inclusive	**A voluntarily-initiated**

		employment equity	groups	employment initiative	scope than employment eqity	**employment initiative**
31	Diversity initiates	Never involve overcoming resistance to prejudice	Usually do not involve overcoming resistance to change	Should be undertaken quickly	Involve a complex change process	**Involve a complex change process**
32	Organizations that have been most successful in managing diversity tend to share all of the following except	No visible minority employees	Diversity training programs	Activities to celebrate diversity	Top management commitment	**No visible minority employees**
33	Diversity training programs	Tries to educate employees about specific gender and cultural differences and are designed to provide awareness of diversity issues	Tries to educate employees about specific ender and cultural differences	Tries to educate employees on cultural differences	Are designed to provide awareness on diversity issues	**Tries to educate employees about specific gender and cultural differences and are designed to provide awareness of diversity issues**
34	To avoid the fear of alienation, firms have established	Policies and procedures	Diversity training programs	Diversity audits	Support groups	**Support groups**
35	Diversity management programs include	Broad recruitment practices	Diversity practices	Diversity audits and a mentoring program	Diversity audit	**Diversity audits and a mentoring program**
36	Diversity management will not receive high priority unless	Employees are held accountable	Formal assessments are completed	New hires are held accountable	Supervisors are held accountable	**Supervisors are held accountable**

37	A HR manger performs a managerial function through the following activities	Procurement	Development	Organizing	Performance appraisal	**Organizing**
38	The operative function performed by a HR manager is	Planning	Organizing	Controlling	Procurement	**Procurement**
39	A HR manager establishes advisory function through	Planning	Maintenance	Advising to top manager	Motivating employees	**Advising to top manager**
40	Which of following is traditional role of HR mangers in 1990's	Coaching and mentoring	Labor union management	Environmental scanning	Hiring and firing	**Hiring and firing**
41	In early days personnel administration was linked with	Union-management relationship	Improving personnel	Laws and regulations	Played very subservient role in organization	**Played very subservient role in organization**
42	The second phase of personnel management arrived in 1930 with	Minimum wage legalization	Health and safety legalization	Decrease in union activities	Decrease in scientific management moment	**Minimum wage legalization**
43	The objective of HR accounting is	Provide a report on daily HR activities	Monitor effective use of the human resources	Monitor the effective use of finance	Monitor the quality of service delivered	**Monitor effective use of the human resources**
44	The advantage of HR accounting includes all except	Information for manpower planning	Proper utilization of human resources	For designing better training and development programs	Provides information for business intelligence	**Provides information for business intelligence**
45	The HR manager of a manufacturing firm was given the task of providing information on market statistics of personnel availability,pay rates etc.what role of an HR executive is the manager performing?	The Executive	service provider	The consultant	The facilitator	**The service provider**

46	HR audit is closely linked with	Matching HR activities with HR outcomes	Measuring the value of expenses involved	Predicting data for future requirement	Managing people across the globe	**Matching HR activities with HR outcomes**
47	Management pracrices in early 1800 and 1990 emphasized	Higher wages	Empowerment	Work conditions	Task simplification and performance based pay	**Task simplification and performance based pay**
48	The process of analyzing manufacturing processes, reducing production costs and compensating employees based on their performance is found in	Human relation movement	Scientific management	Human resource movement	None of the above	**Scientific management**
49	Which of following emphasis on Fredrick Taylor theory on HRM	Compensation tied to performance	Work conditions	Job rotation	Empowerment of employees	**Compensation tied to performance**
50	Use of data, facts, analytics and evaluated research for making decision is known	Evidence based HRM	High performance work system	HR metrics	HR intelligence	**Evidence based HRM**
51	Planning function of management process involves	Developing employees	Evaluating performance	Establishing departments	Establishing goals	**Establishing goals**
52	A HR manager directs staff activities in related areas , he is performing	Staff function	Coordinator function	Line function	Facilitator	**Line function**
53	Handling labour relation is a	Managerial function	Operative function	Advisory function	Line function	**Operative function**
54	In an organization, research efforts that are made to evaluate the current structure of human resources management are classified as	Human resource assessment	Human resource audit	Human resource research	Human resource rating	**Human resource audit**

55	HR analytics provides information about _____	Current human resource value	Future human resource requirements	Quantified data about people	Depreciating value of human resources	**Quantified data about people**
56	Predictive HR analytics is _____	Prediction of compensation	Prediction of attrition rate	Prediction of future trends	All of the above	**All of the above**
57	External and internal audit of a company includes	Economic trends	Political trends	Competitive trends	All of the above	**All of the above**
58	The HRM function can be carried out at two levels _____	Reactive and strategic	Proactive and strategic	Operational and strategic	Technical and strategic	**Operational and strategic**
59	External influences on HRM include the following except	Demographic changes	Legislative changes	Personnel changes	Economic changes	**Personnel changes**
60	Aside from HR manager who else can involve in health and safety of an employee	Employees	Line management	Top level	All of the above	**All of the above**

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Course Code: 18MBAP203   Unit 2 HRP, Selection, Recruitment and Job Analysis BATCH: 2018-20

UNIT II HRP, Selection, Recruitment and Job Analysis

Human Resource Planning and Staffing - Human resource planning and forecasting – Job

Analysis –Recruitment – Employee testing and selection – Interviewing for selection –

Employee Socialisation – Employee termination and Exit interviews. Job analysis and
Design – Process of Job Analysis - Job description, Job specification, Job rotation, Job
enrichment- Job enlargement – Job enhancement - Recruitment and selection: Sources of
recruitment, Recruitment process – Process of selection - Induction and Placement.

Human Resource Planning and staffing

Human Resource Planning

Human Resource Planning is concerned with the planning the future manpower requirements
are the organisation. Human Resource manager ensures that the company has the right type of people
in the right number at the right time and place, who are trained and motivated to do the right kind of
work at the right time. Obviously, human resource planning primarily makes appropriate projections
for future manpower needs of the organisation envisages plan for developing the manpower to suit
the changing needs of the organisation from time to time, and foresees how to monitor and evaluate
the future performance. It also includes the replacement plans and managerial succession plans.
Human Resource planning is the process by which a management determines how an organisation
should move from its current manpower position to its desired manpower position. Through planning
a management strives to have the right number and the right kinds of people at the right places, at the
right time, to do things which result in both the organisation and the individual receiving the
maximum long-range benefit.

Definitions of Human Resource Planning
According to Wikstrom, Human Resource Planning consists of a series of activities, viz.,
(a) Forecasting future manpower requirements, either in terms of mathematical projections of trends
in the economic environment and developments in industry, or in terms of judgemental estimates
based upon the specific future plans of a company;
(b) Making an inventory of present manpower resources and assessing the extent to which these
resources are employed optimally;
(c) Anticipating manpower problems by projecting present resources into the future and comparing
them with the forecast of requirements to determine their adequacy, both quantitatively and
qualitatively; and

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(d) Planning the necessary programmes of requirements, selection, training, development, utilisation,transfer, promotion, motivation and compensation to ensure that future manpower requirements are properly met.

Coleman has defined Human Resource Planning as "the process of determining manpower requirements and the means for meeting those requirements in order to carry out the integrated plan of the organisation".

Human resource planning is a double-edged weapon. If used properly, it leads to the maximum utilisation of human resources, reduces excessive labour turnover and high absenteeism; improves productivity and aids in achieving the objectives of an organisation. Faultily used, it leads to disruption in the flow of work, lower production, less job satisfaction, high cost of production and constant headaches for the management personnel. Therefore, for the success of an enterprise, human resource planning is a very important function, which can be neglected only at its own peril.

Objectives of HR Planning

The major objectives of Human Resource Planning in an organisation are to:

(i) ensure optimum use of human resources currently employed;

(ii) Avoid balances in the distribution and allocation of human resources;

(iii) assess or forecast future skill requirements of the organisation's overall objectives;

(iv) Provide control measure to ensure availability of necessary resources when required;

(v) Control the cost aspect of human resources;

(vi) Formulate transfer and promotion policies.

Steps in Human Resource Planning

Human resource planning refers to a process by which companies ensure that they have the right number and kinds of people at the right place, at the right time; capable of performing diverse jobs professionally. Planning the use of human resources is an important function in every organisation. A rational estimate to various categories of personnel in the organisation is an important aspect of human resource planning. HRP involves the following steps:

1. Analysis of Organisational Plans and Objectives

Human resource planning is a part of overallplan of organisation. Plans concerning technology, production, marketing, finance, expansion anddiversification give an idea about the volume of future work activity. Each plan can further be analysed into sub-plans and detailed programmes. It is also necessary to decide the time horizonfor which human resource plans are to be prepared. The future organisation structure and job design should be made clear and changes in the organisation structure should be examined so as to anticipate its manpower requirements.

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2. Forecasting Demand for Human Resources

Human resource planning starts with the estimation of the number and type of personnel required at different levels and in different departments. The main steps involved in HRP process are (a) to determine and to identify present and prospective needs of human resource, (b) to discover and recruit the required number of persons. (c) to select the right number and type from the available people. (d) to hire and place in the positions for which they are qualified, (e) to provide information to the selected people about the nature of work assigned to them, (f) to Promote or to transfer as per the needs and the performance of employees, (g) to denote if the employees are disinterested or their performance is not up to the mark, (h) to terminate if they are not needed or their performance is below standard and shows no hopes of improvement. It is the most crucial and critical area of HRD. This HRD manager must pay attention to place right man to the right job through recruitment selection Training and Placement of employees. This calls for the adoption of a systematic procedure to complete recruitment and selection.

3. Forecasting Supply of Human Resources

One of the important areas of human resources planning is to deal with allocation of persons to different departments depending upon the workload and requirements of the departments. While allocating manpower to different departments, care has to be taken to consider appointments based on promotions and transfers. Allocation of human resource should be so planned that available manpower is put to full use to ensure smooth functioning of all departments.

4. Estimating Manpower Gaps

Net human resource requirements or manpower gaps can be identified by comparing demand and supply forecasts. Such comparison will reveal either deficitor surplus of human resources in future. Deficits suggest the number of persons to be recruitedfrom outside whereas surplus implies redundant to be redeployed or terminated. Similarly, gapsmay occur in terms of knowledge, skills and aptitudes. Employees deficient in qualifications canbe trained whereas employees with higher skills may be given more enriched jobs.

5. Matching Demand and Supply

It is one of the objectives of human resource planning to assessthe demand for and supply of human resources and match both to know shortages and surpluseson both the side in kind and in number. This will enable the human resource department to knowoverstaffing or understaffing. Once the manpower gaps are identified, plans are prepared to bridge these gaps. Plans to meet the surplus manpower may be redeployment in other departments and retrenchment in consultation, with the trade unions. People may be persuaded to quit through

voluntarily retirement. Deficit can be met through recruitment, selection, transfer, promotion, andtraining plans. Realistic plans for the procurement and development of manpower should be

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madeafter considering the macro and micro environment which affect the manpower objectives of theorganisation.

Importance of Human Resource Planning

HRP is the subsystem in the total organizational planning. Organizational planning includes managerial activities that set the company's objective for the future and determines the appropriatemeans for achieving those objectives. The importance of HRP is elaborated on the basis of the keyroles that it is playing in the organization.

1. Future Personnel Needs

Human resource planning is significant because it helps to determine thefuture personnel needs of the organization. If an organization is facing the problem of either surplus or deficiency in staff strength, then it is the result of the absence of effecting HR planning. All public sector enterprises find themselves overstaffed now as they never had any planning for personnel requirement and went of recruitment spree till late 1980's. The problem of excess staff has become such a prominent problem that many private sector units are resorting to VRS 'voluntary retirement scheme'. The excess of labour problem would have been there if the organization had good HRP system. Effective HRP system will also enable the organization to have good succession planning.

2. Part of Strategic Planning

HRP has become an integral part of strategic planning of strategicplanning. HRP provides inputs in strategy formulation process in terms of deciding whether theorganization has got the right kind of human resources to carry out the given strategy. HRP is alsonecessary during the implementation stage in the form of deciding to make resource allocationdecisions related to organization structure, process and human resources. In some organizations HRP play as significant role as strategic planning and HR issues are perceived as inherent in businessmanagement.

3. Creating Highly Talented Personnel

Even though India has a great pool of educated unemployed, it is the discretion of HR manager that will enable the company to recruit the right person with right skills to the organization. Even the existing staff hope the job so frequently that organization face frequent shortage of manpower. Manpower planning in the form of skill development is required to help the organization in dealing with this problem of skilled manpower shortage

4. International Strategies

An international expansion strategy of an organization is facilitated to a great extent by HR planning. The HR department's ability to fill key jobs with foreign nationals andreassignment of employees from within or across national borders is a major challenge that is beingfaced by international business. With the growing trend towards global operation, the need for HRPwill as well will be the need to integrate HRP more closely with the organizations strategic plans.Without effective HRP and subsequent attention to employee recruitment, selection,

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placement,development, and career planning, the growing competition for foreign executives may lead toexpensive and strategically descriptive turnover among key decision makers.

5. Foundation for Personnel Functions

HRP provides essential information for designing andimplementing personnel functions, such as recruitment, selection, training and development,personnel movement like transfers, promotions and layoffs.

6. Increasing Investments in Human Resources

Organizations are making increasing investmentsin human resource development compelling the increased need for HRP. Organizations are realizingthat human assets can increase in value more than the physical assets. An employee who graduallydevelops his/ her skills and abilities become a valuable asset for the organization. Organizations can make investments in its personnel either through direct training or job assignment and the rupee valueof such a trained, flexible, motivated productive workforce is difficult to determine. Top officialshave started acknowledging that quality of work force is responsible for both short term and longterm performance of the organization.

7. Resistance to Change

Employees are always reluctant whenever they hear about change and evenabout job rotation. Organizations cannot shift one employee from one department to another withoutany specific planning. Even for carrying out job rotation (shifting one employee from one department to another) there is a need to plan well ahead and match the skills required and existing skills of the employees.

8. Succession Planning

Human Resource Planning prepares people for future challenges. The 'stars'are picked up, trained, assessed and assisted continuously so that when the time comes such trained employees can quickly take the responsibilities and position of their boss or seniors as and whensituation arrives.

9. Other Benefits

(a) HRP helps in judging the effectiveness of manpower policies and programmes of
    anagement.
(b) It develops awareness on effective utilization of human resources for the overall
    development of organization.
(c) It facilitates selection and training of employees with adequate knowledge, experience
    and aptitudes so as to carry on and achieve the organizational objectives HRP encourages
    the company to review and modify its human resource policies and practices and to
    examine the way of utilizing the human resources for better utilization.

Factors affecting HRP

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HRP is influenced by several factors. The most important of the factors that affect human resource planning are:

1. Type and Strategy of the Organization

Type of the organization determines the production processes involve, number and type of staff needed and the supervisory and managerial personnel required. If the organization has a plan for organic growth then organization need to hire additional employees. On the other hand if the organization is going for mergers and acquisition, then organization need to plan for layoffs.

2. Organizational Growth Cycles and Planning

All organizations pass through different stages of growth from the day of its inception. The stage of growth in which an organization is determines the nature and extends of HRP. Small organizations in the earlier stages of growth may not have well defined personnel planning. But as the organization enters the growth stage they feel the need to plan its human resource. At this stage organization gives emphasis upon employee development. But as the organization reaches the mature stage it experience less flexibility and variability resulting in low growth rate. HR planning becomes more formalized and less flexible and less innovative and problem like retirement and possible retrenchment dominate planning. During the declining stage of the organization HRP takes a different focus like planning to do the layoff, retrenchment and retirement.

3. Environmental Uncertainties

Political, social and economic changes affect all organizations and the fluctuations that are happening in these environments affect organizations drastically. Personnel planners deal with such environmental uncertainties by carefully formulating recruitment, selection, training and development policies and programmes.

4. Time Horizons

HR plans can be short term or long term. Short term plans spans from six monthsto one year, while long term plans spread over three to twenty years. The extent of time perioddepends upon the degree of uncertainty that is prevailing in an organizations environment.

5. Type and Quality of information

The quality and accuracy of information depend upon the clarity with which the organizational decision makers have defined their strategy, structure, budgets, production schedule and so on.

6. Nature of Jobs Being Filled

Personnel planners need to be really careful with respect to thenature of the jobs being filled in the organization. Employees belonging to lower level who need very limited skills can be recruited hastily but, while hiring employees for higher posts, selection and recruitment need to be carried out with high discretion

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7. Outsourcing

Many of the organizations have surplus labour and hence instead of hiring more people they go for outsourcing. Outsourcing determines HRP.

Problems & Issues of Human Resource Planning

Human resources planning involves projecting how many people will be needed to fill positions in an organization. This planning occurs in a changing environment. Organizations study their short-term and long-term needs to hire new employees. Uncertain economic conditions, such as overseas competition, and changes in technology are examples of why an organization might adjust its hiring needs.

Mismatch between Applicants and Skills

An organization may find it difficult to fill the positions called for by HR planners. This might be because there is more demand in the organization than there is in available talent in the job market. Another reason is that the organization's recruiting strategies aren't attracting the right talent. Not being able to fill positions that are critical to achieving operational goals leaves the organization in a weak business position. That's why forecasting human resources needs should be followed up with effective recruitment, replacement and retention of employees.

Environmental Issues

Environmental issues can occur inside an organization. Demographic changes affect the internal work climate. Differences in work values between generations, such as Baby Boomers and Generations X and Y, mean that employees want different things to be satisfied with their work. Programs must address these different needs in one culture. Also, technological changes require workers to continuously add new technical skills. If employees' current skills aren't needed, they may become redundant. HR planning involves planning for organizational learning, or developing staff skills, to keep pace with changes in the business market.

Recruitment and Selection

Organizations get better staffing results when they can count on HR departments and line managers to do their own jobs effectively. For example, HR personnel depend on line managers to use web-based tools to perform recruiting and selection (or hiring) functions with limited assistance. The HR department posts the steps in the hiring process, policies and procedures, and documents on the company intranet. Although HR personnel may consult about questions, line managers must be able to follow guidelines for recruitment and hiring without exposing the organization to liability.

Training and Development

Line managers must do more than recruitment and hiring. They must perform other jobs that used to be associated with personnel departments. They must address their own employees' training and development needs. Line managers must find all of the resources inside and outside the organization to ensure employees develop the required skills. This takes place in the context of

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keeping employees motivated to perform. Effective communication between line managers and HR personnel planners can result in effective identification of training and development needs exceeding current resources.

Barriers to Human Resource Planning

1) HR practitioners are perceived as experts in handling personnel matters, but are not experts in managing business. The personnel plan conceived and formulated by the HR practitioners when enmeshed with organizational plan, might make the overall strategic plan of the organization in effective.

2) HR information often is incompatible with other information used in strategy formulation. Strategic planning efforts have long been oriented towards financial forecasting, often to the exclusion of other types of information. Financial forecasting takes precedence over HRP.

3) Conflict may exist between short term and long term HR needs. For example, there can be a conflict between the pressure to get the work done on time and long term needs, such as preparing people for assuming greater responsibilities. Many managers are of the belief that HR needs can be met immediately because skills are available on the market as long as wages and salaries are competitive. Therefore, long times plans are not required, short planning are only needed.

4) There is conflict between quantitative and qualitative approaches to HRP. Some people view HRP as a number game designed to track the flow of people across the department. Others take a qualitative approach and focus on individual employee concerns such as promotion and career development. Best result can be achieved if there is a balance between the quantitative and qualitative approaches.

6) Non-involvement of operating managers renders HRP ineffective. HRP is not strictly an HR department function. Successful planning needs a co-ordinated effort on the part of operating managers and HR personnel.

Human Resource Planning and Forecasting

Labour forecasting is key to an organization's ability to achieve its operational, production, and strategic goals.

Forecasting Human Resource Supply

The objective of identifying future Human Resource supply requirements is to determinethe number of employees in each job and their knowledge, skills, abilities, and other characteristics .In addition, forecasting Human Resource supply is essential in determining the characteristics of hiring sources within the predetermined planning horizon in order to establish whether future Human Resource supply is sufficient to match future Human Resource demands. For this , an organization

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needs to evaluate both their internal and external labour force. This step is dependent on an accurate assessment of the current workforce situation. Forecasting Human Resource supply involves an understanding of internal and external potential Human Resource supplies.

Forecasting External Human Resource Supply

There are multiple levels at which external Human Resource supply can be predicted. Information that will help to develop an understanding of external Human Resource supply includes:
• Supply and demand of jobs or skills
• Educational attainment levels within a region
• Compensation patterns based on experience, education, or occupation
• Immigration and emigration patterns within an area
• Forecasts of economic growth or decline
• Competition for talent
• Industry or occupational expected growth levels.

Forecasting Internal Human Resource Supply

By reviewing the data in the Human Resource audits, projections can be made for future
Human Resource supply. The internal labour force may be affected by temporary absences such as leaves, permanent absences or turnover etc.
Turnover refers to the termination of an individual's employment with an organization.
Total turnover is the total number of employees leaving an organization divided by the total
number of employees in an organization. Turnover can be classified into two sub groups—voluntary and involuntary. Voluntary turnover is defined as employee-initiated turnover, mainly in the formof quits or resignations. In this instance, the decision to terminate employment with the firm is made by the employee, without management enticement. Involuntary turnover is defined as employer initiatedturnover, mainly in the form of dismissals or layoffs.

Trend Analysis

Trend analysis is considered one of the simplest methods of forecasting future Human Resource supply. It assumes that past trends and ratios in employee movement are stable and indicative of future trends and ratios in employee movement. The information collected in the Human Resource audit is used to identify labour patterns—hiring patterns, retirement patterns, productivity patterns, and turnover patterns. By examining the trends of the past, the Human Resource department can predict the effect of the same activity on the future of the organization, because it is assumed that these patterns will remain stable.

Skills/Competency Models

Competency models focus on matching the right skills or competencies needed for each job with the skills available within the organization. The competency models focus on identifying the skills/competency supply within the organization, and helping focus future recruitment, selection,

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retention, and training activity in core areas of key competencies needed for the organization to succeed.

A competency is a set of behaviours that encompass skills, knowledge, abilities, and personal attributes, that taken together, are critical to successful work accomplishment. The competency model is a future-oriented model that first reviews competencies that are aligned with an organization's mission, vision, and strategy, and then aims to identify an ideal workforce in terms of those competencies.

Replacement Charts

A replacement chart is used to estimate vacancies in higher level jobs and identify how potential Human Resource supply can fill these vacancies via internal movements from lower levels jobs. A comprehensive replacement chart will include information regarding possible replacements for vertical or horizontal movement. Generally, a replacement chart includes information about employees' performance, readiness to fill the position, and education.

Staffing Tables

A staffing table provides a clear graphical view of all organizational jobs and the current number of employees at each job. It presents a simple visual understanding of an organization's staffing level within each department and the organization as a whole, in an effort to help understand the combination of employees that make up an organization's internal workforce. This information is useful in evaluating staffing levels by department, branch, the types of staff at each level and the combination of staff in all categories.

Forecasting Human Resource Demand Analysis

Demand analysis identifies the future human resource requirements needed to maintain the organization's mission and goals. The end result of a demand analysis is the identification of the required number of employees in an organization and the necessary functions that the employee must perform to meet organizational objectives. Due to the high number of factors that influence demand, demand is often more difficult to predict than supply.

Factors that need to be considered when forecasting demand include the following:

1. Environmental scanning, including economic, legislative, and competitive pressures
2. The organization's future strategic goals and plans
3. Expected demand for products or services, including expected sales (across the organization or at the business unit level)
4. Estimated productivity measures of workforce (can be stable, increase, or decrease)
5. Organizational design or job design, including technological advancements and administrative changes

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6. Projected budgets or financial resource availability
7. New products/processes/ventures that the organization will be launching in the future.

Quantitative Techniques for Forecasting Human Resource Demand
The following are the different techniques available for human resource planning.

Trend Analysis

Trend analysis used to forecast internal Human Resource supply, past trends and
ratios can also be used to forecast Human Resource demand. Trend analysis predicts the demand for labour based on projections of past relationship patterns over a number of years. As one of the simpler methods of forecasting Human Resource demand, trend analysis assumes that an organization's past employment needs are indicative of future needs when linked with an operational index.

Ratio Analysis

Ratio analysis estimates future Human Resource demand based on ratios between assumed casual factors and the number of employees needed. Ratio analysis is very similar to trend analysis, but the primary difference is that there is no requirement for significant historical data collection. This allows organizations that do not have easy access to multiple years' worth of data to use current ratios to help estimate future demand

Regression Analysis

Regression analysis is a method of estimating Human Resource demand, but allows for adjustment of seasonal fluctuation, long-term trends, and random movement when forecasting. This provides statistical projections using mathematical formulas to determine the correlation between multiple measureable output factors (independent variables) and an organization's employment level (dependent variable). A regression analysis is useful in predicting the strength and direction of a linear relationship between two variables, but in situations of a non-linear relationship, estimates would not be valid. When there is one independent variable, there is one regression. When there are multiple independent variables, there are multiple regressions.

A correlation depicts a value between _1 and 1. The closer the value is to 0, the less predictive of the relationship between the two variables. The closer the value is to either -1 or 1, the more predictive the relationship between two variables. The positive or negative sign in front of the correlation number indicates the nature or direction of the relationship.

Qualitative Techniques for Forecasting Human Resource Demand
Delphi Method

Delphi method process involves a panel of experts using their judgements to make estimates of short-term future demands. Experts use a variety of factors to make their judgements, including economical, demographical, technological, legal, and social conditions outside of the organization, as well as production, sales, turnover, experiences, and education levels of the workforce within the

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organization. This method involves a number of stages . During the process, experts are not permitted to engage in direct face-to-face contact or communication. This is in an effort to prevent groupthink, influence of others, or confrontation of experts, which can influence the results.

Human Resource planning group, which then summarizes the results. The aggregated results are sent back to the experts, who are given an opportunity to adjust their forecasts based on the information provided in the summaries. These steps are repeated until the expert opinions converge. Each feedback loop provides an opportunity for experts to understand their position relative to others and the reactions of others to the summaries provided. One of the problems of the Delphi method is that it is subjective in nature, and thus may be difficult for those who prefer quantitative approaches to fully commit to .Moreover, the organization should be explicit with experts not to discuss their estimates with others, something that can happen when experts have strong working relationships or work in close proximity to others.

Nominal Group Technique

The nominal group technique (NGT) was first developed by Delbecq and VandeVen as an alternative to individual brainstorming of ideas. This process involves multiple experts (usually line and department managers) meeting face to face to discuss independently formulated positions of an organizational issue, with the ultimate aim of securing an accurate assessment of a given situation.

It can be used to help forecast Human Resource demand for an organization or can be used to solve other organizational issues.
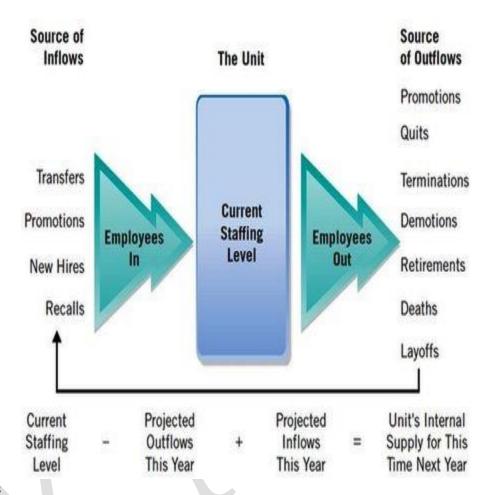
Succession analysis

Once a company has forecast the demand for labour, it needs an indication of the firm's labour supply. Determining the internal labour supply calls for a detailed analysis of how many people are currently in various job categories or have specific skills within the organization. The planner then modifies this analysis to reflect changes expected in the near future as a result of retirements, promotions, transfers, voluntary turnover, and terminations.

Demand forecasting helps in determining the number and type of personnel/human resources required in future. The next step in human resource planning is forecasting supply of human resources. The purpose of supply forecasting is to determine the size and quality of present and potential human resources available from within and outside the organisation to meet the future demand of human resources. Supply forecast is the estimate of the number and kind of potential personnel that could be available to the organisation.

Estimating Internal Labor Supply for a Given Unit

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Job analysis

According to Michael L. Jucius, "Job analysis refers to the process of studying the operations, duties and organizational aspects of jobs in order to derive specifications or as they called by some, job descriptions."

According to DeCenzo and P. Robbins, "A 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."

Job Analysis is a method by which pertinent information is obtained about a job. It is a detailed and systematic study of information relating to the operation and responsibilities of a specific job. Job analysis as can be defined as the process of determining, by observation and study, and reporting pertinent information relating to the nature of a specific job. It is the determination of the

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tasks which comprise the job and of the skills, knowledge, abilities and responsibilities required of the worker for a successful performance and which differentiate one job from all others.

Job analysis provides the following information:

1. Job Identification

Its title, including its code number

2. Significant Characteristics of a Job

It location, physical setting, supervision, union jurisdiction, hazards and discomforts;

3. What the Typical Worker Does

Specific operation and tasks that make up an assignment, their relative timing and importance, their simplicity, routine or complexity, the responsibility or safety of others for property, funds, confidence and trust;

3. Which Materials and Equipment a Worker Uses

Metals, plastics, grains, yarns, milling machines, punch presses and micrometers

5. How a Job is Performed

Nature of operation - lifting, handling, cleaning, washing, feeding, removing, drilling, driving, setting-up and many others;

6. Required Personal Attributes

Experience, training, apprenticeship, physical strength, co-ordination or dexterity, physical demands, mental capabilities, aptitudes, social skills;

Recruitment

Recruitment means search of the prospective employee to suit the job requirements as represented by job specification. It is the process of attracting people to apply for jobs in an organisation.

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

Factors affecting Recruitment

The factors affecting recruitment can be classified as internal and external factors.

The internal factors are:

- Wage and salary policies;
- The age composition of existing working force;
- Promotion and retirement policies;
- Turnover rates;
- The nature of operations involved the kind of personnel required;
- The level and seasonality of operations in question;
- Future expansion and reduction programmes;
- Recruiting policy of the organisation;

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- Human resource planning strategy of the company;
- Size of the organisation and the number of employees employed;
- Cost involved in recruiting employees, and finally;
- Growth and expansion plans of the organisation.

The external factors are:

- Supply and demand of specific skills in the labour market
- Company's image perception of the job seekers about the company.
- External cultural factors: Obviously, the culture may exert considerable check on recruitment. For example, women may not be recruited in certain jobs in industry.
- Economic factors: such as a tight or loose labour market, the reputation of the enterprise in the community as a good pay master or otherwise and such allied issues which determine the quality and quantity of manpower submitting itself for recruitment.
- Political and legal factors also exert restraints in respect of nature and hours of work for women and children, and allied employment practices in the enterprise,reservation of Job for SC, ST and so on.

  Employee testing and Selection

  Human resource selection is the process of preferring qualified individuals who are available to fill positions in an organization. Selection involves both picks up the fits and rejects the unfits. Therefore, sometimes, it is called a negative process.

  According to Thomas Stone, "Selection is the process of differentiating between applicants in order to identify (and hire) those with a greater likelihood of success in a job".

Professionally developed and properly validated employment tests can help a company's hiring process by increasing the likelihood of hiring candidates who will perform well on the job. Pre-employment testing can help ensure alignment between the employee selection process and desired business outcomes such as lower turnover, increased sales, and higher customer satisfaction. The benefits a company may realize by implementing an effective employee testing solution include:

1. Higher productivity
2. Increased employee retention
3. Reduction in costs associated with turnover (e.g., hiring and training costs)
4. Increasing the defensibility of the hiring process by using objective data

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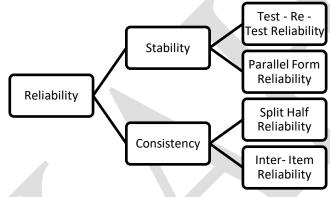Course Code: 18MBAP203   Unit 2 HRP, Selection, Recruitment and Job Analysis BATCH: 2018-20

BASIC TESTING CONCEPTS

RELIABILITY

The degree to which interviews, tests, and other selection procedures yield comparable data over time and alternative measures.

When the results of an assessment are reliable, we can be confident that repeated or equivalent assessments will provide consistent results. This puts us in a better position to make generalised statements. No results, however, can be completely reliable. There is always some random variation that may affect the assessment.
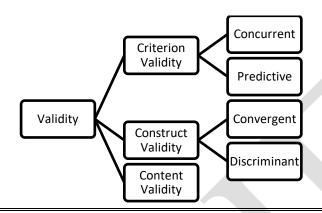

VALIDITY

The degree to which a test or selection procedure measures a person's attributes

The validity of an assessment tool is the extent to which it measures what it was designed to measure, without contamination from other characteristics. For example, a test of reading comprehension should not require mathematical ability.

There are several different types of validity:

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HOW TO VALIDATE A TEST

There are 5 steps to check the validity of the test.

1. Step 1: Analyze the job
2. Step 2: Choose the tests
3. Step 3: Administer the test
4. Step 4: Relate Test Scores and Criteria
5. Step 5: Cross-Validate and Revalidate

Various testing tools
Types of Tests:

The history of tests, as cited by Saiyadain, can be traced back to the efforts of Francies Galton who developed a variety of tests of sensory determination to measure person's intellect as far back as 1883. Since then, there is no looking back with regard to the use of selection tests. As a result, a large number of general aptitude tests and specific skill tests for the purpose of selecting employees are available today.

For example, the Indian Statistical Institute, Kolkata has developed selection tests for selecting management trainees and other officers for several organisations including Indian Air-lines, Hindustan Steel Limited, Hindustan Aeronautics Ltd., Indian Telephone Industries, TELCO, BHEL, Bharat Aluminium Company Ltd., etc. Similarly, specific tests have also been developed for the selection of weavers and card punch operators.

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All the tests so far developed for the selection of employees can broadly be divided into two categories:

(i) Ability Tests and

. **(ii) Personality Tests**

Types of Psychological Tests

One reason for not reviewing these is such a review is the province of books on industrial psychology. Yet, for the convenience of the readers, a brief description of these follows:

Ability Tests:

Though a number of ability tests have been developed so far for the use of employee selection, important among these are the following:

1. Aptitude Tests:

Aptitude tests measure ability and skills of the testee. These tests measure and indicate how well a person would be able to perform after training and not what he/she has done^. Thus, aptitude tests are used to predict the future ability/performance of a person.

There are two objectives of the aptitude tests. One to advise youth or jobseekers regarding field of activities in which they are likely to succeed. This is called 'vocational guidance'. Second, to select best persons for jobs where, they may succeed. This test is called 'vocational selection'.

Specific aptitude tests have been designed to measure special abilities to perform a job. Examples of such tests are Mechanical Aptitude Test, Clerical Aptitude Test, Artistic Aptitude Test, Musical Aptitude Test, Management Aptitude Test, Differential Aptitude Test, etc.

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2. Achievement Tests:

Achievement tests measure a person's potential in a given area/job. In other words, these tests measure what a person can do based on skill or knowledge already acquired by him/her. Achievement tests are usually used for admission to specific courses in the academic institutions.

In these tests, grades in previous examinations are often used as indicators of achieve-ment and potential for learning. Indian industries have now started conducting these tests to judge for themselves the level of proficiency attained rather than believing their scores in academic examina-tions. Achievement tests are also known by the names, proficiency tests, performance, occupational or trade tests.

Achievement tests resemble those of aptitude tests. However, the difference lies in the usage of results. The line of difference between achievement and aptitude is very thin in the sense of past achievement and performance. This difference between the two can be exemplified with an example.

When we ask a person, or say, a student to study the paper human resource management, then what he learns is 'achievement'. But if we test the student to see if he would profit from certain training to the subject, it is 'aptitude'.

3. Intelligence Tests:

Intelligence tests measure general ability for intellectual performance. The core concept underlying in intelligence test is mental age. It is presumed that with physical age, intelligence also grows. Exceptions to this may be there. So to say, if a five year old child does the test, for six years or above his/her mental age would be determined accordingly.

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Mental age is generally indexed in terms of Intelligence Quotient (IQ) and calculated by using the following formula:

IQ = Mental Age/Actual Age $\times$ 100

It means that the intelligence quotient is a ratio of mental age to actual age multiplying by 100(to remove decimal).

IQ levels may vary because of culture and exposure

Intelligence testing in industry is based on the assumption that if the organisation can get bright, alert employees quick at learning, it can train them faster than those who are fewer well- endowed.

4. Judgment Tests:

These tests are designed to know the ability to apply knowledge in solving a problem.

Personality Tests:

Personality tests are also called personality inventories. These tests measure predispositions, motivations and lasting interests of the people.

Personality tests are subsumed under four broad categories as given below:

1. Interest Tests:

These tests are designed to discover a person's area of interest, and to identify the kind of work that will satisfy him. Interest is a prerequisite to successfully perform some task. These tests owe their origin to the vocational efforts. The most widely used interest test is Kuder Reference Record. It consists of three forms.

The first form measures vocational interest such as mechanical, computational, artistic, literary, musical and clerical interest. Interests in personal areas such as group activities, avoiding conflicts etc., are measured by the second form of interest tests. The third form of interest test measures preference reactions to particular occupations like accountant, salesman, farmer, etc. The best known among these three forms of interest test is the Kuder Preference Record i.e. vocational test.

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2. Personality Tests:

These tests are also known as 'personality inventories'. These tests are designed to measure the dimensions of personality i.e., personality traits such as interpersonal competence, dominance-submission, extroversions-introversions, self-confidence, ability to lead and ambition. The most well known names of personality tests are the Minnesota Multiphasic Personality Inventory (MMPI), FIRO, and California Personality Inventory.

As reported by Morgan and King, the MMPI measures the following ten personality dimensions:

Personality Tests

Under the MMPI, as many as 495 items need to be answered as 'True', 'false' and 'Cannot Say'.

The following are the examples of some representative items:

(a) I am easily awakened by noise.

(b) I get all the support I should.

(c) I do not bother for my look.

(d) I do not experience day-dream.

(e) My teachers made me obey elders even when they may advise wrong.

3. Projective tests:

These tests are based on pictures or incomplete items. The testee is asked to narrate or project his own interpretation on these. The way the testee responds reflects his /her own values, motives, attitude, apprehensions, personality, etc. These tests are called projective because they induce the testee to put himself/herself into the situation to project or narrate the test situation.

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The most widely used tests of this type are the Rorschach Blot Test (RBT) and the Thematic Apperception Test (TAT). The RBT consists of an ink blot and the testee is asked to describe what he/she sees in it. In case of TAT which is considered as the most well-known structured projective test, the testee is shown pictures and, then, is asked to make-up a story based on the pictures.

4. Attitude Tests:

These tests are designed to know the testee's tendencies towards favouring or otherwise to people, situations, actions, and a host of such other things. Attitudes are known from the responses of the testees / respondents because emotional overtones involved make it difficult to directly observe or measure attitude of the testee. Test of social desirability, authoritarianism, study of values, Machiavellianism and employees morale are the well-known examples of attitude tests.

Other Tests:

There are some other tests also used for personnel selection. These are briefly discussed here under:

Graphology:

The origin of graphology is traced back to the eleventh century when the Chinese drew attention to the relationship between handwriting and personality. It has been said that an individual's handwriting can suggest the degree of energy, inhibitions, and spontaneity to be found in the writer, disclosing idiosyncrasies and elements of balance and control from which many personality characteristics can be inferred.

For example, big letters and emphasis on capital letters indicate a tendency towards domination and competitiveness. A slant to the right, moderate pressure and good legibility show leadership potential. Although the validity of handwriting analysis is not fool-proof, some companies use graphology tests to supplement their usual selection procedure.

Polygraph Tests:

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This test is designed to confirm the accuracy of information given on the application blank. Hence, it is considered as a form of employment test. Polygraph is a lie detector. Polygraph tests are found useful for the organisations that are highly vulnerable to theft or swindling. Examples of such organisations are departmental stores, banks, jewellery shops, etc.

Physiognomy Tests:

These tests suggest a definite correlation between facial features and physiological functions and behaviour. According to these tests, structures of features are reflective of personality traits and characteristics. For example, thin lips indicate determination; broad jaws signify tenacity, and so on and so forth.

Similarly, physignes indicate the following three kinds of temperament:

1. An overly-fat person enjoys eating and also loves good life.

2. As regards muscular built, it reflects toughness.

3. Whereas a slight built indicates an introverted, shy, and oversensitive person.

Advantage of Testing:

Irrespective of the nature of tests, companies can derive the following benefits from a well planned test:

1. Predicts Future Performance:

A well designed test can predict the future performance of an individual. Thus, test can be used for hiring personnel, transfer or promotion of the personnel for higher positions.

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2. Diagnoses the situation and behaviour:

Knowing why people behave the way one does requires understanding the particular variables/situation that cause behaviour. Here again, well planned tests help understand the situation. For example, though decline in productivity could be caused by a host of factors, tests can help understand such decline due to human factors.

3. Offers Benefits of Economy of Scale:

Conducting tests on the whole serves cost effective as it offers the benefits of economy of scale. This is because tests when administered to a group save on both time and cost.

4. Uncover what not covered by Other Devices:

One important advantage of conducting tests is that they uncover qualifications and talents of the testee that cannot be detected by application blanks and interviews.

5. Serve as Unbiased Tools:

Based on reliability and validity norms, tests do also serve as unbiased tools of selection process.

6. Quantify the Test Results:

Above all, tests being quantifiable yield themselves to scientific and statistical analyses. Thus, tests also save basis for research in personnel issues and matters. Valid job-related tests will also pay off in increasing ability to identify in advance those employees who will perform most effectively in the organisation.

Developing a Test Programme:

Developing a test programme is never simple. It requires careful planning, experiment, technical knowledge, etc. Services of experts in psychology and psychometrics and use of statistical techniques are also requisitioned.

The main steps generally involved in developing a sound test programme are following:

(1) Deciding the objectives of testing programme:

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Developing a test programme starts with deciding the objectives it has to achieve. The objectives of the test programme may be hiring, promoting and counseling of people. Initially, test programme may be designed for a few jobs and then may be gradually expanded to cover all jobs in the organisation.

(ii) Analysing Jobs:

Jobs are duly analysed to identify as to which human traits and skills are necessary for effective performance of jobs.

(iii) Choosing tests to measure characteristics:

Several tests i.e. 'Battery of Tests' are chosen to measure different characteristics. The tests may be chosen keeping in view such factors as reliability, validity, ease of administration, level of difficulty, and the cost involved in different tests. The choice of the tests is generally based on certain parameters like experience, previous research and guesswork.

(iv) Administering the tests:

Once the tests are chosen, then these are administered on the applicants under consideration to measure the predetermined skills and traits.

(v) Establishing criteria of job success:

Success criteria are laid down in terms of output in quantity and quality, attendance record, rate of accidents, rate of promotion, professional achievement, etc.

(vi) Analysing the results of tests:

At last, the test scores secured by the applicant are carefully analysed in the light of success criteria. Based on this, the final decision is taken either to select the applicant for further processing or rejection.

Limitations of Tests:

Tests suffer from certain limitations also.

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Hence, while applying tests for selection of candidates the following guidelines should be observed:

(i) Tests should be used as supplements rather than as substitute for any method of selection.

(ii) Tests are better at predicting failure than success. They often determine which applicants will not or cannot perform a job satisfactorily instead who can or will perform in effective and efficient manner.

(iii) Tests are not precise measures of one's skills and traits but only samples of one's total behaviour. So to say, tests with highest scores do not necessarily mean better choices for a job than those with lower scores.

(iv) Tests should be validated in the organisation in which these are administered. Here, validity means the degree to which a test actually measures what it is meant to measure.

(v) In order to make the test scores comparable, tests should be administered under standard conditions to all applicants tested for a particular job".

(vi) Tests should be designed, administered, interpreted and evaluated only by trained and competent persons.

(vii) The candidates should be provided with samples of tests or answering queries so as to warm up them before the test is administered.

An interview is a procedure designed to get information from a person and to assess his potential for the job he is being considered on the basis of oral responses by the applicant to oral inquiries by the interviewer. Interviewer does a formal in-depth conversation with the applicant, to evaluate his suitability. It is one of the most important tools in the selection process. This tool is used when interviewing skilled, technical, professional and even managerial employees. It involves two way exchange of information. The interviewer learns about the applicant and the candidate learns about the employer.

Principles of Interviewing
To make it effective, an interview should be properly planned and conducted on ertain principles; Edwin B. Flippo has described certain rules and principles of good interviewing to this end:
Provide proper surroundings. The physical setting for the interview should be both private and comfortable.

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- The mental setting should be one of rapport. The interviewer must be aware of non-verbal behaviour.
- Plan for the interview by thoroughly reviewing job specifications and job descriptions.
- Determine the specific objectives and the method of the interviewing.
- Inform yourself as much as possible concerning the known information about the interviewee.
- The interviewer should possess and demonstrate a basic liking and respect for people.
- Questions should be asked in a manner that encourages the interviewee to talk.
- Put the applicant at ease.
- Make a decision only when all the data and information are available. Avoid decisions that are based on first impressions.
- Conclude the interview tactfully, making sure that the candidate leaves feeling neither too elated nor frustrated.
- Maintain some written record of the interview during or immediately after it.
- Listen attentively and, if possible, protectively.
- Questions must be stated clearly to avoid confusion and ambiguity. Maintain a balance between open and overtly structured questions.
- 'Body language' must not be ignored.
- The interviewer should make some overt sign to indicate the end of the interview.

Types of Interview

Every employer has a preferred style of obtaining the information they need for their hiring decision. These are some basic types of interview styles you may encounter. Some employers may choose to utilize a combination of different styles, but as long as you've prepared well for your interview, you'll be able to adapt to the situation they present.

Structured Interview

A structured interview is typically formal and organized and may include several interviewers, commonly referred to as a panel interview. An interviewer who has a more structured style will usually begin with what is known as an "icebreaker" question. The icebreaker is used to relax you before the more serious questions are asked. A discussion about the weather might be used or perhaps a question about the traffic on your way to the office.

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Next, the interviewer may talk for a few minutes about the company and the position. During this time, the interviewer may describe the day-to-day work responsibilities and the general company philosophy. He or she may then ask you a series of questions regarding your past educational, co-curricular, and work experiences.

Finally, the interviewer may ask if you have questions for him or her. You should always have several questions prepared. This type of interview is structured and formal.

Unstructured Interview

The unstructured interview is what the name implies. The only structure to the interview is the one that you provide. Basically, the interviewer is interested in hearing from you, so you may be asked a variety of different open ended questions.

You will find an unstructured interview to be more conversational and less formal in tone than a structured interview. You may be asked questions about your hobbies, what you do on the weekends, or other casual questions designed to put you at ease. Many students prefer this laid back style of interviewing, but you must be cautious. Sometimes employers intentionally adopt this casual demeanor so that you feel comfortable enough to let down your guard and potentially reveal something that you normally would not. If you find yourself in an unstructured interview, be friendly but maintain your professionalism. Remember that you are there to showcase your best assets and to convince the employer that you are the most qualified candidate for the job. Casual conversation is acceptable, and it can set a positive tone for the interview, but be sure to bring the conversation around to your skills and qualifications.

Stress Interview

This style is used primarily by interviewers who are hiring for positions where there is a high level of daily stress in the work environment (i.e., sales, stockbroker, etc.).

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The same questions that are asked during a structured or unstructured interview may be asked for a stress interview. However, there may be a difference in the behavior or demeanor of the interviewer. The interviewer during a stress interview may appear distracted, contrary, or indifferent to you. The idea behind this type of interview is to assess your reaction to the pressure of indifference, rejection, and overall stress. To be successful in the stress interview, it is recommended that you focus on the question that is asked and not the manner in which it is asked.

Another hallmark of a stress interview is the "strange question." For instance, some interviewers like to ask questions such as, "How many ping pong balls can fit in a 757 jet?" To answer a question like this, break it down into smaller, more manageable components. Verbally convey your decision making process. The interviewer will be less focused on whether or not you came to the "right" answer and more focused on your ability to problem-solve and think logically.

Sometimes in a stress interview, the interviewer will put candidates in an uncomfortable situation. For instance, candidates may be given a test that takes two hours to complete, and are told to complete it in thirty minutes. Remember to stay calm throughout a stress interview, because that is what the employer is looking for – a candidate who has the ability to remain cool, calm and collected.

Behavioral Interview

Behavioral interviewing is a widely used method of job interviewing. This approach is based on the belief that past performance is the best predictor of future behavior. Therefore, behavioral interview questions are designed to probe your previous experiences in order to determine how you might behave in similar situations in the future. In this type of interview, you will not be asked hypothetical questions about how you would handle a situation if confronted with it in the future. Instead you will be asked how you did handle a specific situation when you encountered it in the past. Keep in mind that employers are not interested in what you should have done, or what you will do next time...they want to know what you actually did. Behavioral interview questions generally start with any one of the following phrases:

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1. Tell me about a time when you...
2. Describe a circumstance when you were faced with a problem related to...
3. Tell me how you approached a situation where...
4. Share with me an instance in which you demonstrated...

This type of question requires you to tell stories from your past. These stories will be evaluated for evidence of your intellectual competence, leadership, teamwork, personal skills, adjustment and flexibility, motivation, communication skills, administrative skills, and technical abilities.

To prepare for a behavioral interview, you must first identify the skills and strengths that the employer is seeking. Next, reflect on your past experiences (educational, employment, extra-curricular, personal) in order to identify situations in which you clearly demonstrated the identified skills. During the interview, you must be able to recount these circumstances articulately and in a manner which showcases your strengths. A thorough answer should describe the Situation, the Tasks with which you were charged, the Action you took, and the Result of your action. We refer to this as the STAR Method of responding to behavioral interview questions.

Problem Solving or Case Interview

Employers utilize this style of questioning to test a candidate's analytical ability and communication skills. In a problem solving or case interview, you will be presented with a real or simulated problem to consider and solve. You are not necessarily expected to arrive at the "correct answer." What the interviewer is most concerned with is your thought process, so be sure to "think out loud" when responding to this type of question. An effective answer is one which demonstrates your ability to break a problem down into manageable pieces and to think clearly under pressure.

Panel Interview

Employers often like to gather the opinions of several members of their staff prior to deciding which candidate to hire. To accomplish this, panel interviews are often used where one candidate may be interviewed by a few people at once. In a panel interview, take note of each interviewer's name, and refer to them by their names. When giving your answers, focus on the person who asked you the question, but make eye contact with the other members in the group from time to time. Panel

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interviews can vary in style and tone, but generally they will be more formal and include behavioral based questions.

Employee socialization

Definition

Employee socialization is the process by which new employees understand the company's policies, the internal culture, how the company hierarchy works and the ways to function effectively in the organization. Developing programs and policies that integrate new employees into the company helps the company maintain a consistent corporate culture.

Examples

A primary example of employee socialization is new hire orientation. This a time when new employees develop working relationships with each other, and should be a time when the company encourages new and existing staff members to become acquainted as well. Other forms of corporate-sponsored socialization include holiday parties, family nights at sporting events, social gatherings such as a company bowling night and a company summer picnic.

Significance

Employee socialization not only helps new employees understand corporate culture, it also encourages the development of teamwork between new hires and current staff members. Allowing employees to become more familiar on a social as well as professional level can develop strong bonds that improve productivity and help to reduce employee turnover.

3 Distinct Stages in the Employee Socialization Process

For the new employees, Decenzo and Robbins (1999) identified that the socialization process involves three distinct stages as follows:

1. **Pre-Arrival Stage:**

At this stage, an individual employee comes to an organization with certain values, attitudes and expectations. At the selection stage only, an prospective employee needs to be enabled to understand to what extent his perceived mapping gets along with the organizational culture and systems.

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It is the duty of the persons involved in the selection process to facilitate this. Nowadays because of the availability of information about organizations through different media, including Websites and Internet, an enthusiastic individual may also have some preconceived ideas about the organization.

Therefore, it is better to first understand from the individual what he understands about the organization and then help him to synchronize this information with the reality. This helps the individual to take the right decision.

2. Encounter Stage:

At this stage, perceptions earlier generated by an individual, are reaffirmed through a well-planned induction programme. Any dichotomy between the employees' perceptions and organizational perceptions needs to be properly identified and removed through increased socialization process.

3.Metamorphosis Stage:

At this final stage of socialization, employees understand the organization and identify themselves with it. Employees develop a sense of belongingness and become contributors to achieving organizational goals and objectives.

However, as explained earlier, socialization is a continuous process, as organizations are now required to go for restructuring and reengineering every now and then, keeping pace with the changing environment.

At this final stage of socialization, employees understand the organization and identify themselves with it. Employees develop a sense of belongingness and become contributors to achieving organizational goals and objectives.

Employee termination and Exit interview

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Termination is a serious employment action that when initiated by the employer is generally the culmination of a series of progressive disciplinary actions. The employer has generally signaled loud and clear that the employee is in danger of employment termination.

Termination occurs when an employer or an employee end an employee's employment with a particular employer. Termination can be voluntary or involuntary depending on the circumstances. When termination is initiated by the employer, it is usually involuntary although, under some circumstances, the employee and the employer may mutually agree to end their employment relationship

What's Involved in a Voluntary Termination?

In a voluntary termination, an employee resigns from his or her job. Resignations occur for a variety of reasons that may include: a new job, a spouse or partner's acceptance of a new job in a distant location, returning to school, an opportunity to take on a managerial role, and retirement.

Voluntary termination can also occur for less positive reasons. The employee doesn't get along with her boss. She sees no opportunity to continue growth and progress in her current company. The job responsibilities in her current job changed and now, she is no longer doing something that she loves every day. She has to work every day with a coworker who bullies her in subtle ways that are not outwardly noticeable.

And, sometimes, it's the appeal of the shiny new job as in the grass is greener, or she just wants to do something new. It's hard to evaluate the motivations of employees who lave their jobs.

With valued employees, employers expend efforts on employee retention in their aim to limit preventable turnover. This is a significant objective of employers as the cost of employee turnover is expensive and ever rising.

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What Happens in an Involuntary Termination?

In an involuntary termination, an employer fires the employee or removes the employee from his or her job. An involuntary termination is usually the result of an employer's dissatisfaction with an employee's performance or an economic downturn. Involuntary termination can also occur in the form of a layoff if the business is unprofitable or overstaffed.

Reasons for involuntary termination of an employee range from poor performance to attendance problems to violent behavior. Occasionally, an employee is a poor fit for the job's responsibilities or fails to mesh with the company's culture.

Involuntary termination, such as a layoff, can occur because an employer lacks the financial resources to continue an employment relationship. Other events that can trigger an involuntary termination may include mergers and acquisitions, a company relocation, and job redundancy.

With performance problems, the employer most often has tried less final solutions such as coaching from the employee's supervisor to help the employee improve. Escalating progressive discipline in the case of performance issues such as absenteeism is also the norm. In a final effort to help an employee improve his or her performance, many employers rely on a Performance Improvement Plan (PIP).

used appropriately, the PIP is the employer's last-ditch attempt to communicate the needed performance improvements to the employee. But the PIP, and any escalating disciplinary measures, also provide documentation that demonstrates that the employer made an effort to salvage the employment relationship.

Additional Factors in Employment Termination
Several additional factors are relevant to involuntary employment termination.

Employment at Will: In states that recognize employment at will, an employee may be fired for any reason, at any time, with or without cause. Employers do not even have to give a reason for why the employee is terminated from his or her job.

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To defend against potential charges of discrimination, however, employers are advised to keep documentation even if no case is presented at the termination meeting. Increasingly, employment law courts are finding results for the employee if no paper trail exists to support the employment termination.

Employment at will also means that the employee can terminate his or her employment at any time for any reason without cause.

Termination for Cause: In other instances of employment termination, the employment is terminated for a reason which is given to the employee and stated in the termination letter. Termination for cause can occur in such situations as:

1. Violation of the company code of conduct or ethics policy,
2. Failure to follow company policy,
3. Violence or threatened violence,
4. Extreme insubordination to a manager or supervisor,
5. Harassment of other employees or customers, or
6. Watching pornography online.

Mutual Termination

Occasionally, an employer and employee recognize that they are not a good fit for whatever reason. They mutually agree to part ways in a manner that makes neither party culpable for the termination. This approach to termination is called agreeing on an exit strategy. No pain. The unwanted employee, the unwanted job: gone.

Employee termination is the release of an employee against his or her will. Termination may be, at will, for cause, or for lack of work. The process is unavoidably painful: it imposes a certain degree of pain on the terminated employee, and the vast majority of people do not enjoy inflicting pain. Terminations, however, are a necessary part of business life and must be carried out promptly when the need for such actions becomes obvious in order to preserve the health of the enterprise.

TERMINATION-AT-WILL

An employment-at-will doctrine emerged in the United States in the mid-nineteenth century and came to be applied in both state and federal courts throughout the late 1800s and early 1900s. A concise

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interpretations of the doctrine was rendered by the California Supreme Court in 1910: "Precisely as may the employee cease labor at his whim or pleasure, and, whatever be his reason, good, bad, or indifferent, leave no one a legal right to complain; so, upon the other hand, may the employer discharge, and whatever be his reason, good, bad, or indifferent, no one has suffered a legal wrong."

Employees have retained their rights to be employed at will, but employers' rights to terminate workers at will have been modified over time based on the circumstances of the termination. The federal Wagner Act of 1935 made it illegal for companies to fire employees because they were engaged in union activity. Subsequent laws and court decisions during the mid-twentieth century reflected increasing concern about "wrongful discharge," implying that circumstances do exist in which it is legally wrong for a company to fire a worker. During the 1960s and 1970s, particularly, Congress enacted a number of new laws to protect workers from wrongful discharge in all types of cases, including those related to bias, whistle blowing, and other factors.

The practical consequences of this legal evolution have been that employment-at-will remains theoretically in force but is hemmed in—principally by many employee rights related to discrimination—to such an extent that legal advisors to business almost never unambiguously and forthrightly recommend using the right. This is understandable. Every employee belongs to several of the so-called "protected classes" in that they have an age, a gender, and are members of a race. It is always at least possible for an employee discharged at will to claim that the real motive behind the firing was motivated by bias. To avoid unnecessary lawsuits, many employers use workarounds although these are not exactly publicized.

Nevertheless at-will employment continues to be the rule in most businesses in the mid-2000s, the policy usually published by the company in its employment documents. The majority of employees understand this right as reciprocal to their own right to quit at any time. The small business employer's right is also indirectly maintained by the fact that those inclined to sue prefer to sue deep pockets, but the small business owner must be prepared to handle complaints, investigated by state or local agencies. The practice of at-will termination also implies significant discipline on the part of the small business manager who cannot simultaneous rely on the at-will policy and also give an explanation to the terminated employee which amounts to a list of other reasons than simply the employer's naked will.

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TERMINATION FOR BEHAVIOR

Employees may be dismissed for cause, one of which is employee behavior. Common behaviors that lead to terminations include: absenteeism and tardiness; unsatisfactory performance; lack of qualifications or ability; changed job requirements; and gross misconduct; misconduct might involve drug abuse, theft, or other breaches of company or public policy. The term "behavior-related" distinguishes this type of termination from "trait-related" dismissals; traits are immutable characteristics of the employee, such as color of skin or physical disability. Trait-related terminations may be legal if the employer can prove that the trait keeps the employee from performing a job satisfactorily. However, those cases are uncommon.

Employers may terminate workers based on any type of behavior they deem unacceptable, although laws and court interpretations of these laws have protected some types of behavior when the employer's retaliatory action is deemed: 1) a violation of public policy; 2) a violation of an implied contract between the employer and the employee; or 3) an act of bad faith. An act of bad faith is vaguely defined: it is simply a recognition of an employer's duty to treat employees fairly. For example, it might be considered illegal for a company to fire a worker because he refused to engage in an activity a reasonable person would consider excessively dangerous or hazardous.

One illustration of a public policy violation would be a company that fired a worker because she refused to engage in an unlawful act, such as falsifying public financial documents or giving false testimony in court. Another example would be firing an employee who exercised a statutory right, e.g., voting in an election or worshiping at a church. A third type of infraction in this category would be dismissal of an employee for reasons stemming from his exercising a right to perform an important public obligation.

Violations of implied contracts occur when a company dismisses a worker despite the existence of an insinuated promise. For example, if an employer conveys to a worker that he will receive long-term employment in an effort to get the employee to take a job, it could be liable if it fired the worker without what the courts deem "just cause" or "due process." Implied contracts often emanate from

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interviews, policy manuals, or long-term patterns of behavior by the employer in a relationship with an employee.

Even when an employer acts in good faith and does not violate the public trust or an implied contract, it can be legally liable for dismissing a worker for other reasons. Specifically, a business may be found liable if it cannot prove that: 1) its decision to dismiss an employee is not founded on bias against a protected minority; or 2) the firing does not produce inequitable results. Suppose, for instance, that a company decided to fire all managers who did not have a college degree. Doing so, however, resulted in the dismissal of a disproportionate number of legally protected minorities from its work force. The company could be held liable if it could not show that having a college degree was necessary effectively to execute the duties of the position.

Steps in a Behavior-Related Termination

Because of the legal risks inherent in dismissing employees, most companies terminate workers for behavior-related causes only after administering a progressive disciplinary and counseling process. Besides legal reasons, studies show that most companies try to correct behavior out of a perceived moral obligation to the employee. Furthermore, many employers benefit economically from correcting employee behavior, rather than terminating workers, because of the high costs of employee turnover.

Correctional efforts do not always succeed, however. In instances when termination does prove necessary, business experts cite several basic steps that employers can take to ease the blow for the targeted employee, minimize damage to workplace morale and community standing, and shield themselves from legal liability. These steps include:

Develop clear, written policies for termination and follow them unswervingly. These policies should be readily accessible to employees in an employee handbook. The termination guidelines should include definitions of poor performance and gross misconduct, detailed descriptions of the review

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procedures that may lead to termination, and policies regarding severance, future employment references, and the return of company property.

Document reasons for termination over time, in quantifiable terms where possible.

Conduct the termination meeting with the employee in a professional manner. The company representative conducting the meeting should be trained in dealing with the wide array of emotions—anger, denial, shock, etc.—that typically appear during such times.

Give credit for positive contributions. Many experts contend that the shock of termination can be eased somewhat if they hear positive feedback about some aspect of their work performance. "Even in a termination based on performance, prompted by the fact that acquired skills were not adequate for a particular situation, the person's assets and liabilities can still be acknowledged," wrote Richard Bayer in Business Horizons. "A termination-for-performance should not be an occasion for abuse."

Prepare an information package for the terminated employee that outlines all elements of any severance package, including benefits and assistance options. Depending on laws and company policies, the company may provide severance pay, unemployment compensation, compensation for earned vacation days, career and placement counseling, ongoing health insurance, or other post-termination benefits.

Craft considerate severance payout policies. The method of severance payout can be a major factor in easing (or increasing) an ex-employee's bitterness about termination. For example, Bayer notes that paying out severance in lump sums near the end of the calendar year will inflate the worker's W2 for the year and increase his/her tax burden. Small businesses can spare ex-employees this financial hit by absorbing the modest extra payroll expense of making regular severance payments.

Preserve an environment that enables the terminated employee to leave with dignity. "We should have no trouble arguing for compassionate termination policies that reduce stress on families, mitigate financial hardships, and decrease the chances that discharged employees will suffer debilitating emotional crises," wrote Bayer, who also cites the business advantages of dignified

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dismissals: "Employees who have witnessed termination with dignity will be more inclined to like the firm and support its goals and mission."

Exit Interview

In human resource terms, an exit interview is a survey that is conducted with an employee when he or she leaves the company. The information from each survey is used to provide feedback on why employees are leaving, what they liked about their employment and what areas of the company need improvement. Exit interviews are most effective when the data is compiled and tracked over time.

How are Exit Interviews conducted?

The exit interview may be conducted through a variety of methods. Some of the methods include: in-person, over the telephone, on paper, and through the Internet such as with Nobscot's WebExit.

Pros and Cons of each method of Exit Interviewing

In-Person Exit Interviews

With in-person exit interviews an HR representative meets individually with each terminating employee.

Pros

1. Can provide information regarding benefits and retrieve company property during the interview
2. Gives a personal touch to each employee
3. Can probe for more information on each question

Cons

1. Employees may be afraid to share sensitive or negative information during an in-person interview
2. For larger companies, it may be too time consuming to interview every employee
3. It's difficult to track information received verbally during an interview

Telephone Exit Interviews

Telephone Exit Interviews are conducted over the telephone by an HR Representative or an outside third party consultant.

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1. Pros
2. Can probe for more information on each question
3. Can enter data into a tracking system while conducting the interview
4. Easier to schedule than in-person interviews

Cons

1. Time consuming if done in-house by an HR Representative
2. Expensive if done with an outside consultant
3. Employees often reluctant to verbally share sensitive or negative information

Paper and Pencil Exit Interviews

Paper and Pencil Exit Interviews are usually conducted by a form that is given to the employee on their last day or mailed to the employee's home.

Pros

Takes less time to provide a form compared with conducting an in person or phone interview

Employees can share information on paper that they may be reluctant to say in person

Cons

1. Return rates for exit interview forms average just 30-35%
2. Difficult and time consuming to compile and track the data from paper and pencil forms
3. Online Exit Interview Management Systems

Pros

1. Employee self-service so easy for HR to administer
2. Employees comfortable sharing information by computer so more honest responses
3. Information automatically compiles and tracked
4. Reports available at a click of a button
5. Participation rates (for WebExit customers) double that for paper and pencil exit interviews
6. Exit Interviews Conducted By Over 90% Of Companies

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According to a study by the Society of Human Resource Management, over 90% of companies conduct exit interviews. Exit interviewing is one of the most widely used methods of gathering employee feedback.

Exit Interviews Versus Employee Satisfaction Surveys

One of the benefits of exit interviews over employee satisfaction surveys is that they are conducted when an employee is leaving. This diminishes the urgency in which a company must act on the feedback provided in the exit interview. With employee surveys, it's imperative to act on the results of the employee satisfaction surveys as quickly as possible. Once you provide employees the opportunity to tell you where the problems are, they expect immediate action on those problems. With exit interviews, you have a greater opportunity to review the data and look for trends over time. Employers can take action on problem areas as they see fit without causing further concern among employees.

Post Employment Exit Interviews

One of the newest fads is conducting the exit interview after the employee has been gone from the company for 3 or 6 months. The theory behind this strategy is that employee will have a better perspective on things once he or she has had a chance to reflect on his or her employment. Therefore, the employee is expected to provide more valuable information in an exit interview if it is held six months after employment. In research that Nobscot has conducted, this theory has yet to hold up. The majority of companies that have tried these kinds of Post-Employment exit interviews found that the results were similar to those conducted immediately upon termination. Additionally, it's difficult and time consuming to reach employees this far after employment has discontinued.

Generally, you can expect to get the most valuable information by exit interviewing a few days before or after an employee leaves the company. The employees employment experiences are fresh in his or her mind and the employee is usually happy to express their final thoughts before leaving the company.

Job design

According to Michael Armstrong, "Job Design is the process of deciding on the contents of a job in terms of its duties and responsibilities, on the methods to be used in carrying out the job, in terms of

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techniques, systems and procedures, and on the relationships that should exist between the job holder and his superior subordinates and colleagues."

Job design is the process of

a) Deciding the contents of the job.

b) Deciding methods & processes to carry out the job.

c) Making optimize use of job/work-time so that job/work-time should not be wasted as time is money and time cannot be earned, but can be saved by making efficient use of it.

d) Avoiding manual task if can be handled by machines or automated.

e) Synchronization of work, and no conflict with other jobs

f) Deciding the relationship which exists in the organization.

Job design gives framework to job analysis as it tries to figure out what qualities, skills and other requirements are needed to perform the given job by a job holder.

Job analysis
        According to Michael L. Jucius, "Job analysis refers to the process of studying the operations, duties and organizational aspects of jobs in order to derive specifications or as they called by some, job descriptions."

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According to DeCenzo and P. Robbins, "A 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."

Job Analysis is a method by which pertinent information is obtained about a job. It is a detailed and systematic study of information relating to the operation and responsibilities of a specific job. Job analysis as can be defined as the process of determining, by observation and study, and reporting pertinent information relating to the nature of a specific job. It is the determination of the tasks which comprise the job and of the skills, knowledge, abilities and responsibilities required of the worker for a successful performance and which differentiate one job from all others.

Job analysis provides the following information:

1. Job Identification

Its title, including its code number

2. Significant Characteristics of a Job

It location, physical setting, supervision, union jurisdiction, hazards and discomforts;

3. What the Typical Worker Does

Specific operation and tasks that make up an assignment, their relative timing and importance, their simplicity, routine or complexity, the responsibility or safety of others for property, funds, confidence and trust;

3. Which Materials and Equipment a Worker Uses

Metals, plastics, grains, yarns, milling machines, punch presses and micrometers

5. How a Job is Performed

Nature of operation - lifting, handling, cleaning, washing, feeding, removing, drilling, driving, setting-up and many others;

6. Required Personal Attributes

Experience, training, apprenticeship, physical strength, co-ordination or dexterity, physical demands, mental capabilities, aptitudes, social skills;

Methods of Job Analysis

Four methods or approaches are utilised in analysing jobs. They are:

1. Personal Observation: The materials and equipment used, the working conditions and probable hazards, and an understanding of what the work involves are the facts which should be known by an analyst.

2. Sending out of Questionnaires: Properly drafted questionnaires are sent out to job-holders for completion and are returned to supervisors.

3. Maintenance of Long Records: The employee maintains a daily record of duties he performs, marking the time at which each task is started and finished.

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4. Critical Incidents: In this method, job holders are asked to describe incidents concerning the job on the basis of their past experience. The incidents so collected are analyzed and classified according to the job areas they describe

5. Personal Interviews: Personal interviews may be held by the analyst with the employees, and answers to relevant questions may be recorded. But the method is time-consuming and costly.

6.Technical Conference Method: This method utilizes supervisors with extensive knowledge of the job. Here, specific characteristics of a job are obtained from the "experts."

7. Functional Job Analysis: Functional job analysis (FJA) is employee- oriented analytical approach of job analysis. This approach attempts to describe the whole person on the job.

Purposes and Uses of Job Analysis

The information provided by job analysis is useful in almost every phase of employee relations. Its purposes and uses can be understood from the following points:

1. Organisation and Manpower Planning: It is helpful in organisational planning for it defines labour needs in concrete terms and coordinates the activities of the work force, and clearly divides duties and responsibilities.

2. Recruitment and Selection: By indicating the specific requirements of each job (i.e., the skills and knowledge), it provides a realistic basis for hiring, training, placement, transfer and promotion of personnel.

3. Wage and Salary Administration: By indicating the qualifications required for doing specified jobs and the risks and hazards involved in its performance, it helps in salary and wage administration. Job analysis is used as a foundation for job evaluation.

4. Job Re-engineering: Job analysis provides information which enables us to change jobs in order to permit their being manned by personnel with specific characteristics and qualifications.

5. Employee Training and Management Development: Job analysis provides the necessary information to the management of training and development programmes.

6. Performance Appraisal: It helps in establishing clear-cut standards which may be compared with the actual contribution of each individual.

7. Health and Safety: It provides an opportunity for indentifying hazardous conditions and unhealthy environmental factors so that corrective measures may be taken to minimise and avoid the possibility of accidents.

Following are the important steps in the process of job analysis:

1. Determine the Use of the Job Analysis Information: Start by identifying the use to which the information will be put, since this will determine the type of data you collect and the technique you use to collect them.

2. Collection of Background Information: According to Terry, "The make-up of a job, its relation to other jobs, and its requirements for competent performance are essential information needed for a

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job evaluation. This information can be had by reviewing available background information such as organization charts and the existing job descriptions.

3. Selection of Jobs for Analysis: Job analysis is a costly and time consuming process. Hence, it is necessary to select a representative sample of jobs for the purposes of analysis. Priorities of various jobs can also be determined.

4. Collection of Job Analysis Data: Job data on features of the job, required employee qualification and requirements, should be collected either from the employees who actually perform a job; or from other employees who watch the workers, or from the outside persons.

5. Processing the Information: Once job analysis information has been collected, the next step is to place it in a form that will make it useful to those charged with the various personnel functions. Several issues arise with respect to this. First, how much detail is needed? Second, can the job analysis information be expressed in quantitative terms? These must be considered properly.

6. Preparing Job Descriptions and Job Classifications: Job information which has been collected must be processed to prepare the job description form. It is a statement showing full details of the activities of the job. Separate job description forms may be used for various activities in the job and may be compiled later on. The job analysis is made with the help of these description forms. These forms may be used as reference for the future.

7. Developing Job Specifications: Job specifications are also prepared on the basis of information collected. It is a statement of minimum acceptable qualities of the person to be placed on the job. It specifies the standard by which the qualities of the person are measured.

Sources of Information for Job Analysis

According to George R. Terry, "the make-up of a job, its relation to other jobs, and its requirements for competent performance are essential information needed for a job analysis".

Information on a job may be obtained from three principal sources:

(a) From the employees who actually perform a job;

(b) From other employees such as supervisors and foremen who watch the workers doing a job and thereby acquire knowledge about it; and

(c) From outside observers specially appointed to watch employees performing a job. Such outside persons are called the trade job analysts.

Job Description

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

A job description contains the following:

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1. Job identification, which includes the job title, alternative title, department, division, plant and code number of the job. The job title identifies and designates the job properly.

2. Job Summary serves two important purposes. First it provides a short definition which is useful as additional identification information when a job title is not adequate. Second, it serves as a summary to orient the reader.

3. Job duties give us a comprehensive listing or the duties together with some indication of the frequency of occurrence or percentage of time devoted to each major duty. It is regarded as the heart of a job.

4. Relation to other jobs: This helps us to locate the job in the organisation by indicating the job immediately below or above it in the job hierarchy. It also gives us an idea of the vertical relationships of work flow and procedures.

5. Supervision: Under it is given the number of persons to be supervised along with their job titles, and the extent of supervision involved – general, intermediate or close supervision.

6. Working conditions usually give us information about the environment in which a job holder must work.

Job Specification

The job specification states the minimum acceptable qualifications that the incumbent must possess to perform the job successfully. Based on the information acquired through job analysis, the job specification identifies the knowledge, skills, and abilities needed to do the job effectively.

According to Dale Yoder, "The job specification, as such a summary properly described is thus a specialized job description, emphasizing personnel requirement and designed specially to facilitate selection and placement."

A Job Specification should include:

(i) Physical characteristics, which include health, strength, endurance, age, height, weight, vision, voice, eye, hand and foot co-ordination, motor co-ordination, and colour discrimination.

(ii) Psychological and social characteristics such as emotional stability, flexibility, decision making ability, analytical view, mental ability, pleasing manners, initiative, conversational ability etc.

(iii) Mental Characteristics such as general intelligence, memory, judgement, ability to concentrate, foresight etc.

(iv) Personal Characteristics such as sex, education, family background, job experience, hobbies, extracurricular activities etc.

Job Rotation

Job Rotation is a management approach where employees are shifted between two or more assignments or jobs at regular intervals of time in order to expose them to all verticals of an organization. It is a pre-planned approach with an objective to test the employee skills and

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competencies in order to place him or her at the right place. In addition to it, it reduces the monotony of the job and gives them a wider experience and helps them gain more insights.

Job rotation is a well-planned practice to reduce the boredom of doing same type of job everyday and explore the hidden potential of an employee. The process serves the purpose of both the management and the employees. It helps management in discovering the talent of employees and determining what he or she is best at. On the other hand, it gives an individual a chance to explore his or her own interests and gain experience in different fields or operations.

Job Rotation Objectives

Reducing Monotony of the Job: The first and foremost objective of job rotation is to reduce the monotony and repetitiveness involved in a job. It allows employees to experience different type of jobs and motivates them to perform well at each stage of job replacement.

Succession Planning: The concept of succession planning is 'Who will replace whom'. Its main function of job rotation is to develop a pool of employees who can be placed at a senior level when someone gets retired or leaves the organization. The idea is to create an immediate replacement of a high-worth employee from within the organization.

Creating Right-Employee Job Fit: The success of an organization depends on the on-job productivity of its employees. If they're rightly placed, they will be able to give the maximum output. In case, they are not assigned the job that they are good at, it creates a real big problem for both employee as well as organization. Therefore, fitting a right person in right vacancy is one of the main objectives of job rotation.

Exposing Workers to All Verticals of the Company: Another main function of job rotation process is to exposing workers to all verticals or operations of the organization in order to make them aware how company operates and how tasks are performed. It gives them a chance to understand the working of the organization and different issues that crop up while working.

Testing Employee Skills and Competencies: Testing and analyzing employee skills and competencies and then assigning them the work that they excel at is one of the major functions of job rotation process. It is done by moving them to different jobs and assignments and determining their proficiency and aptitude. Placing them what they are best at increases their on-job productivity.

Developing a Wider Range of Work Experience: Employees, usually don't want to change their area of operations. Once they start performing a specific task, they don't want to shift from their comfort

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zone. Through job rotation, managers prepare them in advance to have a wider range of work experience and develop different skills and competencies. It is necessary for an overall development of an individual. Along with this, they understand the problems of various departments and try to adjust or adapt accordingly.

Job rotation is a well planned management approach that is beneficial both for employees and management.

Benefits of Job Rotation

Helps Managers Explore the Hidden Talent: Job Rotation is designed to expose employees to a wider range of operations in order to assist managers in exploring their hidden talent. In the process, they are moved through a variety of assignments so that they can gain awareness about the actual working style of the organization and understand the problems that crop up at every stage. Through this process, managers identify what a particular employee is good at and accordingly he or she is assigned a specific task.

Helps Individuals Explore Their Interests: Sometimes, employees are not aware of what would like to do until they have their hands on some specific job. If their job is rotated or they are exposed to different operations, they can identify what they are good at and what they enjoy doing. They get a chance to explore their interests and hidden potential.

Identifies Knowledge, Skills and Attitudes: Job Rotation helps managers as well as individuals identify their KSA (Knowledge, Skills and Attitudes). It can be used in determining who needs to improve or upgrade his or skills in order to perform better. This helps in analyzing training and development needs of employees so that they can produce more output.

Motivates Employees to Deal with New Challenges: When employees are exposed to different jobs or assigned new tasks, they try to give their best while effectively dealing with the challenges coming their way. It encourages them to perform better at every stage and prove that they are no less than others. This gives rise to a healthy competition within the organization where everyone wants to perform better than others.

Increases Satisfaction and Decreases Attrition Rate: Exposing employees to different tasks and functions increase their satisfaction level. Job variation reduces the boredom of doing same task everyday. Moreover, it decreases attrition rate of the organization. Employees develop a sense of belongingness towards the organization and stick to it till long.

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Helps Align Competencies with Requirements: Alignment of competencies with requirements means directing the resources when and where they are required. It assesses the employees and places them at a place where their skills, competencies and caliber are used to the highest possible extent.

Job rotation is an alternative to reduce the boredom caused due to repetitiveness of tasks and revive their willingness to handle a job and challenges involved in it with same excitement and zeal.

Disadvantages of Job rotation

Lot of time as well as effort go in motivating and persuading employees for job rotation. You just can't expect your team members to willingly work with people of other departments whom they don't even know at the first attempt only. Superiors have to sit with each and every individual in person and explain the benefits of job rotation first and then motivate him/her to contribute in other domains as well. Convincing employees for job rotation can sometimes be a time consuming process. As a Boss; you just can't concentrate on any other work but keep on encouraging your immediate juniors to say a yes to job rotation.

Another disadvantage of job rotation is that individuals take some time to acquaint to a new process, set up, be friendly with other employees and so on. Expecting miracles out of a marketing professional who has been asked to contribute in the accounts department as a result of job rotation is foolish. Individuals working beyond their expertise would definitely be able to contribute but their output would certainly not be at par with the experts. Efficiency may be lost as individuals do not become proficient in a particular task all of a sudden. Upgrading skills is no rocket science and takes time. How can a sales professional know each and every thing about the accounts team or all the softwares used by the IT team in just one day? In the same way, an individual from the MIS team would also take time to know about the specifications /features of each and every product and would never be able to convince clients to invest in the organization's products or services, the way a hard core sales professional would do. Work suffers at the end of the day and eventually the organization is at loss.

Job rotation also leads to stress and anxiety among employees. Employees are reluctant to come out of their comfort zone and hardly contribute in other department. For them, job rotation is another formality or process imposed on them. They simply have to follow the same as their Boss has asked them to do so. Individuals take time to open up in front of new people, express their ideas in a new

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team and often turn negative. They are very comfortable working with the people they have known for sometime but when it comes to new colleagues, they find it extremely difficult to adjust and thus create all sorts of problems.

Another problem of job rotation is that it does not take into account the time wasted in training someone who is not worth it and does not deserve to be in the system also. One sometimes tends to pick the wrong employee for job rotation who not only creates problems for everyone else but also misuses other departments' information and data. If someone has willingly volunteered for job rotation, the company has to give him/her an opportunity , irrespective of the fact whether he/she is actually capable of the same or not?. Anyone who is denied of the same would all of a sudden speak ill about the entire organization and lose interest in work. It is extremely difficult to find the right and deserving candidate for job rotation.

Another disadvantage of job rotation is that sometimes, employees even after working for few months, in another department hardly learn anything. All your efforts go waste when the end result is a zero.

Job Enrichment

Organizations are increasingly facing the heat of attrition, which is not good to health of the same. Lots of time, money and resources are spent into training an individual for a particular job and when he / she leaves the return on that investment equals null. Often it is not for the money that people leave; that may be the reason with the frontline staff but as we move towards the upper levels of organisational hierarchy, other reasons gain prominence. Many of those who quit their jobs complain of their jobs as uninteresting!

All this has compelled organisations to think of ways to make the job they offer interesting. Lots of efforts are made to keep monotony at bay; job enrichment is one of them. It is the process of making a job more interesting, challenging and satisfying for the employees. It can either be in the form of up gradation of responsibilities, increase in the range of influence and the challenges.

How does an Organisation Enrich a Job

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Typically job enrichment involves combining various existing and new tasks into one large module of work. The work is then handed over to an employee, which means there is an increase in responsibilities and scope. This increase in responsibility is often vertical. The idea is to group various tasks together such that natural work units are created.

In addition expanding jobs vertically also gives employee direct control over works units and employees that were formerly under the jurisdiction of top management only. While on one hand this increases the ownership of the employees in their work, it also relieves the unnecessary burden from the top management.

Job enrichment also opens up a feedback channel for the employees. Employees are frequently apprised of their performance. This keeps them on track and helps them know their weak and strong points. Performance standards are set for the employees themselves and future performances are matched against the benchmarks. All this without any serious intervention or involvement of the top management!

In a certain bank that dealt with commercial credit letters for import and export trade, the employees processed the documents in a sequence with each employee being specialised for certain aspect of verification. Often it so happened that a mistake at preceding level lead to a series of mistakes at succeeding level. Errors accumulated at each level and this result in huge loss of productivity.

The organisation decided to go for job enrichment where each employee or clerk was specialised in all aspects of processing. Each employee was now able to handle a client on his own. After some time it was found out that the transaction volume increased by 100 percent!

Benefits of Job Enrichment

Research studies on job enrichment found out decreased levels of absenteeism among the employees, reduced employee turnover and a manifold increase in job satisfaction. There are certain cases however where job enrichment can lead to a decrease in productivity, especially when the employees have not been trained properly. Even after the training the process may not show results immediately, it takes time to reflect in the profit line.

 Job enhancement

Job enhancement is when an employee is given new responsibilities or tasks that give him/her the opportunity to develop his/her skills or abilities. For example, a cashier at a grocery store could be

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taught how to prepare the weekly work schedule. As a result, he/she could learn about scheduling and have the opportunity to use different work-related documents (e.g. timesheets).

Why job enhancement?

Job enhancement is an effective way to help employees improve their essential skills, and it doesn't require a lot of resources to be successful. It can:

- o Better prepare employees for promotions and organizational changes
- o Help address skill shortages
- o Improve performance
- o Increase job satisfaction
- o Increase motivation and self-confidence
- o Reduce employee turnover and stress
- o Support a healthy learning culture in the workplace.

Sources of Recruitment

Sources of Recruitment
The various sources of recruitment are generally classified as internal source and external source.
(a) **Internal Sources:** This refers to the recruitment from within the company. The various internalsources are promotion, transfer, past employees and internal advertisements.
(b) **External Sources:** External sources refers to the practice of getting suitable persons from outside.The various external sources are advertisement, employment exchange, past employees, private placement agencies and consultants, walks-ins, campus recruitment, trade unions, etc.
The following external sources of recruitment are commonly used by the big enterprises:
1. Direct Recruitment: An important source of recruitment is direct recruitment by placing a notice on the notice board of the enterprise specifying the details of the jobs available. It is also known as recruitment at factory gate.
2. Casual Callers or Unsolicited Applications: The organisations which are regarded as good employers draw a steady stream of unsolicited applications in their offices. This serves as a valuable source of manpower.
3. Media Advertisement: Advertisement in newspapers or trade and professional journals is generally used when qualified and experienced personnel are not available from other sources.
4. Employment Agencies: Employment exchanges run by the Government are regarded as a

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good source of recruitment for unskilled, semi-skilled and skilled operative jobs. In some cases, compulsory notification of vacancies to the employment exchange is required by law.

5. Management Consultants: Management consultancy firms help the organisations to recruit technical, professional and managerial personnel they specialise middle level and top level executive placements.

6. Educational Institutions or Campus Recruitment: Big organisations maintain a close liaison with the universities, vocational institutes and management institutes for recruitment to various jobs. Recruitment from educational institutional is a well - established practice of thousand of business and other organisations.

7. Recommendation: Applicants introduced by friends and relatives may prove to be a good source of recruitment.

8. Labour Contractors: Workers are recruited through labour contractors who are themselves employees of the organisation. Recruitment through labour contractors has been banned for the public sector units.

9. Telecasting: The practice of telecasting of vacant posts over T.V. is gaining importance these days. Special programmes like 'Job Watch', 'Youth Pulse', ' Employment News', etc. over the T.V have become quite popular in recruitment for various types of jobs.

10.Raiding: Raiding is a technical term used when employees working elsewhere are attracted to join organisations. The organisations are always on the lookout for qualified professionals, and are willing to offer them a better deal if they make the switch.

Merits of External Source of Recruitment
The merits of external sources of recruitment are as under:

1. Qualified Personnel: By using external sources of recruitment the management can make qualified and trained people to apply for vacant Jobs in the organisation.

2. Wider choice: When vacancies are advertised widely a large number of applicants from outside the organisation apply. The management has a wider choice while selecting the people for employment.

3. Fresh Talent: The insiders may have limited talents. External sources facilitate infusion of fresh blood with new ideas into the enterprise. This will improve the overall working of the enterprise.

4. Competitive Spirit: If a company can tap external sources, the existing staff will have to compete with the outsiders. They will work harder to show better performance.

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

1. Dissatisfaction among Existing Staff: External recruitment may lead to dissatisfaction and frustration among existing employees. They may feel that their chances of promotion are reduced.

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2. Lengthy Process: Recruitment from outside takes a long time. The business has to notify the vacancies and wait for applications to initiate the selection process.

3. Costly Process: It is very costly to recruit staff from external sources. A lot of money has to be spent on advertisement and processing of applications.

4. Uncertain Response: The candidates from outside may not be suitable for the enterprise.

There is no guarantee that the enterprise will be able to attract right kinds of people from external sources.

Selection Process:

Brief details of the various steps in selection procedure are given as follows:

1. Inviting applications:

The prospective candidates from within the organization or outside the organization are called for applying for the post. Detailed job description and job specification are provided in the advertisement for the job. It attracts a large number of candidates from vari-ous areas.

2. Receiving applications:

Detailed applications are collected from the candidates which provide the necessary information about personal and professional details of a person. These applications facilitate analysis and comparison of the candidates.

3. Scrutiny of applications:

As the limit of the period within which the company is supposed to receive applications ends, the applications are sorted out. Incomplete applications get rejected; applicants with un-matching job specifications are also rejected.

4. Written tests:

As the final list of candidates becomes ready after the scrutiny of applications, the written test is conducted. This test is conducted for understanding the technical knowledge, atti-tude and interest of the candidates. This process is useful when the number of applicants is large.

Many times, a second chance is given to candidates to prove themselves by conducting another written test.

5. Psychological tests:

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These tests are conducted individually and they help for finding out the indi-vidual quality and skill of a person. The types of psychological tests are aptitude test, intelligence test, synthetic test and personality test

6. Personal interview:
Candidates proving themselves successful through tests are interviewed per-sonally. The interviewers may be individual or a panel. It generally involves officers from the top management.

The candidates are asked several questions about their experience on another job, their family background, their interests, etc. They are supposed to describe their expectations from the said job. Their strengths and weaknesses are identified and noted by the interviewers which help them to take the final decision of selection.

7. Reference check:

Generally, at least two references are asked for by the company from the can-didate. Reference check is a type of crosscheck for the information provided by the candidate through their application form and during the interviews.

8. Medical examination:

Physical strength and fitness of a candidate is must before they takes up the job. In-spite of good performance in tests and interviews, candidates can be rejected on the basis of their ill health.

9. Final selection:

At this step, the candidate is given the appointment letter to join the organization on a particular date. The appointment letter specifies the post, title, salary and terms of employment. Generally, initial appointment is on probation and after specific time period it becomes permanent.

10. Placement:

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This is a final step. A suitable job is allocated to the appointed candidate so that they can get the whole idea about the nature of the job. They can get adjusted to the job and perform well in future with all capacities and strengths.

Placement and Induction

Induction is the task of introducing the new employee to the policies, procedures, rules and regulations of the organization.

Induction Programme – An induction programme is conducted by the organization to provide the new employee information about –

Organization – History, current position, structure, rules, procedures, policies, issues etc.

Employee Benefits – Pay scale, Pay day, Holidays, Insurance, Medical, Provident fund etc.

Working Culture – Introduction to superiors, co-workers, trainers, counsellors and other Key staff

Job Duties – Job location, Job Objectives and Expectations, Job Safety, Job tasks and its relation with other jobs.

It is generally done through Lectures, Seminars, Films, Handbooks, and Manuals etc.

Objectives of an Induction programme –

(1) Remove fears of new employee – It assists the newcomer to know more about the job, policies, rules and regulations of the organization, terms and conditions of employment.

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(2) Create a good impression – Induction helps the newcomer to adjust and adapt to new demands of the job, get along with people, pose questions and seek clarifications and hence creates a favourable impression of the organization in the mind of the new recruit.

(3) Act as a valuable source of Information – Induction serves as a valuable source of information to new recruits as it assists him/her through employee manuals/handbooks and informal discussions about what he is supposed to do and how is he supposed to do it.

Steps of an Induction Programme –

Welcome the recruit to the organization

1. Explain him/her about the company
2. Show location and department where the new recruit will work
3. Provide company manual to the recruit
4. Provide details about Employee benefits
5. Explain about future career prospects and training opportunities
6. Entertain questions and clarify doubts
7. Provide a guided tour of building, facilities etc.
8. Hand the recruit over to his/her supervisor

Process of Induction –

1. Content
2. Socialization
3. Follow up

Content – The topics covered in an Induction Programme are as follows –

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Organization – History, current position, structure, rules, procedures, policies, issues, names and titles of key executives, employee manual, disciplinary procedures, products/services offered etc.

Employee Benefits – Pay scale, Pay day, Holidays, Insurance, Medical, Provident fund, Recreation, retirement benefits, training avenues etc.

Working Culture – Introduction to superiors, co-workers, trainers, counsellors and other Key staff, guided tour of building, facilities etc.

Job Duties – Job location, Job Objectives and Expectations, Job Safety, Job tasks and its relation with other jobs.

Socialization – It is a process through which a new recruit begins to understand and accept the values, norms and beliefs held by others in the organization.

Through formal and informal interaction and discussions a new comer understands how the department/company works, who holds the Key positions, how to behave and what is expected from them.

Follow up – To overcome any issues or challenges that the new recruit is facing due to communication gaps in the orientation and socialization process the supervisor may hold follow up meetings at fixed intervals on a face to face basis. The company also obtains feedback of people involved in the induction programme through round table discussions, in-depth interviews, questionnaire etc.

Placement

It refers to the actual posting of an employee to a specific job. It involves assignment of a specific rank and job responsibilities to an individual. The placement decision is taken by the line manager after comparing the job requirements with the qualifications of the candidate.

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

1. Man should be placed on the job according to the requirements of the job. The job should not be adjusted according to the qualifications or requirements of the man. Job first; man Next should be the principle of placement.

2. The job should be offered to the man according to his qualifications. The placement should neither be higher nor lower than the qualifications.

3. The employee should be made conversant with the working conditions prevailing in the industry and all things relating to the job. He should also be made aware of the penalties if he commits a wrong.

4. While introducing the job to the new employee, an effort should be made to develop a sense of loyalty and cooperation in him so that he may realise his responsibilities better towards the job and the organisation.

5. The placement should be ready before the joining date of the newly selected person.

6. The placement in the initial period may be temporary as changes are likely after the completion of training. The employee may be later transferred to the job where he can do justice.

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

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The main problem with placement arises when the recruiters look at the individual but not at the job. Often, the individual does not work independent of the others.

1. Independent jobs

    In independent jobs, non-overlapping routes or territories are allotted to each employee e.g. in field sales. In such situations, the activities of one employee have little bearing on the activities of other workers. Independent jobs do-not pose great problems in placement. Each employee has to be evaluated between his capabilities and interests and those required on the job.

    The objectives of placement will be:

    (a) To fill the job with people who have at least the minimum required qualifications.

    (b) People should be placed on the job that will make the best possible use of their talents, given available job and HR constraints.

2. Dependant jobs

    Dependent jobs may be sequential or pooled. In sequential jobs, the activities of one employee are dependent on the activities of a fellow employee. Assembly lines are the best example of such jobs.

    In pooled jobs, there is high interdependence among jobs. The final output is the result of the contribution of all the workers.

    In dependent jobs, an employee is placed in a specific sub group. While placing, care must be taken to match characteristics of the employee with that of the sub group. Because in such jobs, team work matters a lot.

    HR specialists must use assessment classification model for placing newly hired employees.

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DEPARTMENT ON MANAGEMENT
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UNIT 2

S.no	Questions	Option A	Option B	Option C	Option D	Answer
1	The process of searching for prospective employees and stimulating them to apply for jobs in an organization is termed as	Promotion	Recruitment	Selection	Placement	**Recruitment**
2	An HR manger was involved in the process of human resource planning. The first step he undertook was assessing current resources and making an inventory .what is the next step that the manager has to take in HRP?	Start recruiting to meet the requirements	forecasting	Matching the inventory with future requirements	Developing an action plan to meet future requirements	**forecasting**
3	…………….is the process by which the knowledge of an employee, his skills abilities and motives to perform a job must match the requirements of the job?	Recruitment	Job Analysis	Selection	Placement	**Job analysis**
4	The poor quality of selection will mean extra cost on _____ and supervision.	Training	Recruitment	Work quality	Development	**Training**
5	While recruiting for non - managerial, supervisory and middle - management positions which external factor is of prime importance?	Political - Legal	Unemployment rate	Labour market	Growth and Expansion	**Labour market**
6	A major internal factor that can determine the success of the recruiting programme is whether or not the	Human resource planning	Selection	Induction	Socialization	**Human resource planning**

	company engages in _____.					
7	_____ refers to the process of identifying and attracting job seekers so as to build a pool of qualified job applicants.	Selection	Training	Recruitment	Induction	**Recruitment**
8	Which of the following are the decisions to be made while devising the strategies to hire?	Geographic distribution of labour markets comprising job seekers	Make or buy employees	Sequencing the activities in the recruitment process	All of the above	**All of the above**
9	What is the natural perception of people on the process of recruitment and selection?	Positive	Negative	Both positive and negative	None of the above	**Positive**
10	What is the main objective of the recruitment and selection process	Recruit the right candidates	Meet the high labour turnover	To reduce cost of hiring	None of the above	**Meet the high labour turnover**
11	In a job analysis method, information was being gathered regarding a particular job from experts.what is the method of job analysis being used here?	Observation method	Technical conference method	Group interview method	Questionnaire method	**Technical conference method**
12	A job analysis where the job analyst conducts background research,interviews job incumbents and supervisors and prepares a detailed document is	Positional analysis questionnarie	Technical conference method	Diary method	Technical conference method	**Technical conference method**
13	A questionarie propounded by Ernest J Mc Cormick that provides job requirement information and contains 194 elements that fall into 6 major categories is the	Positional analysis questionnarie	Job analysis questionnarie	Performance analysis questionnnarie	Employee analysis questionarie	**Positional analysis questionnarie**

14	Which method of job analysis is more suitable for the middle and top level management jobs and not for the lower level jobs?	Positional analysis questionnarie	functional job analysis	Diary method	critical incident technique	**critical incident technique**
15	what describes in detail, the various aspects of a job like the tasks involved the resposiblities of the job and the deliverables ?	Job description	Job specification	Job evaluation	Job enlargement	**Job description**
16	In the process of job specification, the specifications that include analytical ability, data interpretation ability,decision-making ability etc.,are	Physical specifications	Emotional specifications	Mental specification	Behavioural specifications	**Mental specifications**
17	Which of the following are the uses of job analysis?	Organization audit	Promotion and transfer	health & safety	all the above	**all the above**
18	Which approach to job design has a key element called the task idea that led to job specialization?	Engineering approach	Hr approach	socio technical approach	job characteristics approach	**Engineering approach**
19	Which theory of job design by Hackman &Oldham states that employees work hard when they are rewarded for the work they do,and when the work gives them satisfication ?	job characteristics approach	employee characteristics approach	performance characteristics approach	group characteristics approach	**job characteristics approach**
20	_____helps in developing mangement generalists at higher organizational levels as it exposes them to severaldifferent operations.	Job analysis	job rotation	job enrichment	Job enlargement	**job rotation**

21	Which of the following helps in increasing the length &hence the operating time of each cycle of work for the job holder?	Job enlargement	Job enrichment	Job rotation	Job specification	**Job enlargement**
22	Which of the following are techniques of job enrichment	Developing management generalists at higher organizationals levels	Increasing the length and operating time of each job.	Minimizing controls and providing freedom of work when the employees are clearly accountable for attaining defined goals.	Providing wider scope,greater sequencing & increased pace of work.	**Both c and d**
23	A good recruitment policy	is flexible enough to accommodate changes in the organization	has its own policies & does not comply with govt policy on hiring	Requires more investment for the organization	Ensures short-term employment oppurtunities for its employees	**is flexible enough to accommodate changes in the organization**
24	Which of the following is not an external environment factor that determines the effectiveness of a recruitment program?	The situation in the labor market	The stage of development of the industry	Culture,social attitudes and beliefs	Geographical location of the job	**Geographical location of the job**
25	The HR department of Magnus Textiles made sure that any vacancies in the organization first reached the prospective candidates in the organization.Candidates from the org.	Advertisements	internal search	Employee referrals	Campus recruitment	**Internal search**

	responded to job postings.What is the source of recruitment being used?					

26	The important information that has to be furnished in the advertisement includes:	Location or place of work	Tasks & responsibilities in the job	Nature of the job	All of the above	**All of the above**
27	Many human resource professional are now using the internet to recruit personnel.Which of the following statements are not true about online recruiting?	It is a time saving process	It is a cost effective	It supplements rather than replaces the leg work associated with offline recruitment	It eliminates completely the work associated with recruitment on the part of the recruiter to his/her total convenience	**It eliminates completely the work associated with recruitment on the part of the recruiter to his/her total convenience**
28	A famous IT firm has a vacancy for the post of "vice president". Which of the following methods of recruitment would you suggest?	Employment pages of a national daily or a business magazine	Advertisements in a local daily	Campus placement	Listing of the vacancy on a placard outside the ORG.	**Employment pages of a national daily or a business magazine**
29	The success of a recruitment program can be judged based on	The no of successful placements	The no of hiring and The no of offers made	The no of applicants	All of the above	**All of the above**
30	The process of choosing the most suitable candidate for a job from among the available applicants is called	Recruitment	Placement	Appraisal	Selection	**Selection**

31	Vishal industries committed the mistake of hiring an unsuitable candidate for one of its vacancies.The negative outcomes as a result of selecting an unsuitable candiadte are	Lose the goodwill of other employees	The cost of employees non-performance	It will not be able to lay off such employees	Reduction in the number of employees	**The cost of employees non - performance**
32	Which of the forecasting technique is the fastest?	Work study technique	Flow models	Ratio trend analysis	HR demand Forecast	**Ratio trend analysis**
33	What does the ratio trend analysis studies for forecasting?	Profits and loss	Retirements and requirements	Past and future ratios of workers and sales	None of the above	**Past and future ratios of workers and sales**
34	Which is the simplest flow model used for forecasting	Semi - Markov Model	Resource based Model	Markov Model	Vacancy Model	**Markov Model**
35	Which of the following is not a method of collecting job data?	Checklists	Interviews	Case study	All of the above	**All of the above**
36	In which approach of reliability, a group of candidates take the same test twice ,within a gap of 2-3 weeks?	Repeat or test retest	Alternate form	Parallel form	Split halves procedure	**Repeat or test retest**
37	Which of the following questions are included in a management position description questionnaire?	Autonomy of actions	Complexity and stress	Public and customer relations	All of the above	**All of the above**
38	What is the main objective of the recruitment and selection process?	Recruit the right candidates	Meet the high labour turnover	To reduce the costs of recruiting	None of the above	**Meet the high labour turnover**
39	Information regarding job-related knowledge or skills and required personal attributes is included in the information about _____ an HR specialist may collect during a job analysis.	Work activities	Human behaviors	Human requirements	Performance appraisal	**Human requirements**
40	A _____ summarizes the personal	Job	Job analysis	Job description	Job context	**Job**

	qualities, traits, skills, and background required for getting the job done.	specification				**specification**
41	Which of the following is included in the job specifications?	Traits	Skills	Required background	All of the above	**All of the above**

42	Which of the following is not an advantage of using interviews to collect job analysis data?	it is simple to use	some information may be exaggerated or minimized	it is quick to collect information	it can identify uncommon, but important activities	**it is quick to collect information**
43	Interviews often include questions about _____.	Supervisory responsibilities	Job duties	Education and experience	All of the above	**All of the above**
44	A _____ is the time it takes to complete a job.	Job specification	Work cycle	Work week	Shift	**Work cycle**
45	For which of the following jobs is direct observation not recommended to collect data used in a job analysis?	assembly-line worker	accounting clerk	Engineer	Salesperson	**Engineer**
46	Which two data collection methods are frequently used together?	direct observation and interviewing	questionnaires and direct observation	interviewing and questionnaires	diaries and interviewing	**direct observation and interviewing**
47	Jane records every activity she participates in at work along with time in a log. This approach to data collection for job analysis is based on _____.	diaries	Interviews	Direct observation	Questionnaire	**Diaries**
48	Which of the following is considered a qualitative approach to job analysis?	Position analysis questionnaire	Interviews	Functional job analysis	All of the above	**Interviews**
49	Which of the following is not one of the basic activities included in a position analysis questionnaire?	Performing skilled activities	Being physically active	Operating equipment	All of the above	**All of the above**
50	The _____ assigns a quantitative score	Department of	position analysis	functional job	log approach	**position**

	to each job based on its decision-making, skilled activity, physical activity, equipment operation, and information-processing characteristics.	Labor Procedure	questionnaire	analysis		**analysis questionnaire**
51	Most job descriptions contain sections that cover _____.	Job summary	Standard of performance	Working conditions	All of the above	**All of the above**
52	One uses information from the _____ to write a job specification.	Job summary	Job identification	Job description	Standards of performance	**Job description**
53	_____is the determination of the job to which an accepted candidate is to be assigned.It is a matching of what the supervisor has reason to think he can do with the job demands".	Recruitment	Placement	Selection	Training	**Placement**
54	Which of the following steps should be adhered to,when interviewing ?	ask demanding & leading questions	get too engrossed in the interview to follow the plan	interrupt the candidate frequently	make the candidate feel comfortable & relaxed	**make the candidate feel comfortable & relaxed**
55	Mohan krishna attended an interview & was very upset with the way it progressed.The interviewer repeatedly interrupted him,criticized his answers and asked him unrelated questions. What is the method of interview adopted?	Panel interview	Stress interview	In depth interview	Group interview	**Stress interview**
56	In a defence org.,the tests conducted on validity and truthfulness of an applicants answers,by monitoring the physical changes in his body as he answered a series of questions .What is the type of test being used?	Polygraph tests	Situational tests	Interest tests	Intelligence tests	**Polygraph tests**

57	A bank wanted to conduct a test for the applicants for the job of a clerk cum cashier.Most of the app,icants were fresh from the college with little experience related to the job. The bank wants to pick and train the right candidates.Which test do you suggest to be given to the candidates?	Aptitude test	Intelligence test	Achievement test	Situational test	**Aptitude test**
58	test measures a persons ability to classify things ,identify relationships and derive analogies.It measures several factors like logical reasoning, analytical skills and general knowledge.	intelligence test	Performance tests	Emotional tests	Social Tests	**Intelligence test**
59	The time period for orientation is relatively lon as compared to socialization	The changes resulting out of orientation are more than those out of socialization	Orientation is an event where as socialization is an on-going process	More organizational members are involved in the process of orientation as compared to socialization	The time period for orientation is relatively lon as compared to socialization	**Orientation is an event where as socialization is an ongoing process**
60	Vishal joined a consultancy firm as a trainee, but soon decided to leave the organization.During the exit interview,it was found that he was not comfortable in the work place,& also he did not find the work atmosphere to be friendly.what would have gone wrong in the work place?	The organization did not have an effective induction program	The organization did not create a positive perception in the mind of an employee	The organization failed in its selection process	The employee was not able to adapt to the organization	**The employee was not able to adapt to the organization**

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UNIT I Training, Performance Management and career development.

Training Need assessment - Designing Training Programs – Methods and Techniques of Training and Development – training evaluation – Management development programs - Talent Management – techniques of performance appraisal – Orientation – Socialization – Process of socialization – Strategies. Training – Training process - Performance appraisal- Process – Traditional and Modern Methods - 360o - 720o feedback – Ethics of performance appraisal - challenges to performance appraisal – career and development planning- mentoring – coaching – succession planning

Meaning of Training

Training is an organised activity for increasing the knowledge and skills of people for a definite purpose. It involves systematic procedures for transferring technical know-how to the employees so as to increase their knowledge and skills for doing specific jobs with proficiency. In other words, the trainees acquire technical knowledge, skills and problem solving ability by undergoing the training programme.

According to Edwin B. Flippo, "Training is the act of increasing the knowledge and skills of an employee for doing a particular job".

Objectives of Training

(i) To impart to new entrants the basic knowledge and skill they need for an intelligent performance of definite tasks;

(ii) To assist employees to function more effectively in their present positions by exposing them to the latest concepts, information and techniques and developing the skills, they will need in their particular fields;

(iii) To build up a second line of competent officers and prepare them to occupy more responsible positions;

(iv) To broaden the minds of senior managers by providing them with opportunities for an interchange of experiences within and outside with a view to correcting the narrowness of the outlook that may arise from over-specialisation;

(v) To impart customer education for the purpose of meeting the training needs of Corporationswhich deal mainly with the public. In a nutshell, the objectives of training are ―to Bridge the gap between existing performance ability and desired performance.

Need and Importance of Training

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1. Increasing Productivity: Instruction can help employees increase their level of performance on their present job assignment. Increased human performance often directly leads to increased operational productivity and increased company profit.

2. Improving Quality: Better informed workers are less likely to make operational mistakes. Quality increases may be in relationship to a company product or service, or in reference to the intangible organisational employment atmosphere.

3. Helping a Company Fulfil its Future Personnel Needs: Organisations that have a good internal educational programme will have to make less drastic manpower changes and adjustments in the event of sudden personnel alternations. When the need arises, organisational vacancies can more easily be staffed from internal sources if a company initiates and maintains and adequate instructional programme for both its non-supervisory and managerial employees.

4. Improving Organisational Climate: An endless chain of positive reactions results from a well-planned training programme. Production and product quality may improve; financial incentives may then be increased, internal promotions become stressed, less supervisory pressures ensue and base pay rate increases result.

5. Improving Health and Safety: Proper training can help prevent industrial accidents. A safer work environment leads, to more stable mental attitudes on the part of employees.

6. Obsolescence Prevention: Training and development programmes foster the initiative and creativity of employees and help to prevent manpower obsolescence, which may be due to age, temperament or motivation, or the inability of a person to adapt himself to technological changes.

7. Personal Growth: Employees on a personal basis gain individually from their exposure to educational experiences. Again, Management development programmes seem to give participants a wider awareness, an enlarged skin, an enlightened altruistic philosophy, and make enhanced personal growth possible.

An assessment process that serves as a diagnostic tool for determining what training needs to take place. This survey gathers data to determine what training needs to be developed to help individuals and the organization accomplish their goals and objectives. This is an assessment that looks at employee and organizational knowledges, skills, and abilities, to identify any gaps or areas of need. Once the training needs are identified, then you need to determine/develop objectives to be accomplished by the training. These objectives will form criteria for measures of success and utility.

This analysis can be performed by managers who are able to observe their staff and make recommendations for training based on performance issues or gaps between performance and objectives. This analysis can also be performed on an organization-wide level by Training and Development managers who survey the organization to identify needs.

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Factors that may lead to Training Needs

- ❖ Re-organization processes
- ❖ Business Process Re-engineering
- ❖ Process Improvements
- ❖ Reductions in Force
- ❖ Layoffs/Transfers/New Hires
- ❖ Staffing Changes/Promotions
- ❖ Re-locations
- ❖ New equipment/Technology
- ❖ Performance/Safety Issues
- ❖ Problems in Production/Safety
- ❖ New Systems/Procedures
- ❖ Changes in Laws/Regulations
- ❖ Succession Planning
- ❖ Career Paths/Growth

Importance of Training needs analysis

Understanding The Importance Of Training Needs Analysis

Everyone recognizes the importance of training in improving the quality and productivity of our workforce. Unfortunately, training is often done in a haphazard manner. There must be a systematic way of knowing where to allocate our limited training budget to the areas that need improvement the most.

Training needs analysis (TNA) addresses the problem of methodically discerning the actual gaps in the needed skills of the work force. Here are some of the commonly used procedures and methods utilized in TNA:

Establishing the objectives. Some of the things that will set the parameters here are the budget for the training, and the present and future plans of the company in relationship to their manpower skills requirements. It is essential to set objectives in order to know how effective the training is.

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Review current and past training programs. It is imperative to check what current training activities are being implemented in order to have coordination and to avoid duplication of efforts. Reviewing past performance must be done to learn about their strengths and weaknesses in order to make the current program more effective.

Analyzing job functions. It would be foolish to look for something that is not related to the job description of the person. You would not consider a lack of accounting skills in a person who is just limited to keeping the office clean. Still, these are points that must be carefully probed because what is written may not exactly match the actual job function. Even tasks written in the job description may need to be clarified. In this stage, preliminary observations may be made.

Categorizing the types of training needed. For best results, training should be adapted to the type of training needs. One way to do this is by examining the individual, occupation, and organizational level capabilities and needs. For example, technical training may mean just enough concepts to enable management to communicate regarding the matter, but it may also mean teaching in sufficient detail to enable a worker to do the actual task.

Design and implementation of training needs survey. You must know how to go about the process of gathering relevant information. The correct survey questions are critical, as well as the manner of obtaining the data. There are cases that need a personal interview and instances where filling up a form will do. Even in the case of personal interviews, you would have to decide if it would be one-on-one or with a group. Analysing the data gathered and making conclusions. The process of interpreting the results of the surveys and interviews entails at least some knowledge of the skill to assess if there is indeed a need for improvement.

Communicating the results to higher management. In many cases, the conclusions must be presented in the proper format so that higher management can more easily grasp the correctness and importance

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of the suggestions. This is crucial to have the program approved. Training needs analysis is the first step in starting an effective training program.

To know more about this topic, BusinessCoach, Inc., a leading business seminar provider, conducts a seminar entitled, "Training Needs Analysis." Contact (02) 727-5628, (02) 727-8860, (0915) 205-0133 or visit www.businesscoachphil.com for details.

Process of Training Need analysis

Employers can conduct a needs analysis by following the steps below.

Step 1: Determine the Desired Business Outcomes

Before a training needs analysis can begin, the employer needs to articulate the goal of the training. That is, what are the expected business outcomes of the training?

The training goal should correspond to a business objective. This can be specific to an individual employee, work unit, department or the entire organization.

The ultimate goal of the training should be clearly articulated and kept in the forefront to ensure that the entire needs analysis process keeps the desired outcomes in sight. It is best for an employer to answer the question: "How will we know that the training worked?"

Examples of ultimate goals are:

1. Improve customer service representatives' customer satisfaction ratings;
2. Increase the close rates on business proposals or bids by sales personnel;
3. Improve employee morale through better supervision by middle management; and
4. Improve the speed at which warehouse employees fill orders.

Step 2: Link Desired Business Outcomes With Employee Behavior

There are generally multiple behaviors that are associated with any desired business outcome. These behaviors are a result of employees:

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1. Knowing what to do;
2. Having the capability to do it; and
3. Having the motivation to do it.

At this step in the process, employers should identify the desired critical competencies, i.e., behaviors and associated knowledge, skills, abilities and personal characteristics that are linked to desired business outcomes. This is usually done through collecting information from subject matter experts.

Data collection may take the form of interviews, focus groups or surveys. Regardless of the method used, the data should result in a clear understanding of how important each competency is to achieving the desired business goal.

A rating scale example to assess the importance is one like the following:

How Important Is This for Successful Job Performance?

1. 1 = Not at all
2. 2 = A little
3. 3 = Somewhat
4. 4 = Considerable
5. 5 = Extremely

To ensure that only the competencies that are deemed critical should be considered for inclusion in other training needs analysis steps, rating averages should be at least a 4.0 on the five-point rating scale.

Step 3: Identify Trainable Competencies

Not every competency can be improved through training. For example, a sales job may require sales people to be outgoing and initiate conversations with total strangers. It is more effective, then, for an

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employer to hire people that are already extroverts than to attempt to train introverts to be more outgoing. Similarly, it may be more effective to hire people with specialized knowledge than to educate and train them.

Employers should evaluate each critical competency from Step 2 and determine if each one is something they expect employees to possess prior to job entry. Taken together, this should provide employers with a list of critical competencies that are amenable to training.

Step 4: Evaluate Competencies

With a targeted list of competencies in hand, employers should determine the extent to which their employees possess these. The most often used methods are:

- ✓ Competency evaluations; and
- ✓ Tests or assessments.

Performance evaluation surveys are best used to evaluate observable behaviors. This can be easily accomplished by taking the critical competencies from Steps 2 and 3 and having knowledgeable people rate the targeted employees' behaviors. Most often, supervisors perform this function.

However, multiple raters, including peers, subordinates and customers, are often used to evaluate the performance of supervisors and executives. This approach is generally known as 360 degree surveys.

Performance evaluation surveys become less effective the more raters have to infer unobservable competencies such as ability, skills and personality. Evaluation of these competencies is better accomplished through the use of professional tests and assessments. There are many tests available on the market to measure specific skills, abilities and personality characteristics. However, choosing the right test should be done in coordination with a testing professional, e.g., an organizational psychologist. Care should be taken in selecting tests that are valid measures of the targeted competency.

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Custom-designed assessments are also appropriate, especially if the employer desires to measure specialized knowledge or effectiveness in a major segment of the work. These can range from multiple choice job knowledge tests to elaborate job simulations. For example, a very effective approach to measuring the training needs of supervisors and leaders is using an assessment center, which is comprised of different role-play exercises that parallel managerial situations.

Step 5: Determine Performance Gaps

Regardless of the methods used to evaluate competencies, individual employee results are then combined to assess how many employees are in need of improvement in particular competencies.

To do this, the employer first needs to establish what constitutes a performance gap. That standard will vary from employer to employer. Some employers will set higher standards than others.

Setting that standard will provide the employer with an understanding of how many employees fall above or below that standard. Those falling below would be considered to be in need of training.

Step 6: Prioritize Training Needs

Employers should aggregate the data in Step 6 with information on the performance gap pervasiveness. That is, employers should total how many, or what percentage, of the targeted workforce needs the training.

Employers should also consider the importance of the competency (see Step 2). Taken together, pervasiveness and importance should result in a list of training priorities.

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Step 7: Determine How to Train

Using the training priority list from Step 6, employers should now consider how best to train their workforce. Typical training methods include:

1. On the job training (OJT);
2. Mentoring and coaching;
3. Classroom;
4. Web-based;
5. Books;
6. Conferences; and
7. University programs.

It is recommended that employers consult a professional who is well versed in adult learning to help determine the best ways employees can acquire a particular competency.

Some learning methods will work better than others. Although no two people learn or retain information in the same way, studies show that individuals retain information much better if they actually perform the skill or task. This type of retention is about 75 percent.

Compare that to listening to a lecture, where retention is only five percent. Other forms of learning retention are as follows:

Reading, 10 percent;

Audio-visual, 20 percent;

Demonstration, 30 percent; and

Discussion group, 50 percent.

Employers should keep this in mind and strive for the training method that will not only be suitable for the material, but also have the best chance for retention by employees.

Step 8: Conduct a Cost Benefit Analysis

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At this point, employers need to consider the costs associated with a particular training method and the extent to which performance gaps can be combined into the same training experience.

Cost factors include:

1. Required training time;
2. Training content development if designed in-house;
3. Training evaluation and acquisition if purchased from vendor;
4. Training content delivery;
5. Lost productivity from time spent in training; and
6. Travel and logistical expenses.

On the benefit side, different training methods will have varying degrees of effectiveness (see Step 7). For example, while web-based training may be the least costly, this may not be the best way for employees to develop a particular skill. Employers need to strike a balance between the cost of a particular training method and its ability to achieve the desired results.

Step 9: Plan for Training Evaluation

The last step in this process is for employers to decide how they will know whether the training worked. Training is only effective if the material is retained and used on the job. This step should include an evaluation component similar to how the needs were assessed in Step 4.

Questions the evaluation process should answer are:

1. How much did the training improve the competencies targeted in the training?
2. How much did the training improve employees' actual job performance?
3. How much did the training improve the meeting of business objectives?
4. How much did the training result in a positive return on its investment?

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5. The questions employers want answers to will determine the method and components of the evaluation process.

Advantages of training need analysis

1. Identify performance gaps

TNA helps recognize the performance gaps of your employees. When the same task is given, different employees perform with various levels of competencies, in different ways. You can consider this the actual performance. But the employer's desired performance can be considered the expected level. The difference between the expected and actual levels is the performance gap. This gap indicates the need for training. A successful Training Needs Analysis will help training managers identify performance gaps and address these gaps with appropriate training.

2. Aligns training withorganizational objectives

TNA is conducted so that the training developed will enable the organization achieve its strategic objectives. It is used to determine how to develop the Skills, Knowledge, and Abilities (SKA) of employees to achieve organizational goals, through training.

TNA is "an on-going process of gathering data to determine what training needs exist so that training can be developed to help the organization accomplish its objectives." – J. Brown

According to the researcher McClelland, 'TNA helps to identify the existing training needs or the future needs that may come in for organizations'. (Tweet this) Knowing this, you can develop training to address those needs effectively. When you conduct a TNA in the context of an organization,it is called Organizational Analysis. This acts as a guide to decide what training is needed and for whom it is to be offered for achieving organizational objectives.

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3. Determines the 'Where', 'What', 'Who' factors oftraining

TNA provides crucial insights on where the training should be directed, who should receive training, and what is the content of that training. These questions play a key role in designing an effective training for your employees.

Sometimes organizations are unsure whom to train and on what. Offering training to someone who does not need it or giving the wrong type of training turns out to be counter-productive. So a proper Training Needs Analysis will help you address these issues. TNA helps you identify who needs training and what type of training.

TNA also enables training managers develop training that is most relevant to the learning needs of a particular group or department of employees. You can also customize your training based on the learning styles and their roles.

4. Provides a benchmark for training evaluation

SMART learning objectives

TNA helps identify training objectives well in advance so that they can be the basis for evaluating training effectiveness. Training analysts should set learning objectives in the TNA stage that are Specific, Measurable, Attainable, Reasonable, and achievable within a specific Time frame (SMART). These five criteria simplify training evaluation.

5. Reduces the risk of training failure

TNA minimizes the risk and impact of training failure on your business by preparing your employees for future changes and giving them time to be equipped in Knowledge, Skills and abilities (KSAs) through training. Many companies also invest in training programs that may fail

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to bring returns. This is again because of the mismatch between training efforts and organization goals. A properly performed Training Needs Analysis can minimize these risks.

6. Helps manage training budgets effectively

TNA lets you manage financial resources allocated for training wisely. It helps avoid trainings that bring very little value addition. A well conducted Training Needs Analysis provides a comprehensive picture of the Skills, Knowledge, and Abilities (KSA) of employees so that training programs can be directed in the most needed direction. This allows the organization to allocate budget for training and development in areas where it can have the maximum impact.

Designing a training program

The seven main steps involved in designing a training programme for employees. The steps are: 1. Responsibility for Training 2. Selection and Motivation of the Trainees 3. Preparation of Trainer 4. Training Material 5. Training Period 6. Performance Tryout 7. Follow Up.

Step 1. Responsibility for Training:

To be effective, a training programme must be properly organised. Training is quite a strenuous task which cannot be undertaken by a single department.

The responsibility for training may be shared among the following:

(a) The Top Management:

It should frame and authorise the basic training policy, review and approve the training plans and programmes and approve training budgets.

(b) The Personnel Department:

The Personnel Department should plan, establish and evaluate instructional programmes.

(c) The Line Supervisor:

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The Line Supervisor should implement and apply various developmental plans.

(d) The Employees:

The Employees should provide feedback, revision and suggestions for improvements in the programme.

Step 2. Selection and Motivation of the Trainees:

Proper selection of trainees is of great importance to obtain permanent and gainful results. It is necessary to decide who is to be a trained-new or old employee, unskilled or semi-skilled workers, supervisors or executives.

Selection of candidates for training should be made only after careful screening of the prospective employees for the effectiveness of the programme. It is also necessary to create a desire for learning. The employees will be interested in training if they believe that it will benefit them personally.

A trainee should be given proper background information before he starts learning new job skills and gets knowledge. The trainer should explain to the trainee the importance of the job, its relationship with the work flow and the importance of learning. The trainer should not forget the newness of the trainee to the training programme.

Step 3. Preparation of Trainer:

The success of the training programme depends upon the trainer or the instructor. Trainer must be well qualified and may be obtained from within or outside the organisation. It should be decided before hand what is to be taught and how. He should be able to divide the job into logical parts so that he may teach one part at a time without losing his perspective of the whole.

As training is based upon the needs of the organisation, the trainer must have a clear cut picture of the objectives of training in mind. Trainer needs professional expertise in order to fulfill his responsibility.

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If he is ill informed about the training process or knows little about possible connection between training and management, he deserves the casual treatment. The trainer should explain and wherever necessary, demonstrate the operations step by step and should allow the trainees to repeat these operations. He should also encourage questions from the trainees.

Step 4. Training Material:

Training material may include study notes, case studies, pamphlets, charts, brochures, manuals, movie slides etc. The material may be prepared in the training section with the help of the supervisors. The written material should be distributed among the trainees so that they may come prepared in the lecture class and may be able to understand the operation quickly and remove their doubts, if any.

Step # 5. Training Period:

The length of the training period depends upon the skill of the trainees, purpose of the training, trainees' learning capacity and the training media used. The time of training, whether before or after or during working hours, should be decided by Personnel Manager taking in view the loss of production and benefits to be achieved by training.

Step 6. Performance Tryout:

The trainee is asked to do the job several times slowly. His mistakes are corrected and if necessary the complicated steps are explained again. As soon as the trainee demonstrates that he can do the job rightly he is put on his own and training is over.

Step 7. Follow Up:

In this step, the effectiveness of the training programme is assessed. The feedback generated through follow up will help to reveal weaknesses or errors, if any. The supervisor should have a constant vigil on the person and his performance.

If he is still facing any difficulty on the job, he must be given full guidance by the immediate supervisor and should be initiated to ask questions to remove the doubts. If necessary, instruction

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may be repeated until the trainee learns whatever has been taught to him. Follow up action reinforces the learning process. It also helps in designing future training programmes.

TRAINING AND DEVELOPMENT (T&D) METHODS

There are several T&D methods available. The use of a particular method depends which method accomplishes the training needs and objectives. Training methods can be classified into two categories:

I. On-the-Job Methods

This refers to the methods of training in which a person learns a job by actually doing/performing it. A person works on a job and learns and develops expertise at the same time.

1. Understudy

In this the employee is trained by his or her supervisor. The trainee is attached with his or her senior and called understudy or assistant. For example, a future manager might spend few months as assistant to the present manager.

2. Job rotation

This refers to shifting/movement of an employee from one job to another on regular intervals.

3. Special projects

The trainees' may ask to work on special projects related with departmental objectives. By this, the trainees will acquire the knowledge of the assigned work and also learn how to work with others.

4. Experience

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It refers to learning by doing. This is one of the oldest methods of on-the-job training. Although this is very effective method but it also very time-consuming and wasteful. Thus it should be followed by other training methods.

5. Committee assignment

In this, the trainees become members of a committee. The committee is assigned a problem to discuss and make recommendations.

6. Coaching

In this, the supervisor or the superior acts as a guide and instructor of the trainee. This involves extensive demonstration and continuous critical evaluation and correction.

II. Off-the-Job Methods

These methods require trainees to leave their workplace and concentrate their entire time towards the training objectives. These days off-the-job training methods have become popular due to limitations of the on-the-job training methods such as facilities and environment, lack of group discussion and full participation among the trainees from different disciplines, etc. In the off-the-job methods, the development of trainees is the primary task rest everything is secondary. Following are the main off-the-job training methods:

1. Special courses and lectures

These are the most traditional and even famous today, method of developing personnel. Special courses and lectures are either designed by the company itself or by the management/professional schools. Companies then sponsor their trainees to attend these courses or lectures. These are the quick and most simple ways to provide knowledge to a large group of trainees.

2. Conferences and seminars

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In this, the participants are required to pool their thoughts, ideas, viewpoints, suggestions and recommendations. By attending conferences and seminars, trainees try to look at a problem from different angles as the participants are normally from different fields and sectors.

3. Selected reading

This is the self-improvement training technique. The persons acquire knowledge and awareness by reading various trade journals and magazines. Most of the companies have their own libraries. The employees become the members of the professional associations to keep abreast of latest developments in their respective fields.

4. Case study method

This technique was developed by Harvard Business School, U.S.A. It is used as a supplement to lecture method. A case is a written record of a real business situation/problem faced by a company. The case is provided to the trainees for discussion and analysis. Identification and diagnose of the problem is the aim in case study method. Alternate courses of action are suggested from participants.

5. Programmed instruction/learning

This is step-by-step self-learning method where the medium may be a textbook, computer or the internet. This is a systematic method for teaching job skills involving presenting questions or facts, allowing the person to respond and giving the learner immediate feedback on the accuracy of his or her answers."

6. Brainstorming

This is creativity-training technique, it helps people to solve problems in a new and different way. In this technique, the trainees are given the opportunity to generate ideas openly and without any fear of judgement. Criticism of any idea is not allowed so as to reduce inhibiting forces. Once a lot of ideas are generated then they are evaluated for their cost and feasibility.

7. Role-playing

In this method, the trainees are assigned a role, which they have to play in an artificially created situation. For example, a trainee is asked to play the role of a trade union leader and another trainee is

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required to perform the role of a HR manager. This technique results in better understanding of each other's situation by putting foot in other's shoes.

8. Vestibule schools

Large organisations frequently provide what are described as vestibule schools a preliminary to actual shop experience. As far as possible, shop conditions are duplicated, but instruction, not output is major objective." A vestibule school is operated as a specialised endeavor by the personnel department. This training is required when the amount of training that has to be done exceeds the capacity of the line supervisor; a portion of training is evolved from the line and assigned to staff through a vestibule school." The advantage of a vestibule school is specialisation.

9. Apprenticeship training

This training approach began in the Middle Ages when those who wanted to learn trade skill bound themselves to a master craftsman and worked under his guidance. Apprenticeship training is a structured process by which people become skilled workers through a combination of classroom instruction and on-the-job training.

10. In-basket exercise

In this technique, the trainees are provided background information on a simulated firm and its products, and key personnel. After this, the trainees are provided with in-basket of memos, letters, reports, requests and other documents related with the firm. The trainee must make sense out of this mass of paperwork and prepare memos, make notes and delegate tasks within a limited time period."

11. Business games

Business games involve teams of trainees. The teams discuss and analyse the problem and arrive at decisions. Generally, issues related with inventories, sales, R&D, production process, etc. are taken up for consideration.

12. Behaviour modeling

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This is structured approach to teach specific supervisory skill. This is based on the social learning theory in which the trainee is provided with a specific model of behaviour and is informed in advance of the consequences of engaging in that type of behaviour.

13. Sensitivity (T-group) training

In this type of training, a small group of trainees consisting of 10 to 12 persons is formed which meets in an unstructured situation. There is no set agenda or schedule or plan. The main objectives are more openness with each other, increased listening skills, trust, support, tolerance and concern for others. The trainers serve a catalytic role. The group meets in isolation without any formal agenda. There is great focus on inter-personal behaviour. And, the trainer provides honest but supportive feedback to members on how they interacted with one another.

14. Multiple management

This technique of training was first introduced by McCormick, President of McCormick & co. of Baltimore in 1932. He gave the idea of establishing a junior board of directors. Authority is given to the junior board members to discuss any problem that could be discuss in senior board and give recommendations to the senior board. Innovative and productive ideas became available for senior board.

Evaluation

Evaluation is conducted throughout the process. The effectiveness of each step must be continually assessed. An overarching evaluation of the entire approach measures the value of the training program as it applies to company goals and employee performance and behavior. Evaluations can be completed by testing knowledge and skills immediately after completion of training or through consultation with employees and supervisors after work has resumed.

Meaning and its Benefits

Training Evaluation - Meaning and its Benefits

Evaluation involves the assessment of the effectiveness of the training programs. This assessment is done by collecting data on whether the participants were satisfied with the deliverables of the training program, whether they learned something from the training and are able to apply those skills at their workplace. There are different tools for assessment of a training program depending upon the kind of training conducted.

Since organisations spend a large amount of money, it is therefore important for them to understand the usefulness of the same. For example, if a certain technical training was conducted, the

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organisation would be interested in knowing whether the new skills are being put to use at the workplace or in other words whether the effectiveness of the worker is enhanced. Similarly in case of behavioural training, the same would be evaluated on whether there is change in the behaviour, attitude and learning ability of the participants.

Benefits of Training Evaluation

Evaluation acts as a check to ensure that the training is able to fill the competency gaps within the organisation in a cost effective way. This is specially very important in wake of the fact the organisations are trying to cut costs and increase globally. Some of the benefits of the training evaluation are as under:

Evaluation ensures accountability - Training evaluation ensures that training programs comply with the competency gaps and that the deliverables are not compromised upon.

Check the Cost - Evaluation ensures that the training programs are effective in improving the work quality, employee behaviour, attitude and development of new skills within the employee within a certain budget. Since globally companies are trying to cut their costs without compromising upon the quality, evaluation just aims at achieving the same with training.

Not many organisations believe in the process of evaluation or at least do not have an evaluation system in place. Many organisations conduct training programs year after year only as a matter of faith and not many have a firm evaluation mechanism in place. Organisations like IBM, Motorala only, it was found out, have a firm evaluation mechanism in place.

The Way Forward

There are many methods and tools available for evaluating the effectiveness of training programs. Their usability depends on the kind of training program that is under evaluation. Generally most of the organisations use the Kirk Patrick model for training evaluations which evaluates training at four levels - reactions, learning, behaviour and results.

After it was found out that training costs organisations a lot of money and no evaluation measures the return on investment for training, the fifth level for training evaluation was added to the training evaluation model by Kirk Patrick which is called as the ROI.

Most of the evaluations contain themselves to the reaction data, only few collected the learning data, still lesser measured and analysed the change in behaviour and very few took it to the level of increase in business results. The evaluation tools including the Kirk Patrick model will be discussed in detail further.

Organizations spend a huge amount of money for training their employees at various levels and on various competencies, behavioral and technical. Every year new tools are designed to try and cater to

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individual learning styles and make the training more effective. After all an organization is concerned about its spending and the return on the same!

Donald Kirkpatrick, professor emeritus, university of Wisconsin began working on evaluating the effectiveness of training very early in his life. His early work on the same was published in the year 1959 in a journal of American Society of Training Directors. He laid out four levels for evaluation of any training. This model is arguably the most widespread for evaluation in use. It is simple, very flexible and complete. The four levels as described by Kirkpatrick are as follows:

Reaction of the Trainee - thoughts and feelings of the participants about the training

Learning - the increase in knowledge or understanding as a result of the training

Behavior - extent of change in behavior, attitude or capability

Results - the effect on the bottom line of the company as a result of the training.

The fifth level which is the ROI has been recently added which is not but a part of the original model. The graphic description is as follows:

Reaction

Reaction implies how favorably the participants have responded to the training. This evaluation is primarily quantitative in nature and is a feedback to the training and the trainer. The most common collection tool is the questionnaire that analyses the content, methodology, facilities and the course content.

Learning

At the level of learning the evaluation is done on the basis of change in the ASK (Attitudes, skills and knowledge) of the trainees. The evaluation involves observation and analysis of the voice, behaviour, text. Other tools used apart from the observation are interviews, surveys, pre and post tests etc.

Behaviour

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Behaviour evaluation analyses the transfer of learning from the training session to the work place. Here the primary tool for evaluation is predominantly the observation. Apart from the observation, a combination of questionnaires and 360 feedbacks are also used.

Results

The results stage makes evaluations towards the bottom line of the organization. Here the definition of the results depends upon the goal of the training program. The evaluation is done by using a control group allowing certain time for the results to be achieved.

There are many other models that are unique in their own ways, nut as mentioned earlier Kirkpatrick's Model is the one that is accepted and used widely across all industries and with wider applications.

Management Development Programs

Management Development is described as the process from which the managers learn and improve their skills & knowledge not only to benefit themselves but also their employing organizations.

Management Development has become very important in today's competitive environment. According to a survey, those companies that align their management development with tactical planning are more competitive than the companies who are not. It has also been indicated that 80% of the companies report MDP, compared with 90% that provide executive leadership training. For most of the companies 37% of the training budgets go to management development and learning programs. Therefore, it is important to consider management development as an important part of organizational competitiveness.

Characteristics of Management Development

1. Growth Oriented

Management development is growth oriented. It focuses its activities to enhance the skills, knowledge and capabilities to meet for the higher level responsibilities. After management development, employees get the opportunity of higher responsibility which assists for personal growth.

2. Future oriented

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Management development is future oriented. Main objective of management development is to develop the human competencies for the future job responsibilities. On the basis of succession planning and market analysis, management development aims to uplift the skills, knowledge and capabilities of managerial employees so that future demand can be fulfilled.

3. Focus to managerial employees

Management development focuses only to the managerial level employees. It prepares the educational programs to enhance interpersonal skills, decision skills, and technical skills to the managerial employees.

4. Educational process

Beyond training, management development is an educational program which stands in learning progress. It focuses on overall personality development for business communication, environmental and industry analysis, business planning, maintaining human and business relation, etc. This is possible only through educational programs.

5. Proactive

Management development is advance thinking. This aims to prepare human resources ready for any types of emergencies. It is not conducted only after realizing the need.

6. Self-motivation

Since management development is basis of personal growth. So, each manager wants to participate in such types of management development programs. External motivation is not necessary for management development as in training.

7. Behavioral change

Managerial development aims to enhance the knowledge and skills of managers. Such programs include different new techniques of doing job, supervising and motivating employees, and interpersonal communication. Such programs change the attitude and behavior of managers. The way of events and jobs are expected to be changed positively after the managerial development.

8. Continuous process

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Management development is not spontaneous learning process. It is long term planned learning process. It starts with analysis of organizational objectives, future scopes, strategies and succession planning. As managers require involving in many managerial activities, they need to acquire different skills which are not possible in single program. So, managerial development must be arranged as continuous learning process.

Objectives of Management Development

Main objective of management development is to prepare managers for overall responsibilities. More specially, management development has following objectives:

1. To increase managerial capabilities

One of the primary objectives of management development is to increase managerial capability. Managers require accomplishing varieties of activities. They need to supervise, motivate, communicating, leading, planning, organizing, etc. Such functions demand special skills, knowledge and capabilities. Management development programs aim to increase capabilities essential to conduct such managerial functions.

2. To enhance managerial potential

Management development also aims to increase the future potentiality of each managerial employees. Each managerial employee may have specific skills and qualities. Such qualities should be awarded with special responsibilities. Management development prepares different plans and programs to prepare them.

3. To provide personal growth

In order to increase the tenure of managerial employees at the organization, their personal growth should be ensured. Future of each manager should be planned in the organization. Through management development programs, the opportunity for personal growth is secured.

4. To improve decision making

Managerial decisions are vital for the success and failure of organization. The quality of decisions of managers determines the milestone of the organization. Customer satisfaction, relation with venders, relation with employees, productivity and profitability of organization all are dependent on decision

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of managers. So, decision making quality of employees should be improved. Management development aims to improve decision making capability of employees.

5. To aim succession planning

Managerial positions at the future can be generated by market expansion, resignation, expiry, etc. For managerial job, it is risky to fulfill through external source. So, organization prepare succession plans to prepare future managers. In this course of action, management development plays vital role.

6. To cope with change

Managing change is one of the most important objective of management development. To analyze the changing environment, managers required special skills, knowledge and capability. Management development prepares managerial employees for this purpose. So, by preparing managers for analyzing the changing environment, it aims to adapt change.

7. To bring change in behavior

Behavior of managerial employees is the most important in motivating employees. Their attitude and behavior towards employees, job and organization affects on behavior of subordinates. Therefore, by implementing educational programs, management development aims to change the behavior of employees.

8. To foster team work

Managerial success depends upon the team work. Management development develops mutual understanding, feelings of cooperation and mutual trust. This foster team work which leads for the organizational success.

9. To increase job satisfaction

Managerial employees get the opportunity of personal growth. They enhance their skills, knowledge and capability by which their efficiency will be increased. Their effort will have the constructive support for organizational success. All these facts help to increase managerial job satisfaction.

Methods of Managerial Development

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Management development can be done by two methods namely on the job method and off the job method. These methods are described as below:

A. On the job management development methods:

In this method, managers learn different skills, knowledge and competency developing techniques at their working place doing their day to day job responsibilities. Technical competencies required to managers are provided by this method. Expert managers supervise the development programs under which learner managers need to work. Experts guide for each task of learner managers wherever they are weak. There are various methods under on the job management development as follows:

i. Coaching Method

Under this method, expert managers actively guide to their immediate supervisors with their experience. Direction advice, criticism and suggestion are provided by coach at the appropriate time. This method provides opportunity for interaction between the coach and learner. Effectiveness of the program depends upon the interest and willingness of learner managers because of expert managers may be unwilling to coach in their own motives.

ii. Understudy Assignment

Learner managers are given certain job with the staff post under an experienced managers. Learner managers get a chance to learn the job skills, knowledge and capabilities under senior managers. In this method, one learner gets one supervisor or expert manager therefore she/he gets direct instruction, guidance and supervision. In case of emergency, or during vocation times, such understudy managers act as substitutes for the managers.

iii. Job Rotation Method

Job rotation method involves shifting the managers from one job responsibility to another so that they learn skills, knowledge and competencies required for top level management. This method can be planned rotation, situational rotation or line and staff rotation. Managerial jobs can be shifted horizontally or lateral job transfer. Planned rotation is the job rotation under which learner managers are rotated as per the plan to certain time interval. Under situational rotation, learner managers are rotated as per situation or needs. Under line and staff rotation, learner managers are rotated under the capacity of staff managers and line manager. Under rotation method, in general, only the job

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responsibilities are changed but not the position or level in the organizational structure. Sometimes vertical rotation is also done in which additional higher level job responsibilities are given.

iv. Committee Assignment

This method is also called planned work assignment. In order to accomplish the work effectively, a group discussion. This method provides opportunity to each learner manager to explore their internal capabilities. Special project assignment is given to managers to make them more capable. In the project they plan on the basis of mutual understanding. They identify the problem with common effort and make solution with the common agreements. Here, they will get the chance to learn the skills from others in the group. Every member get opportunity to share own skills and knowledge to other. This method helps to prepare managers working in the team.

v. Internship

Internship is the management development method which combines classroom - oriented theoretical knowledge with practical experience at real working environment. Learner managers are placed as internee i.e., trainee managers in organization for a specified period. Best internee may get job opportunity as well.

Advantages of on the job management development method:

1. Simple to administer:

On the job management development is simple to administer. Learner managers are allowed working in actual working condition. They implement the theoretical knowledge into practice. So, the objectives of the program can be achieved easily.

2. Cost effective

This method is less costly because additional manpower is not essential during the development period. At the same time additional space and experts are also not necessary. All these provision reduce the management development cost.

3. Less time consuming

This method consumes less time for transfer of the skills and knowledge. They work in regular job responsibilities as well. Learning by doing facilitates quick learning.

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4. No delay in operation

This method allows to work during the development period as well. There will be no shortage of managers to conduct regular activities. So, because of on the job management development programs, there is no chance of delay in operation.

Disadvantages of on the job management development method:

1. Defective output

Trainee managers lack sufficient knowledge and skills to accomplish their job. But, in this method, they conduct job activities during their training period. Because of this reason, their performance output may be defective. This may not be retrieved at managerial level.

2. Low productivity

Trainee managers have to work in their job station at the regular basis during the management development period as well. They have to work under the supervision of other managers. They need to learn for this they have to ask, consult and need instruction from other senior and experienced managers. Because of this, regular and experienced managers also get disturbed. This reduces the overall productivity of organization.

3. Lack of seriousness

Trainee managers may lack seriousness specially in internship for their job responsibilities. Such attitude of the managers may negatively affect to the organizational image.

B. Off the job management development methods

In off the job management development, managers attend management development classes or seminars anywhere outside their working place. It is believed that if the programs are conducted out from their working place, they can learn more effectively because of low job stress. Off the job management development programs can be in house classroom instruction as well as sponsored in universities and organization specializing in management development. In this method, trainee managers are being defective output can be low:

Following methods are commonly used for off the job management development:

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i. Lecture and Seminar

Lectures are formal course conducted by professional in special area of knowledge. This method is based on oral communication of knowledge information. Managers learn experience and skills delivered by experts in their areas of experience. In seminars, experts present different papers in different areas of knowledge to the participants. Audio-visual tools are used to make lectures and presentation more interesting and lively. In such lectures, large number of trainee managers can be included at a time but there is little chance of getting quick feedback of attaining the objectives of program.

ii. Simulation Exercise

In simulation, participants are placed in artificial environment similar to actual working place. This means, real world working situations are abstracted in classroom or laboratory. Through case study, incident method, role play and management games, managers receive development programs. Managers learn through their repeated mistakes. This method helps to resemble the real working environment at management development session which helps to decrease accidents at working time after the development program.

iii. Behavior Modeling

This methods combines role play with modeling. In role play method, trainee managers reflect the behavioral of actual working situation at the artificial environment environment. In modeling, training managers watch films, videos, computer programming or documentary relating to the actual work place problems, Interaction problems to be faced by managers can be identified, practiced and transferred to job. This method is more realistic even having off the job. Trainee managers can learn more practically within the specified time period.

iv. Sensitivity Training Method

This method is also called laboratory training method. It is a method of changing behavior through unstructured group interaction in a free and open environment. Participants discuss on the problem topic and develop their ideas, belief and attitudes towards the problems and share their impressions with each other. They become sensitive to the behaviors of self and others. The program increases awareness of own behavior the other perceive them. They learn by self consciousness regarding their weakness and strengths of other managers.

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v. Transaction Analysis method:

This method concerns about the interaction between individuals and between groups as transactions. This method is develop by Eric Berne and Thomas Harris. This method focuses on the study of personality to improve the interpersonal relations. This method argues that an individual's personality consists of three ego states namely the parent ego state, the adult ego state and the child ego state.

Child and parent ego state feel and react directly. Personality with parent ego state demands authority, superiority and controlling. The personality with the child ego state show more emotion and impulse. But, adult state thins twice before acting. So, TA method aims at the adult ego state. TA method develop skills in interpersonal relationships. Managers become capable of understanding others better and improve their managerial style.

vi. Action learning

In this method, trainee managers are allowed to work in full time basis where they identify actual problem and probable solution. They periodically meet to each other and discuss on the problems and identified potential solutions. They discuss on the the findings and progress. In this method, high level managing directors are required to participate.

Advantages of off the job management development method:

1. No errors on performance

Since the trainee managers participate in management development program, they do not influence in regular activities of organizations. There is no chance of negative effect of trainee managers on the performance of organization. This protects the management having error in managerial performance.

2. Cost effective

In this method, maximum trainee managers can be included in same program. This helps to reduce the cost of management development.

3. Planned development

In this method, trainee managers get knowledge and skills as per the plan and schedule. Managerial jobs do not require skills and knowledge at regular basis. So, on the job management program cannot

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impart knowledge in schedule. This problem can be overcome in off the job management development method.

4. High productivity

Trainee managers do not involve in regular managerial job responsibilities. Therefore there will be no effect in the performance output. Wastage and errors can be minimized. This helps to increase the overall productivity.

Disadvantages of off the job management development method

1. Less effective

Trainee managers do not get chance to implement skills and knowledge of the program immediately to the practice. Immediate feedback cannot be obtained. Managers may show the positive impression even without being clear in the subject matter. So, this method is less effective in comparison to on the job management development.

2. Effect on regular activities

Trainee managers do not attend regular job during the management development. This affects on the regular managerial activities of organization. There may be negative impact to the customer and other concern parties which reduces the image of organization.

3. No base for future programs

Organizations invest huge amount on management development programs outside the organization. This investment does not support to the future development programs.

Talent Management

Talent Management, as the name itself suggests is managing the ability, competency and power of employees within an organization. The concept is not restricted to recruiting the right candidate at the right time but it extends to exploring the hidden and unusual qualities of your employees and developing and nurturing them to get the desired results. Hiring the best talent from the industry may be a big concern for the organizations today but retaining them and most importantly, transitioning them according to the culture of the organization and getting the best out of them is a much bigger concern.

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Talent Management in organizations is not just limited to attracting the best people from the industry but it is a continuous process that involves sourcing, hiring, developing, retaining and promoting them while meeting the organization's requirements simultaneously. For instance, if an organization wants the best talent of its competitor to work with it, it needs to attract that person and offer him something that is far beyond his imagination to come and join and then stick to the organization. Only hiring him does not solve the purpose but getting the things done from him is the main task. Therefore, it can be said that talent management is a full-fledged process that not only controls the entry of an employee but also his or her exit.

We all know that it's people who take the organization to the next level. To achieve success in business, the most important thing is to recognize the talent that can accompany you in achieving your goal. Attracting them to work for you and strategically fitting them at a right place in your organization is the next step. It is to be remembered that placing a candidate at a wrong place can multiply your problems regardless of the qualifications, skills, abilities and competency of that person. How brilliant he or she may be, but placing them at a wrong place defeats your sole purpose. The process of talent management is incomplete if you're unable to fit the best talent of the industry at the place where he or she should be.

Some organizations may find the whole process very unethical especially who are at the giving end (who loses their high-worth employee). But in this cut-throat competition where survival is a big question mark, the whole concept sounds fair. Every organization requires the best talent to survive and remain ahead in competition. Talent is the most important factor that drives an organization and takes it to a higher level, and therefore, can not be compromised at all. It won't be exaggerating saying talent management as a never-ending war for talent!

Benefits of Talent Management

Talent management can be a discipline as big as the HR function itself or a small bunch of initiatives aimed at people and organization development. Different organizations utilize talent management for their benefits. This is as per the size of the organization and their belief in the practice.

It could just include a simple interview of all employees conducted yearly, discussing their strengths and developmental needs. This could be utilized for mapping people against the future initiatives of

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the company and for succession planning. There are more benefits that are wide ranged than the ones discussed above. The benefits are:

Right Person in the right Job: Through a proper ascertainment of people skills and strengths, people decisions gain a strategic agenda. The skill or competency mapping allows you to take stock of skill inventories lying with the organization. This is especially important both from the perspective of the organization as well as the employee because the right person is deployed in the right position and employee productivity is increased. Also since there is a better alignment between an individual's interests and his job profile the job satisfaction is increased.

Retaining the top talent: Despite changes in the global economy, attrition remains a major concern of organizations. Retaining top talent is important to leadership and growth in the marketplace. Organisations that fail to retain their top talent are at the risk of losing out to competitors. The focus is now on charting employee retention programs and strategies to recruit, develop, retain and engage quality people. Employee growth in a career has to be taken care of, while succession planning is being performed those who are on the radar need to be kept in loop so that they know their performance is being rewarded.

Better Hiring: The quality of an organization is the quality of workforce it possesses. The best way to have talent at the top is have talent at the bottom. No wonder then talent management programs and trainings, hiring assessments have become an integral aspect of HR processes nowadays.

Understanding Employees Better: Employee assessments give deep insights to the management about their employees. Their development needs, career aspirations, strengths and weaknesses, abilities, likes and dislikes. It is easier therefore to determine what motivates whom and this helps a lot Job enrichment process.

Better professional development decisions: When an organization gets to know who its high potential is, it becomes easier to invest in their professional development. Since development calls for investment decisions towards learning, training and development of the individual either for growth, succession planning, performance management etc, an organization remains bothered where to make this investment and talent management just make this easier for them.

Apart from this having a strong talent management culture also determines how organization rate their organizations as work places. In addition if employees are positive about the talent management

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practices of the organization, they are more likely to have confidence in the future of their organization. The resultant is a workforce that is more committed and engaged determined to outperform their competitors and ensure a leadership position in the market for their organization.

Principles of Talent Management

There are no hard and fast rules for succeeding in execution of management practices, if you ask me. What may work wonders for one organization may ruin another one! For convenience sake however there are certain principles of Talent Management that one should follow or keep in mind.

Principle 1 - Avoid Mismatch Costs

In planning for future manpower requirements, most of the HR professionals prepare a deep bench of candidates or manpower inventory. Many of the people who remain in this bracket start searching for other options and move when they are not raised to a certain position and profile. In such a scenario it is better to keep the bench strength low and hire from outside from time to time to fill gaps. This in no way means only to hire from outside, which leads to a skill deficit and affects the organizational culture.

Such decisions can be taken by thinking about the 'Make or Buy' decision. Perhaps questions like - How accurate is the demand forecast? How long is the talent required? Can we afford to develop? Answers to these questions can better help the talent management to decide on whether to develop or buy talent.

Principle 2 - Reduce the Risk of Being Wrong

In manpower anticipations for future an organization can ill afford to be wrong. It's hard to forecast talent demands for future business needs because of the uncertainty involved. It is therefore very important to attune the career plans with the business plans. A 5 year career plan looks ridiculous along with a 2 year business plan.

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Further, long term development and succession plans may end up as a futile exercise if the organization lacks a firm retention strategy.

Principle 3 - Recoup Talent Investments

Developing talent internally pays in the longer run. The best way to recover investments made in talent management is to reduce upfront costs by finding alternative and cheaper talent delivery options. Organizations also require a rethink on their talent retention strategy to improve employee retention.

Another way that has emerged of late in many organizations is sharing development costs with the employees. Many of TATA companies for example sponsor their employees' children education. Similarly lots of organizations use 'promote then develop' programs for their employees where the cost of training and development is shared between the two. One important way to recoup talent investments is spotting the talent early, this reduces the risk. More importantly this identified lot of people needs to be given opportunities before they get it elsewhere.

Principle 4 - Balancing Employee Interests

How much authority should the employees' haves over their own development? There are different models that have been adopted by various corporations globally. There is 'the chess master model', but the flipside in this is that talented employees search for options. Organizations can also make use of the internal mobility programs which are a regular feature of almost all the top organizations.

These principles are just broader guidelines; their application varies across industries and organizational cultures.

Talent management process

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People are, undoubtedly the best resources of an organization. Sourcing the best people from the industry has become the top most priority of the organizations today. In such a competitive scenario, talent management has become the key strategy to identify and filling the skill gap in a company by recruiting the high-worth individuals from the industry. It is a never-ending process that starts from targeting people. The process regulates the entry and exit of talented people in an organization. To sustain and stay ahead in business, talent management can not be ignored. In order to understand the concept better, let us discuss the stages included in talent management process:

➢ Understanding the Requirement: It is the preparatory stage and plays a crucial role in success of the whole process. The main objective is to determine the requirement of talent. The main activities of this stage are developing job description and job specifications.
➢ Sourcing the Talent: This is the second stage of talent management process that involves targeting the best talent of the industry. Searching for people according to the requirement is the main activity.
➢ Attracting the Talent: it is important to attract the talented people to work with you as the whole process revolves around this only. After all the main aim of talent management process is to hire the best people from the industry.
➢ Recruiting the Talent: The actual process of hiring starts from here. This is the stage when people are invited to join the organization.
➢ Selecting the Talent: This involves meeting with different people having same or different qualifications and skill sets as mentioned in job description. Candidates who qualify this round are invited to join the organization.
➢ Training and Development: After recruiting the best people, they are trained and developed to get the desired output.
➢ Retention: Certainly, it is the sole purpose of talent management process. Hiring them does not serve the purpose completely. Retention depends on various factors such as pay package, job specification, challenges involved in a job, designation, personal development of an employee, recognition, culture and the fit between job and talent.
➢ Promotion: No one can work in an organization at the same designation with same job responsibilities. Job enrichment plays an important role.
➢ Competency Mapping: Assessing employees' skills, development, ability and competency is the next step. If required, also focus on behaviour, attitude, knowledge and future possibilities of improvement. It gives you a brief idea if the person is fir for promoting further.

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➢ Performance Appraisal: Measuring the actual performance of an employee is necessary to identify his or her true potential. It is to check whether the person can be loaded with extra responsibilities or not.
➢ Career Planning: If the individual can handle the work pressure and extra responsibilities well, the management needs to plan his or her career so that he or she feels rewarded. It is good to recognize their efforts to retain them for a longer period of time.
➢ Succession Planning: Succession planning is all about who will replace whom in near future. The employee who has given his best to the organization and has been serving it for a very long time definitely deserves to hold the top position. Management needs to plan about when and how succession will take place.
➢ Exit: The process ends when an individual gets retired or is no more a part of the organization.

Talent Management process is very complex and is therefore, very difficult to handle. The sole purpose of the whole process is to place the right person at the right place at the right time. The main issue of concern is to establish a right fit between the job and the individual.

Performance Appraisal

Performance appraisal or Performance evaluation is a method of evaluating the behaviour of employees in a work place, normally including both the quantitative and qualitative aspect of job performance. Performance here refers to the degree of accomplishment of the tasks that makeup an individual's job. It indicates how well an individual fulfilling the job demands. Performance is measured in terms of results. Thus, Performance appraisal is the process of assessing the performance or progress of an employee, or a group of employees on th given job, as well as his potential for future development. Thus, performance appraisal comprises all formal procedures used in organisations to evaluate contributions, personality, and potential of individual employees.

Purposes of Performance Appraisal

The following are the main purposes of performance appraisal:

1. Appraisal Procedure: It provides a common and unified measure of performance appraisal, so that all employees are evaluated in the same manner. It gives an in discriminatory rating of all the employees.

2. Decision Making: Performance appraisal of the employees is extremely useful in the decision making process of the organization. In selection, training, promotion, pay increment and in transfer, performance appraisal is very useful tool.

3. Work Performance Records: Performance appraisal gives us a complete information in

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the form of records regarding every employee. In the case of industrial disputes even arbitratoraccepts these records in the course of grievance handling procedure.

4. Employees Development: Performance appraisal guides the employees in removing their defects and improving their working. The weaknesses of the employee recorded in the performanceappraisal provide the basis for an individual development programme. If properly recorded and used, the performance appraisal gives the fair opportunities to employees to correct and rectify their mistakes.

5. Enables Supervisors to be More Alert and Competent : Performance appraisal enables supervisor to be more alert and competent and to improve the quality of supervision by giving him a complete record of employee's performance. He can guide an employee, where he is prone to commit mistakes.

6. Merit Rating : Merit rating is another name of performance appraisal, it gives supervisors a more effective tool for rating their personnel. It enables them to make more careful analysis of employee's performance and make them more productive and useful.

7. Improves Employer Employee Relations : Performance appraisal is not only a usefulguide for the supervisors and employees but it improves the employer-employee relations by creating a more conductive and amicable atmosphere in the organization. It also stimulates free exchange of thoughts and ideas between the supervisor and his men. In this way performance appraisal bridges the emotional gap between the employer and employee by bringing them more close and by reducingman-to-man differences in the organization.

Uses of Performance Appraisal

Performance appraisal helps the employees in Self-improvement and Self-development. It helps the management in taking decisions about Placement, Promotions, Transfer, Training and Development, etc. It helps to achieve individual and organisational goals. It is useful to theemployees and the organisation. Therefore, Performance Appraisal should be conducted objectively from time to time.

1. Help in Deciding Promotion: It is in the best interest of the management to promote the employees to the positions where they can most effectively use their abilities. A well-organised,development and administered performance appraisal programme may help the management in determining whether an individual should be considered for promotion.

2. Help in Personnel Actions: Personnel actions such as lay-offs, demotions, transfers and discharges etc. may be justified only if they are based on performance appraisal.

3. Help in Wage and Salary Administration: The wage increase given to some employees on the basis of their performance may be justified by the performance appraisal results.

4. Help in Training and Development: An appropriate system of performance appraisal

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helps the management in devising training and development programmes and in identifying the areas of skill or knowledge in which several employees are not at par with the job requirements.

5. Aid to Personnel Research: Performance appraisal helps in conducting research in the

field of personnel management. Theories in personnel field are the outcome of efforts to find out thecause and effect relationship between personnel and their performance. By studying the variousproblems which are faced by the performance appraiser, new areas of research may be developed in personnel field.

6. Help in Self Evaluation: Performance appraisal helps the employee in another way also.

Every employee is anxious to know his performance on the job and his potentials for higher jobs soas to bring himself to the level of that position.

Essentials of an Effective Performance Appraisal System

1. Mutual Trust: The existence of an atmosphere of confidence and trust so that both supervisor and employee may discuss matters frankly and offer suggestions which may be beneficial for the organisation and for an improvement of the employee. An atmosphere of mutual trust and confidence should be created in the organisation before introducing the appraisal system.

2. Clear Objectives: The objectives and uses of performance appraisal should be made clear andspecific. The objectives should be relevant, timely and open.

3. Standardisation: Well-defined performance factors and criteria should be developed. These factors as well as appraisal form, procedures and techniques should be standardised. It will help to ensure uniformity and comparison of ratings.

4. Training : Evaluators should be given training in philosophy and techniques of appraisal. Theyshould be provided with knowledge and skills in documenting appraisals, conducting post appraisal interviews, rating errors, etc.

5. Job Relatedness: The evaluators should focus attention on job-related behaviour and performance of employees. The results of performance rather than personality traits should be given due weight.

6. Strength and Weaknesses: The raters should be required to justify their ratings. The supervisorshould try to analyse the strength and weaknesses of an employee and advise him on correcting die weakness.

7. Individual Differences: While designing the appraisal system, individual differences in organisations should be recognised. Organisations differ in terms of size, nature, needs and environment. Therefore, the appraisal system should be tailor-made for the particular organisation.

8. Feedback and Participation : Arrangements should be made to communicate the ratings to both the employees and the raters. The employees should actively participate in managing performance and in the ongoing process of evaluation. The superior should play the role of coach and counseller.

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9. Post Appraisal Interview: A post-appraisal interview should be arranged so that employees maybe supplied with feedback and the organisation may know the difficulties under which employees work, so that their training needs may be discovered.

10. Review and Appeal : A mechanism for review of ratings should be provided. Which particular technique is to be adopted for appraisal should be governed by such factors as the size, financial resources, philosophy'and objectives of an organisation.

Techniques of performance appraisal

Following are the tools used by the organizations for Performance Appraisals of their employees.

- ➢ Ranking
- ➢ Paired Comparison
- ➢ Forced Distribution
- ➢ Confidential Report
- ➢ Essay Evaluation
- ➢ Critical Incident
- ➢ Checklists
- ➢ Graphic Rating Scale
- ➢ BARS
- ➢ Forced Choice Method
- ➢ MBO
- ➢ Field Review Technique
- ➢ Performance Test

Orientation

Orientation

An introductory stage in the process of new employee assimilation, and a part of his or her continuous socialization process in an organization. Major objectives of orientation are to

(1) gain employee commitment,

(2) reduce his or her anxiety,

(3) help him or her understand organization's expectations, and

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(4) convey what he or she can expect from the job and the organization.

It is commonly followed by training tailored to specific job positions. See also acculturation and company orientation.

The various stages of orientation process are:

The Pre-Orientation Stage

Although all the levels of orientation are essential, some companies skip the pre-orientation stage for new hires, and that could be a mistake. Pre-orientation begins before the start date of your new employees and involves sending a package of information via email or postal service. This package typically includes documents such as an organizational chart, vision statement, mission statement, explanation of benefits, annual report and a checklist of what the actual orientation will cover. Sending a pre-orientation package increases the level of comfort your new hires will have when they arrive to work on their first day, and it allows them to prepare questions in advance. Some companies also include a small giveaway in the package, such as a company mug or T-shirt, which can help create a sense of camaraderie.

The Introduction to the Job-Site Stage

In this orientation stage, the goal is to make new hires comfortable in their new work environment. In the first part of this orientation stage, new recruits are given information about y the company's aims, objectives, culture, organizational structure, strategic plan, customer base and future goals. The second part of this orientation stage typically is a tour of the workplace, including seeing equipment, identifying potential safety hazards, and meeting some of the managers and supervisors in each department. The purpose of this job-site orientation is to make new hires familiar with the basic layout of the company and to understand the general precepts that govern how the workplace functions. This orientation usually takes a day to complete.

The Job-Specific Orientation Stage

In this stage, new hires are given job- or task-specific orientation, typically by their immediate supervisor. New employees learn details about their specific department or team, including information about breaks, absences, parking facilities, personal phone calls, email and internet policy, as well as the standards of performance for their work. The goal is to shrink the orientation to the actual tasks that the new employee will perform, with an understanding of the normal workday

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processes that will ensure maximum efficiency. In some instances, you may want to assign a "buddy" to your new hire. This buddy's job is to become a guide during the new hire's first weeks or months of work, answering questions, acting as a sounding board, and relaying critical information about projects and deadlines.

The Follow-Up Orientation Stage

Although there are multiple levels of orientation that last several days, the truth is that new hire orientation is a months-long process. That's why the follow-up stage is so critical – it allows to determine how well new employee is adjusting to the job. Follow-up usually occurs on a weekly basis. Supervisors or managers meet with the new employee to discuss any issues and problems that have arisen. Supervisors should encourage new employees to ask questions and honestly express challenges they are facing. The follow-up orientation stage lets you determine how well your employee is performing assigned duties and also reveals how well your company has done in providing all the tools and help necessary for new hires to flourish. Of all the levels of orientation, this one is most critical to long-term success.

Employee socialization

Definition

Employee socialization is the process by which new employees understand the company's policies, the internal culture, how the company hierarchy works and the ways to function effectively in the organization. Developing programs and policies that integrate new employees into the company helps the company maintain a consistent corporate culture.

Examples

A primary example of employee socialization is new hire orientation. This a time when new employees develop working relationships with each other, and should be a time when the company encourages new and existing staff members to become acquainted as well. Other forms of corporate-sponsored socialization include holiday parties, family nights at sporting events, social gatherings such as a company bowling night and a company summer picnic.

Significance

Employee socialization not only helps new employees understand corporate culture, it also encourages the development of teamwork between new hires and current staff members. Allowing

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employees to become more familiar on a social as well as professional level can develop strong bonds that improve productivity and help to reduce employee turnover.

3 Distinct Stages in the Employee Socialization Process

For the new employees, Decenzo and Robbins (1999) identified that the socialization process involves three distinct stages as follows:

1.   **Pre-Arrival Stage:**

At this stage, an individual employee comes to an organization with certain values, attitudes and expectations. At the selection stage only, an prospective employee needs to be enabled to understand to what extent his perceived mapping gets along with the organizational culture and systems.

It is the duty of the persons involved in the selection process to facilitate this. Nowadays because of the availability of information about organizations through different media, including Websites and Internet, an enthusiastic individual may also have some preconceived ideas about the organization.

Therefore, it is better to first understand from the individual what he understands about the organization and then help him to synchronize this information with the reality. This helps the individual to take the right decision.

2. Encounter Stage:

At this stage, perceptions earlier generated by an individual, are reaffirmed through a well-planned induction programme. Any dichotomy between the employees' perceptions and organizational perceptions needs to be properly identified and removed through increased socialization process.

3.Metamorphosis Stage:

At this final stage of socialization, employees understand the organization and identify themselves with it. Employees develop a sense of belongingness and become contributors to achieving organizational goals and objectives.

However, as explained earlier, socialization is a continuous process, as organizations are now required to go for restructuring and reengineering every now and then, keeping pace with the changing environment.

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At this final stage of socialization, employees understand the organization and identify themselves with it. Employees develop a sense of belongingness and become contributors to achieving organizational goals and objectives.

Training Process

Steps in Employee Training Programme

Training programme involves the following steps:

1. Identifying the training needs- The training needs of each employee should be identified. Programmes should be developed that are best suited to their needs.
2. Prepare the trainer- The trainer must do his home work well. He should know both what to teach and how to teach. Time management is required by the trainer. Training should be delivered in such a manner that the trainee should not loose the interest in the job.
3. Prepare the trainee- The trainee should remain active during training. He should know that why is he being trained. He should put across the trainer questions and doubts. The trainee should be put at ease during the training programme.
4. Explain and demonstrate the operations- The trainer should explain the logical sequence of the job. The trainee should perform the job systematically and explain the complete job he is performing. His mistakes should be rectified and the complex step should be done for him once. When the trainee demonstrates that he can do the job in right manner, he is left to himself. Through repetitive practices, the trainee acquires more skill.
5. Follow up and feedback- The trainee should be given feedback on how well he performed the job. He should be asked to give a feedback on the effectiveness of training programme.

Process of Appraisal

Process of Performance Appraisal
Various steps in appraising performance of employees are as follows:
1. Establishing Performance Standard: The process of evaluation begins with the establishment of Performance Standards. While designing a job and formulating a job description, performance standards are usually developed for the position. This standard should be very clear and objective enough to be understood and measured.
2. Communicating Performance Expectations to Employees: The next important step is to

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communicate the aforesaid standards to the concerned employees. Their jobs and jobs-related behaviour should be clearly explained to them.

3. Measuring Actual Performance: The third step is the measurement of actual performance. To determine what actual performance is, it is necessary to acquire information about it we should be concerned with how we measure and what we measure. Four sources of information are frequently used to measure actual performance: personal observation, statistical reports, oral reports and written reports.

4. Comparing Actual Performance with Standards: The next step is comparison of actual performance with the standards. By doing so the potentiality for growth and advancement of an employee can be appraised and judged. Efforts are made to find out deviations between standard performance and actual performance.

5. Discussing the Appraisal with the Employee: After comparing actual performance with standards, the next step is to discuss periodically the appraisal with the employee. Under this discussion good points, weak points, and difficulties are indicated and discussed so that performance is improved.

6. Initiating Corrective Action: The final step is the initiation of corrective action whenever necessary. Immediate corrective action can be of two types. One is immediate and deals predominantly with symptoms. The other is basic and delves into causes.

Methods or Techniques of Performance Appraisal

Several methods and techniques are used for evaluating employee performance. They may be classified into two broad categories. They are Traditional Methods and Modern Methods.

Traditional Methods

1. Ranking Method: Ranking method is the oldest and simplest method of rating. Here, each employee is compared with all others performing the same job and then he is given a particular rank i.e. First Rank, Second Rank etc. This method ranks all employees but it does not tell us the degree or extent of superiority. In this method, the performance of individual employee is not compared with the standard performance. Here, the best is given first rank and poorest gets the last rank.

2. Paired Comparison: In method is comparatively simpler as compared to ranking method. Inthis method, the evaluator ranks employees by comparing one employee with all otheremployees in the group. The rater is given slips where, each slip has a pair of names, the rater puts a tick mark next those employee whom he considers to be the better of the two. This employee is compared number of times so as to determine the final ranking.

3. Grading Method: Under this method of performance appraisal, different grades are

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developed for evaluating the ability of different employees and then the employees are placed
in these grades. These grades may be as follows:
(i) Excellent; (ii) very good; (iii) Good; (iv)Average; (v) Bad; (vi) Worst.

4. Man-to-Man Comparison Method: This method was first used in USA army during the 1st
World War. Under this method, few factors are selected for analysis purposes. These factors are:
leadership, dependability and initiative. After that a scale is designed by the rate for each factor. A
scale of person is also developed for each selected factor. Each person to be rated is compared with
the person in the scale, and certain scores for each factor are awarded to him/her. In other words,
instead of comparing a whole man to a whole man personnel are compared to the key man in respect
of one factor at a time. We can use this method in job evaluation. This method is also known as the
Factor Comparison Method.

5. Graphic Rating Scale Method: This is the very popular, traditional method of performance
appraisal. Under this method, scales are established for a number of fairly specific factors. A printed
form is supplied to the rater. The form contains a number of factors to be rated. Employee
characteristics and contributions include qualities like quality of work,
dependability, creative ability and so on. These traits are then evaluated on a continuous scale, where
the rater places a mark somewhere along the scale. The scores are tabulated and a comparison of
scores among the different individuals is made. These scores indicate the work of every individual.

6. Check-list Method: The main reason for using this method is to reduce the burden of evaluator. In
this method of evaluation the evaluator is provided with the appraisal report which consist of series of
questions which is related to the appraise. Such questions are prepared in a manner that reflects the
behavior of the concerned appraise.

7. Critical Incidents Method: This method is very useful for finding out those employees who have
the highest potential to work in a critical situation. Such an incidence is very important for
organization as they get a sense, how a supervisor has handled a situation in the case of sudden
trouble in an organization, which gives an idea about his leadership qualities and handling of
situation. It is also said to be a continuous appraisal method where employees
are appraised continuously by keeping in mind the critical situation. In this method, only the
case of sudden trouble and behaviour associated with these incidents or trouble are taken for
evaluation.

8. Essay Method: In this method, the rater writes a detailed description on an employee's
characteristics and behavior, Knowledge about organizational policies, procedures and rules,
Knowledge about the job Training and development needs of the employee, strengths, weakness, past
performance, potential and suggestions for improvement. It is said to be the encouraging and simple
method to use. It does not need difficult formats and specific training

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to complete it.
Modern Methods
1. Management by Objective (MBO)

It was Peter F. Drucker who first gave the concept of MBO to the world in 1954 when his book The Practice of Management was first published. Management by objective can be described as, a process whereby the superior and subordinate managers of an organisation jointly identify its common goals, define each individual's major areas of responsibility in terms of results expected of him and use these measures as guides for operating the unit and assessing the contribution of each of its members.

Essential Characteristics of MBO:
1. A Philosophy: Management by objective is a philosophy or a system, and not merely a technique.
2. Participative Goal Setting: It emphasises participative goal setting.
3. Clearly Define Individual Responsibilities: Management by objective (MBO) clearly defines each individual's responsibilities in terms of results.
4. Accomplishment of Goal: It focuses a tension on what goal must be accomplished rather than on how it is to be accomplished (method).
5. Objective Need into Personal Goal: MBO converts objective need into personal goals at every level in the organisation.

The Process of MBO
1. Establishment of Goal

The first step is to establish the goals of each subordinate. In some organisations, superiors and subordinates work together to establish goals. While in other organisation, superiors establish goals for subordinates. The goals typically refer to the desired outcome to be achieved. Thereafter these goals can be used to evaluate employee performance.

2. Setting the Performance Standard

The second step involves setting the performance standard for the subordinates in a previously arranged time period. As subordinates perform, they know fairly well what there is to do, what has been done, and what remains to be done.

3. Comparison of Actual Goals with the Standard Goals : In the third step the actual level goal attainment is compared with the standard goals. The evaluator explores reasons of the goals that were not met and for the goals that were exceeded. This step helps to determine possible training needs.

4. Establishing New Goals, New Strategies: The final step involves establishing new goals and, possibly, new strategies for goals not previously attained. At this point, subordinate and superior involvement in goal-setting may change. Subordinates who successfully reach the established goals may be allowed to participate more in the goal-setting process next time.

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II. Assessment Centres:

It is a method which was first implemented in German Army in 1930. With the passage of time industrial houses and business started using this method. This is a system of assessment where individual employee is assessed by many experts by using different technique of performance appraisal. The techniques which may be used are role playing, case studies, simulation exercises, transactional analysis etc. In this method employees from different departments are brought together for an assignment which they are supposed to perform in a group, as if they are working for a higher post or promoted. Each employee is ranked by the observer on the basis of merit .The basic purpose behind assessment is torecognize whether a particular employee can be promoted, or is there any need for training or development. This method has certain advantages such as it helps the observer in making correct decision in terms of which employee has the capability of getting promoted, but it has certain disadvantages also it is costly and time consuming, discourages the poor performers etc.

3. 360 Degree Performance Appraisals:

This method is also known as 'multi-rater feedback', it is the appraisal in a wider perspective where the comment about the employees' performance comes from all the possible sources that are directlyor indirectly related with the employee on his job. In 360 degree performance appraisal an employee can be appraised by his peers, managers (i.e. superior), subordinates, team members, customers,suppliers/ vendors - anyone who comes into direct or indirect contact with the employee and can provide necessary information or feedback regarding performance of the employee the "on-the-job".

The four major component of 360 degree performance appraisal are:

1. Employees Self Appraisal
2. Appraisal by Superior
3. Appraisal by Subordinate
4. Peer Appraisal.

Employee self appraisal gives an option to the employee to know his own strengths and weaknesses, his achievements, and judge his own performance. Appraisal by superior forms thetraditional part of the 360 degree performance appraisal where the employees' responsibilities and actual performance is judged by the superior. Appraisal by subordinate gives a chance to evaluate the employee on the basis of communication and motivating abilities, superior's ability to delegate the work, leadership qualities etc. It is also known as internal customers; the correct opinion given by peers can aid to find employees' who are co-operative, employees who ready to work in a team and understanding towards others.

4. Cost Accounting Method:

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In this method performance of an employee is evaluated on the basis of monetary returns the employee gives to his or her organization. A relationship is recognized between the cost included in keeping the employee in an organization and the benefit the organization gets from him or her. Theevaluation is based on the established relationship between the cost and the benefit. The followingfactors are considered while evaluating an employee's performance:

1. Interpersonal relationship with others.
2. Quality of product produced or service given to the organization.
3. Wastage, damage, accidents caused by the employee.
4. Average value of production or service by an employee.
5. Overhead cost incurred.

5. Behaviorally Anchored Rating Scales (BARS):

This method is a combination of traditional rating scales and critical incidents methods. It consists ofpreset critical areas of job performance or sets of behavioural statements which describes theimportant job performance qualities as good or bad (for e.g. the qualities like inter personalrelationships, flexibility and consistency, job knowledge etc). These statements are developed fromcritical incidents. These behavioral examples are then again translated into appropriate performancedimensions. Those that are selected into the dimension are retained. The final groups of behaviorincidents are then scaled numerically to a level of performance that is perceived to represent. A ratermust indicate which behavior on each scale best describes an employee's performance.

Limitations of Performance Appraisal

The main limitations of Performance Appraisal are explained below :

1. Time Consuming : Performance appraisal is a time taking affair. It is a very lengthy process under which different forms are to be filled in and various observations are required to be noted in a careful manner.

2. Lack of Reliability : Reliability implies stability and consistency in the measurement. Lack of consistency over time and among different raters may reduce the reliability of performance appraisal.

3. Incompetence : Raters may fail to evaluate performance accurately due to lack of knowledge and experience. Post appraisal interview is often handled ineffectively.

4. No Uniform Standards : The standards used for appraisal purpose are not uniform within the same organisation. This makes the rating unscientific. Similarly, the rating is done on the basis of an overall impression, which is not proper.

5. Absence of Effective Participation of Employees : In performance appraisal effective participation of concerned employee is essential. In many methods of appraisal he is given a passive role. He is evaluated but his participation or self evaluation is rather absent.

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6. Resistance of Employees to Appraisal : Employees oppose the system as they feel that then system is only for showing their defects and for punishing them. The managers resist the system as they are not willing to criticise their subordinates or have no capacity to guide them for self improvement or self development.

7. Paperwork : Some supervisors feel that performance appraisal is paperwork. They make such complaints because many a times, performance appraisal reports are found only in the files rather than rendering any practical use.

8. Fear of Spoiling Relations : Performance appraisals may also affect superior-subordinate relations. As appraisal makes the superior more of a judge rather than a coach, the subordinate may look upon the superior with a feeling of a suspicion and mistrust.

9. Stereotyping : This implies forming a mental picture of a person on the basis of his age, sex, caste or religion. It results in an over-simplified view and blurs the assessment of job performance.

10. Negative Approach : Performance appraisal loses most of its value when the focus of management is on punishment rather than on development of employees.

11. Multiple Objectives : Raters may get confused due to two many objectives or unclear objective of performance appraisal.

12. Resistance : Trade unions may resist performance appraisal on the ground that it involves discrimination among its members. Negative ratings may affect interpersonal relations and industrial relations particularly when employees/unions do not have faith in the system of performance appraisal.

13. Halo Effect: Generally, there is the presence of a 'halo'effect which leads to a tendency to rate the same individual first, which once have stood first.

14. Individual Differences: Some people are more distinct while some are very liberal in assigning the factors, points or number to the employees. They are unable to maintain a fair distinction between two individuals. It also nullifies the utility of this system.

15. Unconfirmed: Sometimes the results of performance appraisals are not confirmed by other techniques of motivation, incentive wages plans and so on. Factors are introduced in the managerial appraisal because of a fact or bias in the person concerned conducting the appraisal.

Definition: 360 Degree Feedback or Assessment

360 degree feedback or assessment is a feedback system where an employee receives feedback from all the people around him related to business. In 360 degree feedback, a feedback about the employee is received from everyone with whom he has interacted with in the course of executing his job

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responsibilities. 360 degree feedback is obtained from peers, teammates, subordinates, direct reports and even external parties like suppliers and vendors.

Importance of 360 degree feedback

It is essential for an organization to evaluate the performance of its employees. If an employee is under performing, they must be warned and if they are doing well, they must be rewarded. This can be done by understanding their performances based on a feedback. This is why 360 degree feedback is important to an organization. This feedback may be used as an input to the performance appraisal process. It may also be used to identify competency gaps to administer relevant training to the employee.

This 360 degree feedback/assessment is also known as a multi-rater or multi source feedback as feedback about the employee is gathered from multiple sources and not just the reporting manager as in the case of a traditional performance appraisal system.

Advantages of 360 degree feedback

There are several advantages of 360 degree feedback. Some of the benefits of such a feedback system are as below

1. It helps in evaluating the overall performance of an employee

2. 360 degree feedback gives a complete view of the work the employee has done, and just based on some supervisors review

3. This feedback shows all the competencies of an employee across various domains and verticals of business

4. Based on 360 degree feedback, new training programs can help develop the employee even more

5. The employee can work on his or her shortcomings based on the feedback given by everyone

Disadvantages of 360 degree feedback

There are certain drawbacks of this type of a feedback system. Some disadvantages of 360 degree feedback are:

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1. Favoritism can affect the feedback of certain employees who otherwise must be working well

2. 360 degree feedback mostly gives qualitative feedback and might overlook the quantitative performance of an employee

3. Unfair feedback from some people may lead to an ambiguous ratings of the employee's performance.

Concept:

360 Degree Feedback is a system or process in which employees receive confidential, anonymous feedback from the people who work around them. This typically includes the employee's manager, peers, and direct reports. A mixture of about eight to twelve people fill out an anonymous online feedback form that asks questions covering a broad range of workplace competencies. The feedback forms include questions that are measured on a rating scale and also ask raters to provide written comments. The person receiving feedback also fills out a self-rating survey that includes the same survey questions that others receive in their forms.

Managers and leaders within organizations use 360 feedback surveys to get a better understanding of their strengths and weaknesses. The 360 feedback system automatically tabulates the results and presents them in a format that helps the feedback recipient create a development plan. Individual responses are always combined with responses from other people in the same rater category (e.g. peer, direct report) in order to preserve anonymity and to give the employee a clear picture of his/her greatest overall strengths and weaknesses.

360 Feedback can also be a useful development tool for people who are not in a management role. Strictly speaking, a "non-manager" 360 assessment is not measuring feedback from 360 degrees since there are no direct reports, but the same principles still apply. 360 Feedback for non-managers is useful to help people be more effective in their current roles, and also to help them understand what areas they should focus on if they want to move into a management role.

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How is 360 Degree Feedback Used?

Companies typically use a 360 feedback system in one of two ways:

1. 360 Feedback as a Development Tool to help employees recognize strengths and weaknesses and become more effective

When done properly, 360 is highly effective as a development tool. The feedback process gives people an opportunity to provide anonymous feedback to a coworker that they might otherwise be uncomfortable giving. Feedback recipients gain insight into how others perceive them and have an opportunity to adjust behaviors and develop skills that will enable them to excel at their jobs.

2. 360 Feedback as a Performance Appraisal Tool to measure employee performance

Using a 360 degree feedback system for Performance Appraisal is a common practice, but not always a good idea. It is difficult to properly structure a 360 feedback process that creates an atmosphere of trust when you use 360 evaluations to measure performance. Moreover, 360 feedback focuses on behaviors and competencies more than on basic skills, job requirements, and performance objectives. These things are most appropriately addressed by an employee and his/her manager as part of an annual review and performance appraisal process. It is certainly possible and can be beneficial to incorporate 360 feedback into a larger performance management process, but only with clear communication on how the 360 feedback will be used.

Steps involved in 360 degree appraisal

The 360 degree feedback process may vary slightly from company to company, however, each follow a similar schedule. Below we identify the 360 review timeline and give you an idea of how long each step might take within your organization. From communicating the 360 process to re-evaluating participants, you can use this schedule to develop your implementation plan.

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1) Communicating 360: As we have mentioned previously, it is crucial that you communicate the process to all stakeholders. You will want to communicate the purpose of the 360, explain the process and how feedback will be gathered and utilized.

TIME: It could take 1-3 weeks to communicate the process if in-person meetings are used with employees, supervisors, managers and raters.

2) Selecting Raters: Selecting raters is one of the most important steps of the 360 feedback process. Participants will need to choose enough feedback providers to ensure that the data is comprehensive and relevant. The number of raters included will depend on the employee's job function and working relationships.

TIME: It may take 1-2 weeks to choose raters including supervisors, direct reports, peers and perhaps external clients.

3) Distributing Surveys: Using an online 360 feedback system will allow you to distribute the questionnaires quickly. Participants will receive email notifications with instructions on how to start and complete the 360 feedback process. At this stage, participants will assign questionnaires to their selected raters.

TIME: It may take up to 1 week to distribute the survey.

4) Completing Questionnaires: Having participants fill out and complete the review is the longest stage in the process. The length of this step can depend on the number of raters involved, the employee's job role and on the organization. It is highly recommended that you establish deadlines at the outset of the process, to ensure all raters have completed their survey in a timely manner.

TIME: It may take 2-4 weeks before all of the feedback is completed.

5) Producing Reports: Once all of the feedback providers have completed their questionnaires a confidential report is produced. Depending on your company's feedback delivery plan, the reports may be sent directly to participants or results given in a one-on-one feedback session.

TIME: Using an online system will allow for the quick production of detailed 360 feedback reports, 1-2 days.

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6) Facilitating Feedback: It is recommended that confidential feedback meetings be arranged for each participant undergoing the 360 review. Feedback may be given in these sessions by the employee's manager or by a coach. These meetings allow for greater understanding of the feedback report and an opportunity to discuss strengths and areas for improvement.

TIME: Depending on how in-depth you'd like the feedback sessions to be, each meeting could take 1-2 hours per participant.

7) Completing Development Plan: Creating the development plan for each participant in the review is the essence of the process. The feedback obtained from the 360 evaluation becomes the basis for an actionable development plan. Reviewing the areas for improvement will identify key areas for development for the employee. This gives the employee the chance to improve their skills by using opportunities such as training, workshops, conferences, coaching, mentoring, etc.

TIME: The completion of the development plan could take 1-2 weeks.

8) Re-evaluating: It is important to establish 360 degree feedback in your organization as a process and not a one-off event. To do so, you should clearly communicate at the start of the process that subsequent reviews will happen each year. Since specific goals and opportunities were outlined in the development plan, it makes sense to check in on the progress of these items. Re-evaluating participants enables you to see if any changes have occurred and also provides the chance for new feedback.

TIME: Re-evaluations should occur 8-12 months after the first 360 review.

720 degree appraisal

720 Degree assessment is a system in which employees receive anonymous and confidential feedback from the people who are directly or indirectly associated to them. Feedback is collected from the family, friends, peer, manager and other direct reports. The system leads to a platform that gives the better sympathetic of the strength and weakness of the employee and the scope for his further improvement. To use the 720 system, the following points must be followed

a) The evaluation framework ought to be 360 Degrees.

b) The appraisal ought to be done twice or all the more amid a year

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c) The distinctive evaluations ought to be organized and thought about for a given period.

d) The preferred standpoint of the framework is that it is more advancement centred than execution alone, and supplements preparing and improvement works better.

Need for 720 degree feedback

a. 720-Degree execution appraisal technique is more advancement centered than execution alone, and supplements training and development in a better way.

b. Give data about the execution positions. Help with taking choices in regards to salary fixation, confirmation, promotion, transfer and demotion.

c. Provide timely feedback about the performance, set targets and monitor the performance based on the targets set.

d. Checks the adequacy of work force systems and practice i.e. validation.

e. It is expected to guarantee that employees achieve authoritative norms and targets.

f. To find the work potential and to comprehend the ranges where training is required to control the representatives to perform out their best.

g. To understand the expectations of the employees and prevent grievances and indisciplinary activities. h. Provide information to diagnose deficiency in the employee regarding skill, knowledge, determine training, and prescribe the means for employee growth and information for correcting placement.

i. Set realistic target, monitor the performance and provide timely feedback to ensure that the performance is enhanced.

j. These critical competencies are essential to assist the executives and managers to be able to lead these organizations toward successful implementation of strategic changes.

Effects of 720 degree feedback

a) Performance goals are aligned with customer's true expectations.

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b) Client's inside evaluators, merchants and official being assessed are coached on the reason, prepare and required results before starting.

c) For a 720 Degree assessment, collect information not only from inside the company but from outside groups. External assessors might include investors, customers or suppliers. These groups are important because it is in their eyes that the organization's intangible value matters most.

Advantages of 720 degree

    a) Enhanced feedback from more sources
    b) Team improvement.
    c) Personal and hierarchical execution advancement.
    d) Training needs evaluation
    e) Improve client administrations.

Disadvantages of 720 degree

    A. A substantial number of the appraisers consider that 720 Degree performance appraisal method is a tedious procedure.
    B. Appraisers consider that the fiscal prerequisite is higher for 720 Degree performance appraisal method as examination/feedback must be done twice.
    C. Appraisers consider that there may be quality issue as all the 7 measurements of evaluation in 720 Degree execution examination technique might not be accurate.
    D. sFailure to associate the procedure.
    E. Focus on negative and weakness.

Ethics in performance appraisal

Ethics in performance appraisal

In the field of management, there exist several issues that significantly determine the employees' output level. These issues fall in several classes as discussed below.

A. Legal Issues

Such issues are caused by the influence of the employee's evaluation process by factors that are from outside the control of a manager. They can also, however, be caused by the abuse of power by the management levels in the firm (Aswathappa, 2005, p. 251). As a result of this abuse of power by

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some management personnel, the evaluations conducted is not free and fair, leading to the discrimination of some employees, mostly from lower ranks in terms of the hierarchical systems of employment. Hence;

a.Discrimination.

`This refers to the unfair act of favoring the interests of some employees at the expense of others. While carrying out performance evaluations, the employees who rank at a junior level might be subjected to this unethical discriminatory practice (Grote, 1996, p. 330). In most cases, the output of such employees is highly affected. This is because they feel as though not appreciated enough by the firm in which they work. Moreover, employees' motivation is substantially reduced by such practices.

Just like in other fields, the employees' rights ought to be conducted while conducting performance evaluations.

 b. Public Policy Issues

These refer to the administrative policies that a firm's authority (e.g. Top board of governors) provides as a guide to the action of the management and administrative processes in the firm. These are essential as they provide for the fair conduct of a performance evaluation process in a company (Aswathappa, 2005). These provide for the rights and freedoms that employees have. Public policies also provide for the actions that act as a penalty in case any of the rights and freedoms of the employees are breached.

Hence public policy issues are a crucial part of the process of performance evaluation.

c. Contractual Issues.

A contract refers to a legal agreement between two or more parties who agree voluntarily, and in which the crucial element is the completion of the offer and acceptance agreed (Grote, 1996). Some employees in firms are employed on a contractual basis. This face ought to be carefully considered by the management bodies when conducting performance evaluations.

d. Tort liability issues.

A tort refers to a civil wrong. In most employing authorities, the junior employees are viewed as having tort liability, meaning that the top level management in these companies view them as having

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no power and authority to express any form of tort subjected towards them (Bowman & Menzel, 1998, p. 48). Though a tort might not necessarily amount to an illegal act, the employees, under the existing laws, have a right to report any form of tort. Moreover, the law provides that any person(s) who suffers a tort, has a right to compensation; in terms of money or as payment of damages suffered by the plaintiff. Hence the management evaluation process should consider the freedom of the employees, irrespective of the hierarchical position.

B. Ethical Issues

Ethics is the codes of conducts that exist in a given society. These aim at defending, systematizing and recommending what amounts to a wrong or a right in any field of profession.

a. Laws and regulations of performance appraisals.

The laws and regulations of performance appraisals prohibit any employing authority from discriminating on any employees irrespective of physical, religious, gender or genetic attributes of the employees (Aswathappa, 2005, p. 593). For example, managers may refrain from performing performance appraisals on the argument that they would not like their employees to judge their careers. Some argue that they would not want to award negative feedback to their employees, arguing that it might be demeaning.

However, failure to be honest on the performance of the employees deceives employees and in the long run, it amounts to harm to not only the employee, but also the manager and also the firm at large (Maddux, 2010, p. 30).

b.   Evaluation errors

These are errors that are occurring when a manager conducts the process of management appraisal in a flawed manner. These can be done in several ways as shown below (Maddux, 2010, p. 32).

i. Establishment of an arbitrary and unilateral performance standards or goals. This is because the application of false values means that the manager does not effectively communicate with his or her employers.

ii. Lack of future orientation and lack of knowledge on how to measure success.

iii. Lack of interactive spirit, meaning that such managers do not consider the ideas of others in the organization.

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iv. Lack of the required management attributes required. This results to a lot of conflicts in the organization.

C. Fairness Issues

For a management appraisal to reflect the true values and output of the employees and the organization in general there must exist several fairness issues that should be unbiased in the form of application. These are:

a. Rating Bias.

In performing a management appraisal, each employee's contribution to the organizational success counts as of equal importance (Grote, 196, p. 331). Hence, a manager should practice true integral values, and practice no bias in terms of the amount of credit that he or she awards to all the individuals who are employees, irrespective of physical attributes or hierarchical position I the organization. This acts as a motivational tool to the employees since they acquire a feeling of affiliation to their organization. This form of organizational justice offers a multi-dimensional construct that promotes fairness in an organization. In the long run, the output levels of the employees are optimal, and hence, the company brags of growth.

b. Hypocrisy.

Management authorities ought to avoid hypocrisy in conducting the management evaluation task. Moreover, this applies to all employees in general. They are all expected to reflect their true characteristics and attributes under the performance evaluation's presence as they always do in other instances (Furnham, 2004, p. 67). This is crucial as it aids the management of the organization to have a clear picture of the type of employees it has, their strengths and weaknesses, if any, and to determine the areas on which improvement is required. Hypocrisy ought to be avoided as it reflects a false perception of the image of the organization, both from an internal or external view.

c. Poor communication.

Communication is a key element for the success of any organization. To promote the efficiency of communication, bureaucracy ought to be implemented in the organization (Maddux, 2010). If a performance is on the basis of bureaucracy, the communication conveyed at all levels is of a true and

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open perception of the organization. Moreover, the attitude that employees hold towards a management appraisal is changed for the better by the presence of good and effective communication.

In conclusion, the evaluation of employees' job performance should be a continuous assessment process that takes into account long term improvements. Conducting performance on an annual basis creates loopholes that lead to discrimination of employees who are not in favor with the top management. In addition, there is need to involve junior employees and other stakeholders in planning for performance appraisal programs to allow for cooperation and collective participation. Without doubt, performance appraisal is a useful instrument for businesses and organizations to measure the achievement of their goals. In this regard, it is indispensable in institutional success. However, while performance appraisal encourages employee productivity, it should be regulated through the implementation of transparency policies to avoid abuse of power by the top management and discrimination when rating the performance of employees.

Challenges to performance appraisal

A performance appraisal allows you as a business owner to offer constructive feedback to your employees and even determine if an increase in compensation is appropriate. By using a set of standard rating criteria for each employee, you can help ensure fairness in the process. However, a number of challenges must be overcome to maximize the effectiveness of the appraisal process.

Appraiser Inexperience

If you're a new business owner or are implementing an appraisal system for the first time, you may not be comfortable with the appraisal process, which may create awkwardness during the review. A way to overcome this is to follow a standardized review format that you will use for every employee. This will help ensure that you're treating each employee equally, and will help you become comfortable with the process more quickly.

Employee Resistance

An appraisal process can make employees uncomfortable, as they may not enjoy the close scrutiny or view the whole procedure as a negative endeavor. You can help alleviate this by explaining the procedure at the beginning of the appraisal. You can even consider giving the appraisal guidelines to employees ahead of time so that they have a better idea of what to expect.

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Appraiser Bias

Even though you're the boss, you are still human and subject to personal biases. You can also be swayed by an employee's recent performance while overlooking actions that may have taken place earlier in the appraisal period. You can overcome bias by making notes of employee actions throughout the appraisal period so that you can refer to them when preparing your evaluation.

Not Linked to Rewards

An employee may have done an excellent job during the appraisal period, which you acknowledge during the review. However, your business may be experiencing tough times or you may have limited resources to offer a significant pay raise. This can create disgruntlement and reduced productivity, as the employee may feel that there's no point in making an extra effort if it isn't properly rewarded.

Not Focused on Development

You may have a tendency to focus on areas that need improvement during your appraisal but fail to provide suggestions as to ways the employee can improve. As a result, the employee may feel that the purpose of the appraisal is to point out only what is wrong. If there are negative points in the review, be sure to work with the employee to develop an improvement plan.

Career Development and planning

Career Development can be said as systematic and defined that can be followed and implemented for the development of career success. Also the career development is directly proportional to career planning, in simpler words we can say that the career development is mostly dependent upon the systematic career planning.

1. Key for Successful Career Planning and Development:

One of the most critical parts for successful career development planning is to pen down/write down all your goals and things you want to achieve, in a bold and clear manner so that it can be read on equal intervals till you achieve all the written goals on it. Every small and big goals and targets should be written in a detailed and systematic manner so that when you are in the path to achieve them you will be very clear of the result that you are going to get.

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Also, when we try to memorize the goals verbally, it generally results that we forget it after a specific interval of time. But when we write the goals in a systematic and detailed manner and go through them on equal interval of time, it stays in our memories for a very longer period of time. And logically speaking, the human brain loads more data when we write any of the important things as compared to just speak and memorize.

For example:

When you tend to write a 5 year career development plan or career goal, you need to focus on the very small little things to the major goals, which you want to achieve and start to pen down the goals in a systematic manner that can be followed through the future time period. When you will write down all the details of your future plans your brain will use its optimum power to find out the answers for all Why? What? How? When? Which goals? This will help you to make the planning in a step manner starting from the smaller goals then moving towards the bigger plans.

However, just penning down all the goals on a piece of paper is not the way that it will lead to your goals, but a strong determination and discipline is needed to follow your goals and achieve them. It is very common that a majority of people face hard difficulties in achieving their goals, and eventually they drop down the plan of achieving them, but the one who faces all the hard times and difficulties and goes through them with all determination, success is all what he/she achieves at last.

2. Common Format for Career Development Plan:

One should always follow a perfect format that suits the best for their desired goals. Let us see a common format that can be suited for a majority of people.

1. Short term goals and plans –
2. Goals for 1 week to 1 month
3. Goals for 1 month to 6 month
4. Goals for 6 month to 1 year.
5. Long term goals and plans –
6. Goals for 1year to 3 years
7. Goals for 3 years to 5 year

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8. Goals for the next 10 years.

Scientific researches prove that; human nature avoids situations that brings on the tough times. But also it has been proven that; the one who tend to do all the uncomfortable things and passes by all the hard times are the most successful people we have in the world.

But the career development process needs to be done by a very concentrated mind or under a guidance of a career consultant, who will help you and guide you to make your goals and also suggest you the ways how to achieve them. The proper career plan is the master key for a successful career. So let us see what a career development plan is.

What is a Career Development Plan?

The career development, for many is optional in life. But it is recommended that one should always know that what he/she actually wants and how will they achieve it, if they don't then they will land up nowhere in their life span. One should start making their career development program by starting from the small and short time goals that can be achieved soon; these can be daily goals or weekly goals. After you have once achieved these goals then you can decide the long time goals which needs a decided and dedicated path to be followed.

A career development plan is the set of written short term and long term goals which a person tends to achieve in the upcoming future time period. These goals are purely related to the individual strengths and weakness, moreover these goals are made in a systematic format that can be followed or achieved in a specific set time period.

Steps to Create a Career Development Plan

Sometimes the simplest of the works and things, appears to be as the most difficult task of life just because they require extensive thinking with a focused mind set. But you should keep in mind that this thinking and working are the fruitful future investments which will definitely benefit you in the

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future. So it is worthwhile to invest time and your mind in making and following a Career Development Plan.

Step 1: Determine your Destinations:

You don't want to go on a road trip which doesn't have a specific ending or destination, so same does the life expects from you, you should always be very clear about the different destinations or goals which you will be achieving in different instances of life. And don't make the goals just for the sake of having one, make a realistic one which attracts you and motivates you in all the tough conditions when you are in the way of achieving it.

Step 2: Make Out a GAP Analysis:

One should always be clear of the image that where he is today and after a certain period of time where he wants to see himself. By doing a GAP analysis on achievement of every single goal, it will definitely boost your morale up and help you to fight against all the difficult times, which will result in a successful and bright career of yours. This also helps you to realize that what tremendous and beneficial changes you have possessed in yourself which really makes you feel proud and delighted about yourself.

Step 3: Make a Career Development Plan:

When the thing are crystal clear in your mind, its time you decide and make a effective career development plan by writing down all the desired goals that you wish to accomplish in the future, all the ways of accomplishing the goals and also the need to track you performance and efforts in achieving every single goal. This will lead you to a very bride and successful career.

Purpose of Career Development Plans:

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The main and the most important function of a Career Development Plan, is to help the person to know and achieve the desired goal in life. By doing so, one also comes to know about the actual strengths and weakness which can be very helpful in achieving the next decided goals of the life.

But one should always keep in mind that these career development plans are just the plans, they are not a compulsion in life time, one should keep himself free to make any number of changes with the changing time period. Goals can differ with the changing time period and so does the situation changes, so you should not get depressed or unwillingly try to achieve the goals which are not useful at that point of time and situation. It is simple that when you know what you want to achieve and you start following the path to accomplish the goal, then you already have a successful career.

If you have mentioned all the goals in a detailed format then you just need to follow and start working in the right direction so that you become successful in achieving the desired goal in life. Moreover you can also add up the different ways and tricks that you will follow to achieve the goals, as it becomes as a safe reminder for you and will always help you in getting what you actually want.

What is a Career Action Plan?

Career Action Plan is a planned, systematic and managed document that is maintained by a individual which contains all the list of achieved goals and the future goals that he/she desires to achieve in life. It is mainly made and maintained by the youngsters so that they get to know about their strengths and weaknesses, which would help them in their education, development, training and employment time period.

A career action plan is always helpful to those who want to achieve their set goals and moreover it helps you to recognize your weakness, so that you can overcome them and be more successful in life. One should always take some expert guidance in making a Career Action Plan, it is not necessary to always go to a career consultant or career planner and spend money. An expert means a person who is well versed of all the ups and downs, right and wrong and tough and happy situations of life, an experienced person is one of the best guide or consultant who has the practical knowledge of life and

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one of the most experienced person who also cares the most for you are our parents. The most effective and convenient Career Action plan can be made by the guidance of our parents. There are a few important components that should be kept in mind before making a Career Action Plan. Let us take a look at those important components of a Career Action Plan.

1. Components of Career Action Plan:

- ✓ My Profile
- ✓ My Progress
- ✓ My Goals
- ✓ My Plans
- ✓ My reviews/ assessment
- ✓ My Future

These are the six main components of a Career Action Plan that should be always kept in mind while making it and as well as when you are following the path in achieving your desired goals for life. These six components helps to make a complete picture of how the things are going to work and what will be the end result when you successfully complete your journey.

2. Purpose of Career Action Plan:

It has been said that "Security No Longer comes with being employed…It Must Come From Being Employable". So the Career Action Plans not only helps you to achieve the desired goals and keep a check on yourself, but it gradually enhances the capabilities and strengths that makes you a overall strong person keeping all factors in mind.

3. Your Career Today and in Future will have:

- ✓ Different types of opportunities.
- ✓ Different types of conditions, situations and circumstances.
- ✓ Different and changing goals as the time changes.
- ✓ Different numbers of jobs.
- ✓ Different types of experiences in the industry.
- ✓ Different types of people who will affect your life style.

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5 Keys for a Successful Career Action Plan:

1. Regular Assessment of your growth.
2. Finding new options and new possibilities.
3. Developing an effective and detailed plan.
4. Determinedly implementing your Career Action Plan in your daily life style.
5. Ongoing reviewing your accomplishment and find out your weakness, so that you do not repeat them in near future.

Career development and planning is a thing one can easily forget over the night's sleep and after a certain time period you will realize that you are in the middle of nowhere with no interesting and memorable moments in life. You yourself are the one, who is truly responsible for where you land up in the future, with a little time managed and proper career planning you can accomplish many difficult things in life.

Coaching and mentoring

Coaching

Coaching is a process that is designed to assist motivated individuals in making changes to further their professional development. Human Resource Management offers coaching services to interested employees. Working with a coach can give you the edge you need to improve your work skills, discover your strengths, and achieve your goals. Coaching is proven to work when these two factors are present: you are willing to grow, and there is a gap between where you are now and where you want to be.

Coaching Focus Areas

➤ Leadership
➤ Communication
➤ Change & Transition
➤ Work/Life Balance
➤ Time Management
➤ Meeting Facilitation
➤ Personal Organization
➤ Self Management
➤ Decision Making

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- ➢ Mission and Values
- ➢ Strategic Planning
- ➢ Organizational Merges and Restructuring
- ➢ Team Development
- ➢ Relationship Building

Mentoring

What Is Mentoring?

Mentoring is the process of sharing your knowledge and experience with an employee.

Mentoring can be informal or formal:

Informal mentoring takes place spontaneously between senior and more junior employees.

Formal mentoring occurs through a program with an established structure.

A mentor can be an employee's manager or not:

Management typically involves at least some employee mentoring. In acting as a mentor for an employee who reports to you, think of yourself as an advocate for that employee—not for any particular behavior, but for the person—for their personal growth and career. Discipline can then become a matter of helping an employee out of a difficult situation.

In formal mentoring programs, the mentor is typically not the employee's manager, nor even in the employee's chain of command

Mentoring is an ongoing relationship that is developed between a senior and junior employee. Mentoring provides guidance and clear understanding of how the organization goes to achieve its vision and mission to the junior employee.

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Mentoring is a need felt by women recently, when they see the rise of their male counterparts in the workforce. Having a mentor means you have a formally appointed 'guru' at the workplace.

But, mentoring alone is not sufficient - sponsorship is also increasingly becoming a need for advancing women in the workforce. Sponsors don't just invest time in you, but are ready to use their power and influence to your benefit,

Some key points on Mentoring

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

Responsibilities of a Mentor

The responsibilities of all mentors:

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

The difference between coaching and mentoring

As can be seen above, there are many similarities between coaching and mentoring! Mentoring, particularly in its traditional sense, enables an individual to follow in the path of an older and wiser colleague who can pass on knowledge, experience and open doors to otherwise out-of-reach opportunities. Coaching on the other hand is not generally performed on the basis that the coach has direct experience of their client's formal occupational role unless the coaching is specific and skills focused.

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Having said this, there are professionals offering their services under the name of mentoring who have no direct experience of their clients' roles and others offering services under the name of coaching who do. So the moral of the story is, it is essential to determine what your needs are and to ensure that the coach or mentor can supply you with the type and level of service you require, whatever that service is called.

Business coaching & mentoring

Organisational development, changes brought about by mergers and acquisitions as well as the need to provide key employees with support through a change of role or career are often catalysts, which inspire companies to seek coaching or mentoring.

At one time coaching and mentoring were reserved for senior managers and company directors, now it is available to all as a professional or personal development tool. Coaching and mentoring are also closely linked with organisational change initiatives in order to help staff to accept and adapt to changes in a manner consistent with their personal values and goals.

Coaching & mentoring, both of which focus on the individual, can enhance morale, motivation and productivity and reduce staff turnover as individuals feel valued and connected with both small and large organisational changes. This role may be provided by internal coaches or mentors and, increasingly, by professional coaching agencies.

Coaching and mentoring programmes generally prove to be popular amongst employees as coaching achieves a balance between fulfilling organisational goals and objectives whilst taking into account the personal development needs of individual employees. It is a two-way relationship with both the organisation and the employee gaining significant benefits.

Personal coaching & mentoring

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Personal or 'life coaching' servcies have grown significantly in the UK, Europe and Australia over the past decade. Personal coaches may work face-to-face but email and telephone based relationships are also very common. These coaches and mentors operate in highly supportive roles to those who wish to make some form of significant change happen within their lives.

Coaches offer their clients a supportive and motivating environment to explore what they want in life and how they might achieve their aspirations and fulfil their needs. By assisting the client in committing to action and by being a sounding-board to their experiences, coaching allows the individual the personal space and support they need to grow and develop. The coach's key role is often is assisting the client to maintain the motivation and commitment needed to achieve their goals.

In many cases personal coaching is differentiated from business coaching purely by the context and the focus of the programme. Business coaching is always conducted within the constraints placed on the individual or group by the organisational context. Personal coaching on the other hand is taken entirely from the individual's perspective.

Succession planning

       Succession planning is a conscious decision by an organization to foster and promote the continual development of employees, and ensure that key positions maintainsome measure of stability, thus enabling an organization to achieve business objectives. Succession planning has sometimes taken a replacement approach, often focusing on executive-level positions.
One or two successors might be identified and selected, probably based on the exclusive input of their immediate supervisor, and then placed on the fast-track into a senior position. However, succession planning has evolved into a process that can be used to:
1. Replenish an organization's Human Resource at a broad or specific level;
2. Identify, assess and develop employee knowledge, skills and abilities to meet the current andfuture staffing needs of the organization; and
3. Ensure a continuous supply of talent by helping employees develop their potential.
Succession Planning Process
       Succession planning will vary slightly between organizations. Different resources, different organizational designs and different attitudes all mean that succession planning should be flexible and adaptable in order to accommodate varying needs and achieve business continuity. However, there is

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a general framework that departments can use as the basis and guide for their succession planning activities. This framework involves:

Step 1 – Identifying Key Positions or Key Groups

A key position can be defined in many different ways, but two important criteria that should be considered are criticality and retention risk. A critical position is one that, if it were vacant,would have a significant impact on the organization's ability to conduct normal business. The significance of the impact could be considered in terms of safety, operation of equipment, financial operation, efficiency, public opinion, and so on. Retention risk refers to positions where the departure of an employee is expected (e.g. retirement) or likely (e.g. history of turnover). By examining these criteria on a low-to-high scale, an organization can determine what positions require short- or long-term planning.

Step 2 – Identifying Competencies

All positions demand set of knowledge, skills and abilities that are expected of employees who are filling that function. Thus, knowing the competencies of a job is a mandatory component of recruitment. However, succession planning provides an opportunity to review the competencies traditionally associated with jobs, particularly with respect to current goals and objectives. Several ways to determine and develop required competencies include:

1. Reviewing job descriptions, advertisements, and relevant merit criteria
2. Interviewing current and former job incumbents
3. Interviewing supervisors, clients, and other stakeholders
4. Conducting focus groups or surveys
5. Reviewing any existing development programs (i.e. leadership competencies)
6. Reviewing organizational values

Step 3 – Identifying and Assessing Potential Candidates

The objective of identifying and assessing employees against core job competencies is tohelp focus their learning and development opportunities in order to prepare them for future roles in the organization. Given the potential sensitivity around the decision-making process in these situations, an employee might be advised about their prospective opportunity for advancement in private. This process is not transparent and can negatively impact the morale of other employees and their relationship with the organization. Modern approaches to succession planning suggest that transparency and accountability are the best practices for an organization. Recruitment in the public service is based on merit, fairness and respect, and these concepts are maintained and supported by the successionplanning process. Therefore, succession planning must be:

1. Objective and independent of personal bias;
2. Merit-based;

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3. Communicated to and understood by all employees; and

4. Transparent at all stages of the process

Step 4 – Learning and Development Plans

Once the relevant candidates have been identified, the organization must ensure that these employees have access to focused learning and development opportunities.

Some key points to remember when developing learning and development plans are:

1.Plans should focus on decreasing or removing the gap between expected competencies and the current knowledge, skills and abilities of candidates.

2. modern succession planning is based on learning and development to fulfill employee potential, rather than merely filling a vacancy.

3. There are a wide range of learning and development opportunities to consider, which can include:

1. Job assignments that develop candidate's competencies;

2. Job rotations; and

3. Formal training.

4. Ensure appropriate strategies are in place to support the transfer of corporate knowledge to candidates for key jobs, which can include:

a. Mentoring, coaching or job-shadowing;

b. Documenting critical knowledge;

Step 5 – Implementation and Evaluation

Evaluating succession planning efforts will help to ensure the effectiveness of the process by providing information regarding:

1. How the process operates – the relationship between inputs, activities, outputs, and outcomes

2. Impact of the process relative to stated goals and objectives

3. Functional strengths and weaknesses

4. Potential gaps in planning and assumptions

5. Cost-effectiveness and cost-benefit

Distinction between "Career Planning and "Succession Planning

career planning as well as succession planning constitute very important input to manpower planning. Sometimes, many people consider that the terms "Career' Planning" and "Succession Planning" are synonymous. But it is not so. Distinction between them is made clear in the following box.

Career Planning	Succession Planning

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1. Career planning is the process or activities offered by an organisation to the individuals or its employees to identify their strength, weaknesses, specific goals and the jobs they would like to occupy. Through career planning, the employees, individuals, identify and implement steps to attain their career goals.	1. Succession planning is the important process which involves identification of individuals or employees as the possible successors to the key or very senior positions in an organization which such position become vacant. Thus, in short, succession planning focuses on the identification of vacancies and locating probable successor.
2. In career planning, an organisation is concerned with strategic questions of career development.	2. In succession planning, the focus of attention is the persons who can occupy the vacant post.
3. Career Planning is a must for all managerial cadres and posts.	3. Succession planning is essential for all those who operate in key functional areas and also for key managerial cadres that are likely to become vacant.
4. Career Planning's basis is long term till the retirement of the employment contract.	4. Succession Planning is usually for 2 to 5 or 2 to 7 years period for an individual but it is a continuous exercise for an organisation.
5. The important objective of career planning is to explore the opportunities to enable the individual employees to grow and to develop and also to encourage or motivate them for self-development.	5. The important objective of succession planning is to identify the most suitable, potentially qualified, efficient, skilled and experienced employees or individuals to occupy or succeed to key positions when they

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	become vacant.

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UNIT 3

s.no	Questions	Option A	Option B	Option C	Option D	Answer
1	_____ refers to the learning opportunities designed to help employees grow.	Training	Development	Education	All of the above	**Development**
2	How does training and development offer competitive advantage to an organization	Removing performance decencies	Deficiency is caused by lake of ability	Individuals have the aptitude and motivation to learn	None of the above	**Removing performance decencies**
3	Which of the following is a benefit of employee training?	Improves morale	Helps people identify with organizational goals	Provides a good climate for learning, growth and co-ordination	None of the above	**Helps people identify with organisational goals**
4	**Which of the following is a method used in group or organisational training needs assessment?**	Consideration of current and projected changes	Rating scales	Interviews	Questionnaires	**Consideration of current and projected changes**
5	_____ seeks to examine the goals of the organisation and the trends that are likely to affect these goals.	Organizational support	Organizational analysis	Person analysis	Key skill abilities analysis	**Organizational analysis**
6	Which of these is the benefit of needs assessment?	Assessment makes training department more accountable	Higher training costs	Loss of business	Increased overtime working	**Assessment makes training department more accountable**
7	Training and development should be undertaken when:	an employee continually	Government funding grants	new employees join an	employees request additional training	**new employees join an**

		demonstrates poor job performance	are available	organisation, new skills and knowledge are required, and changes are introduced that require new learning	in specific areas/skills	**organisation, new skills and knowledge are required, and changes are introduced that require new learning**
8	Training and development can be a powerful tool in:	implementing a strategy	improving employee attendance	solving particular problems	both (a) and (c)	**both (a) and (c)**
9	In today's business environment training and development is required to:	support the organisation's business strategy	maintain employee commitment and loyalty	ensure an adequately skilled workforce	manage workforce diversity	**support the organisation's business strategy**
10	Organisational change will impact upon training and development in all of the following areas except:	useful life of information	the ability to achieve business strategies	customer and quality focus	locating suitable applicants for vacant positions	**locating suitable applicants for vacant positions**
11	The use of teams, team accountability, and flexible, multi-skilled jobs will require organisation to:	enhance commitment to continued training and development	modify existing reward systems	examine present quality and quantity standards of production	remove all production process controls	**enhance commitment to continued training and development**
12	The training needs of managers operating internationally are influenced by:	the cost of providing training across borders	the individual manager's level of education	cultural differences	the different management styles used	**cultural differences**
13	Strategic training and development are virtually non-existent in most organisations because:	organisations do not analyse training and development needs	organisations do not know how to integrate their training and development activities with	few organisations have undertaken strategic planning	organisations are changing too rapidly for training and development activities to keep up	**organisations do not analyse training and development needs**

			their business strategies			
14	Training and development are both concerned with:	ensuring that employees really know what they are doing	changing employee behaviour and job performance	identifying and nurturing employees	both (a) and (c)	**changing employee behaviour and job performance**
15	Training for new employees that provides them with the skills necessary to meet the performance standards of the job is known as:	basic training	training orientation	group training	entry training	**entry training**
16	Training and development is very closely linked to performance appraisal because:	both functions are carried out by the same people	strengths and weaknesses identified in the performance appraisal will be used to determine training needs	training and development activities are only provided for those employees whose performance is considered to be below an acceptable standard	both functions seek to gather the same employee related data	**strengths and weaknesses identified in the performance appraisal will be used to determine training needs**
17	The systematic training and development model proposes a set sequence of steps. This sequence is:	identify training needs, establish training objectives, select and design program, conduct program, evaluate outcomes against criteria	job analysis, job description, performance identification, training and development audit	job description, performance comparison, performance review, training, audit	job analysis, job specification, performance comparison, training and development, audit	**identify training needs, establish training objectives, select and design program, conduct program, evaluate outcomes against criteria**

18	An assessment of training needs involves consideration of all of the following variables except:	organisational variables	task variables	person variables	social variables	**social variables**
19	The stage in the training and development process that involves making decisions about the content and process of the training and development activities is called the :	design phase	consolidation phase	activity phase	Operational phase	**activity phase**
20	Case studies, in-basket exercises, role plays, and gaming are often used in:	selection procedures	management training	Technical service training	Orientation	**Management training**
21	An assignment to gain exposure to some specific knowledge and/or skills, frequently to prepare an employee to fill a particular job, is a training methodology known as:	mentoring; an on-the-job experience	coaching; an on-the-job experience	role play; an off-the-job experience	understudy assignment; an on-the-job experience	**understudy assignment; an on-the-job experience**
22	On-the-job training might make use of all of the following except:	secondments	job rotation	action learning	in-basket exercises	**in-basket exercises**
23	A developmentally-oriented relationship between senior and junior colleagues or peers that involves advising, role modelling, sharing contacts and giving general support is:	mentoring	coaching	Collaboration	team management	**Mentoring**
24	The process of learning from other people's experience by simulating (copying) their behaviour is:	coaching	behaviour modeling	secondments	vestibule training	**behaviour modeling**
25	The on-the-job approach to training where trainees are formed into a small group and asked to work on a defined project taken from their own organisation is:	in-basket exercises	project assignments	action learning	role plays	**action learning**
26	Which of the following is not one of the steps involved in competency based training:	assess the competency	compatibility profiling	select training programs	review job analysis	**review job analysis**
27	Modern training technologies include all of the following except:	lectures and seminars	computer-based training	audiovisual	programmed instruction	**lectures and seminars**

28	The effectiveness of training can be measured by all of the following except:	behaviour	learning	attendance	Reactions	**Attendance**
29	If training effectiveness was evaluated by measuring the effects of the training on the achievement of the organisation's objectives, this effectiveness measure would be known as:	results	behaviour	learning	Reactions	**Results**
30	If training effectiveness was evaluated by measuring changes in skills, patterns of work, relationships, and abilities that could be attributed to that training activity, work, relationships, and abilities that could be attributed to that training activity,:	Results	Behavior	Learning	Results	**Behavior**
31	The process of evaluating an employee's current and/or past performance relative to his or her performance standards is called _____.	Recruitment	Employee selection	Performance appraisal	Organizational development	**Performance appraisal**
32	Which of the following is not a role played by the HR department regarding performance appraisals?	Training of supervisors	Monitoring the appraisal system	Appraising of employees	Advising regarding appraisal tools and procedures	**Appraising of employees**
33	When designing an actual appraisal method, the two basic considerations are _____.	who should measure and when to measure	When to measure and what to measure	when to measure and how to measure	what to measure and how to measure	**what to measure and how to measure**
34	Jason is generally considered unfriendly at work. His supervisor rates him low on the trait "gets along well with others" but also rates him lower on other traits unrelated to socialization at work. Jason's performance appraisal may be unfair due to _____.	strictness	bias	stereotyping	halo effects	**halo effects**

35	Which of the following could result in a legally questionable appraisal process?	conduct a job analysis to establish criteria and standards for successful performance	base appraisals on subjective supervisory observations	administer and score appraisals in a standardized fashion	use clearly defined job performance dimensions	**base appraisals on subjective supervisory observations**
36	What process allows top management to diagnose the management styles of supervisors, identify potential "people" problems, and take corrective action with individual supervisors as necessary?	Strategic performance appraisal	Organizational development	Upward feedback	Critical incidents	**Upward feedback**
37	When subordinates provide feedback for supervisors, the comments should be anonymous because identifiable responses tend to result in _____.	More critical ratings	increased comfort with the process on the part of the subordinate	more negative attitudes from managers receiving the feedback	more inflated ratings	**more inflated ratings**
38	What is another term for 360-degree feedback?	Feedback loop	Multi-source assessment	Upward feedback	Circle feedback	**Multi-source assessment**
39	When an employee's performance is so poor that a written warning is required, the warning should _____.	identify the standards by which the employee is judged	provide examples of employees who met the standards	provide examples of times when the employee did meet the standards	be sent to the employee in question, to the manager's superior, and to the EEO office	**identify the standards by which the employee is judged**
40	Effects by employees to obtain higher rating by pottering an image deiced by their supervisors	Impression management	360 degree	Counseling	All of these	**Impression management**
41	The extent to which employees are aware of their interests ,skills,strengths & weakness regarding their career goals is termed as	Career motivation	Career resilience	career insight	Career identity	**career insight**

42	_____ helps org. identify employee strengths & weaknesses to determine avenues for their career development	Gap analysis	individual assessment	Organizational assessment	Oppurtunity analysis	**Individual assessment**
43	Understanding the career aspirations of an employee, determining his capabilities and competencies and identifing the gaps Is termed	Need analysis	Gap analysis	Opportity analysis	Employee analysis	**Need analysis**
44	Career planning and development programs for employees	Increase employee frustration	Promote only a lucky few	Increase the employee turnover rate	Ensure future availability of resources	**Ensure future availability of resources**
45	Employees who feel that there is nothing more to achive and that their career has become stagnant are said to have reached a	Career island	Career plateau	Career peak	Career goal	**Career plateau**
46	The employee at this stage strives to maintain a reputation and desires to be looked up to,in the organization. This is the	Exploration stages	Establishment stages	Maintenance stage	Disengagement stages	**Maintenance stage**
47	Reassignment of an employee to a higher level job that involves greater responsibility or status or pay is termed	Transfer	Cross functional transfer	Demotion	Promotion	**Promotion**
48	The process of selecting and developing employees in the organization to occupy key positions in the future is termed	Career Planning	Succession Planning	Career development	Human resource enhancement	**Succession Planning**
49	Mentoring can be seen as:	A trusting relationship and focus on the holistic development and growth of a person	Questions about life, work and beliefs	A very formal relationship	Job observation and secondments	**A trusting relationship and focus on the holistic development and growth of a person**

50	Forced distribution refers to an appraisal method, which _____.	combines the benefits of narratives, critical incidents, and quantified scales by assigning scale points with specific examples of good or poor performance	requires that the supervisor keep a log of positive and negative examples of a subordinate's work-related behavior	requires a supervisor to evaluate performance by assigning predetermined percentages of those being rated into performance categories	involves listing all the subordinates to be rated, crossing out the names of any not known well enough to rank, indicating the employee who is the highest on each characteristic being measured and who is the lowest, and then alternating between the next highest and lowest until all employees have been ranked	**requires a supervisor to evaluate performance by assigning predetermined percentages of those being rated into performance categories**
51	Behaviorally anchored rating scale (BARS) refers to an appraisal method, which _____.	is based on progress made toward the accomplishment of measurable goals	combines the benefits of narratives, critical incidents, and quantified scales by assigning scale points with specific examples of good or poor performance	requires that the supervisor keep a log of positive and negative examples of a subordinate's work-related behavior	requires a supervisor to evaluate performance by assigning predetermined percentages of those being rated into performance categories	**combines the benefits of narratives, critical incidents, and quantified scales by assigning scale points with specific examples of good or poor performance**
52	Appraisal of an employee performance by supervisor,self,peers,subordinates and customers is termed as	Team appraisal	Balanced scorecard method	360 degree appraisal	Critical incident method	**360 degree appraisal**

53	Rajan believes that all those from Xavier's are very arrogant and complacent. This is reflected in his performance appraisal of preethi,who is from Xavier's.This is an example of	Halo effect	Perceptual set	stereotyping	Stringency effect	**Stereotyping**
54	Veena always awards high ratings to all her subordinates irrespective of their performance levels. She is affected by	leniency effect	Primacy effect	Recency effect	Tringency effect	**leniency effect**
55	One of the main reasons for the negative attitude of employees towards performance appraisal is	It is associated with pay	It gives away how bad they are	It tends to become subjective because of poor implementationss	It is not useful for any other organizational activity	**It tends to become subjective because of poor implementations**
56	Employees resist participating in training programs mainly because	They are not convinced about their benefits	They do not like to be away from their colleagues and friends	They feel that they are ill-equipped that they need training	None of the above	**They are not convinced about their benefits**
57	_____ helps in improving the communication, people-management and relationship management skills of the trainees.	Computer modelling	Role playing	Class room lectures	Vestibule training	**Role playing**
58	The basic yardstick to measure the success of a training program is	No.of participant	Reputation of the trainer	learning benefits to the trainees	The amount paid in TAs & Das paid to all the trainees	**learning benefits to the trainees**
59	Response, learning,performance and results,are the four levels in evaluating a management development program.This system of evaluation is called	Taylor's system	Kirkpatrick's system	Werther & Davis's method	Armstrong's method	**Kirkpatrick's system**

| 60 | A meeting of people to study and analyze a problem from different angles for developing the participants ability to exchange ideas and change their own views is a | Class room lecture | Case study | Conference | Sensitivity training | **Conference** |

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UNIT IV Compensation and Reward

Compensation and Reward Management Factors influencing pay rates – Components of

compensation – Types of incentives and rewards – Employee benefits and services -
Executive compensation – Employee social security – Employee engagement

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Compensation and reward management

Compensation management is a strategic matter.

Compensation would include rewards when you offer monetary payment such as incentives, various bonuses and performance bonus. Organisations reward their staff when they attain the goals or targets that they have jointly set with the employees.

Rewards can be non-monetary such as a paid vacation for two.

When we mention about compensation, we would refer to a salary scale for different levels. Generally, we would classify the salary scale into non-executive, executive and managerial before the salary range is established.

Next, you may ask whether compensation is a hygiene factor or a motivational factor. We would consider it a hygiene factor when the salary paid out on the monthly basis is fixed. Here is where you want to compare or evaluate to determine whether you are paying 'competitive' rates. Thus you may want to participate in an established salary survey, which may produce vital information pertaining to reward matters. This is the cash remuneration component. The other component is the benefit. Benefit management is another aspect of compensation.

For the compensation to be considered as motivational factor, it needs to be variable. It varies proportional to the result, target or goals that are mutually established. This payment is usually termed as incentive. That's why you would hear the term "incentivise" your employees to raise productivity. Incentives become a variable cost to your business or operations cost and it varies

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directly to your operations output or your service level. Your business would be able to absorb such variable cost as it is not a fixed manpower cost.

Concept of Compensation :

Most of us would have heard the term "compensation" in the context of getting paid for the work that we do. The work can be as part of full time engagement or part time in nature. What is common to them is that the "reward" that we get for expending our energy not to mention the time is that we are compensated for it.

From the perspective of the employers, the money that they pay to the employees in return for the work that they do is something that they need to plan for in an elaborate and systematic manner. Unless the employer and the employee are in broad agreement (We use the term broad agreement as in many cases, significant differences in perception about the employee's worth exist between the two sides), the net result is dissatisfaction from the employee's perspective and friction in the relationship.

It can be said that compensation is the "glue" that binds the employee and the employer together and in the organized sector, this is further codified in the form of a contract or a mutually binding legal document that spells out exactly how much should be paid to the employee and the components of the compensation package. Since, this article is intended to be an introduction to compensation management, the art and science of arriving at the right compensation makes all the difference between a satisfied employee and a disgruntled employee.

Though Maslow's Need Hierarchy Theory talks about compensation being at the middle to lower rung of the pyramid and the other factors like job satisfaction and fulfilment being at the top, for a majority of employees, getting the right compensation is by itself a motivating factor. Hence, employers need to quantify the employee's contribution in a proper manner if they are to get the best out of the employee. The provision of monetary value in exchange for work performed forms the

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basis of compensation and how this is managed using processes, procedures and systems form the basis of compensation management.

As the module progresses, readers would be introduced to other aspects of compensation management like the components of compensation management, types of compensation, inclusion of variable pay, the use of Employee Stock Options etc. The aspect of how skewed compensation management leads to higher attrition is discussed as well. This aspect is important as studies have shown that a majority of the employees who quit companies give inadequate or skewed compensation as the reason for their exit. Hence, compensation management is something that companies must take seriously if they are to achieve a competitive advantage in the market for talent.

Considering that the current trend in many sectors (particularly the knowledge intensive sectors like IT and Services) is to treat the employees as "creators and drivers of value" rather than one more factor of production, companies around the world are paying close attention to how much they pay, the kind of components that this pay includes and whether they are offering competitive compensation to attract the best talent. In concluding this article, it is pertinent to take a look at what Jack Welch had to say in this regard: As the quote (mentioned at the beginning of this article) says, if the right compensation along with the right kind of opportunities are made available to people by the firms in which they work, then work becomes a pleasure and the manager's task made simpler leading to all round benefits for the employee as well as the employer.

Factors influencing pay rates :

The eight factors influencing the determination of wage rates are as follows:

1. Ability to Pay

2. Demand and Supply

3. Prevailing Market Rates

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4. Cost of Living

 5. Bargaining of Trade Unions

6. Productivity

7. Government Regulations

8. Cost of Training.

The wage payment is an important factor influencing labour and management relations. Workers are very much concerned with the rates of wages as their standard of living is connected with the amount of remuneration they get. Managements, generally, do not come forward to pay higher wages because cost of production will go up and profits will decrease to the extent.

Following factors influence the determination of wage rate:

1. Ability to Pay:
    The ability of an industry to pay will influence wage rate to be paid, if the concern is running into losses, then it may not be able to pay higher wage rates. A profitable enterprise may pay more to attract good workers. During the period of prosperity, workers are paid higher wages because management wants to share the profits with labour.

2. 2. Demand and Supply:
    The labour market conditions or demand and supply forces to operate at the national and local levels and determine the wage rates. When the demand for a particular type of skilled labour is more and supply is less than the wages will be more. One the other hand, if supply is more demand on the other hand, is less then persons will be available at lower wage rates also. According to Mescon," the supply and demand compensation criterion is very closely related to the prevailing pay comparable wage and on-going wage concepts since, in essence to all these remuneration standards are determined by immediate market forces and factors.

3. .Prevailing Market Rates:

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No enterprise can ignore prevailing wage rates. The wage rates paid in the industry or other concerns at the same place will form a base for fixing wage rates. If a unit or concern pays low rates then workers leave their jobs whenever they get a job somewhere else. It will not be possible to retain good workers for long periods.

4. Cost of living

   In many industries wages are linked to enterprise cost of living which ensures a fair wages to workers. The wage rates are directly influenced by cost of living of a place. The workers will accept a wage which may ensure them a minimum standard of living.

   Wages will also be adjusted according to price index number. The increase in price index will erode the purchasing power of workers and they will demand higher wages. When the prices are stable, then frequent wage increases may not be required.

5. Bargaining of Trade Unions:

   The wage rates are also influenced by the bargaining power of trade unions. Stronger the trade union, higher will be the wage rates. The strength of a trade union is judged by its membership, financial position and type of leadership.

6. Productivity:

   Productivity is the contribution of the workers in order to increase output. It also measures the contribution of other factors of production like machines, materials, and management .Wage increase is sometimes associated with increase in productivity. Workers may also be offered additional bonus, etc., if productivity increases beyond a certain level. It is common practice to issue productivity bonus in industrial units.

7. Government Regulations:

   To improve the working conditions of workers, government may pass a legislation for fixing minimum wages of workers. This may ensure them, a minimum level of living. In under developed countries bargaining power of labour is weak and employers try to exploit workers by paying them low wages. In India, Minimum Wages Act, 1948 was passed

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empower government to fix minimum wages of workers. Similarly, many other important legislation passed by government help to improve the wage structure.

8.   Cost of Training:

In determining, the wages of the workers, in different occupations, allowances must be made for all the exercises incurred on training and time devoted for it.

Job evaluation

A job evaluation is a systematic way of determining the value/worth of a job in relation to other jobs in an organization. It tries to make a systematic comparison between jobs to assess their relative worth for the purpose of establishing a rational pay structure.

A job evaluation is a systematic way of determining the value/worth of a job in relation to other jobs in an organization. It tries to make a systematic comparison between jobs to assess their relative worth for the purpose of establishing a rational pay structure.

Job evaluation needs to be differentiated from job analysis. Job analysis is a systematic way of gathering information about a job. Every job evaluation method requires at least some basic job analysis in order to provide factual information about the jobs concerned. Thus, job evaluation begins with job analysis and ends at that point where the worth of a job is ascertained for achieving pay equity between jobs and different roles.

The process of job evaluation involves the following steps:

Gaining acceptance

 Before undertaking job evaluation, top management must explain the aims and uses of the programme to managers, emphasizing the benefits. Employees and unions may be consulted, depending on the legal and employee relations environment and company culture. To elaborate the program further, presentations could be made to explain the inputs, process and outputs/benefits of job evaluation.

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Creating job evaluation committee

It is not possible for a single person to evaluate all the key jobs in an organization. Often a job evaluation committee consisting of experienced employees, union representatives and HR experts is created to set the ball rolling.

Finding the jobs to be evaluated

Every job need not be evaluated. This may be too taxing and costly. Certain key jobs in each department may be identified. While picking up the jobs, care must be taken to ensure that they represent the type of work performed in that department, at various levels.

Analysing and preparing job description

This requires the preparation of a job description and also an analysis of job specifications for successful performance. Selecting the method of evaluation: The method of evaluating jobs must be identified, keeping the job factors as well as organisational demands in mind. Selecting a method also involves consideration of company culture, and the capacity of the compensation and benefits function or job evaluation committee.

Evaluating jobs

The relative worth of various jobs in an organisation may be determined by applying the job evaluation method. The method may consider the "whole job" by ranking a set of jobs, or by comparing each job to a general level description. Factor-based methods require consideration of the level of various compensable factors (criteria) such as level and breadth of responsibility, knowledge and skill required, complexity, impact, accountability, working conditions, etc.

Ranking method

Perhaps the simplest method of job evaluation is the ranking method. According to this method, jobs are arranged from highest to lowest, in order of their value or merit to the organization. Jobs can also be arranged according to the relative difficulty in performing them. The jobs are examined as a whole rather than on the basis of important factors in the job; the job at the top of the list has the highest value and obviously the job at the bottom of the list will have the lowest value. Jobs are usually

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ranked in each department and then the department rankings are combined to develop an organizational ranking. The variation in payment of salaries depends on the variation of the nature of the job performed by the employees. The ranking method is simple to understand and practice and it is best suited for a small organization. Its simplicity however works to its disadvantage in big organizations because rankings are difficult to develop in a large, complex organization. Moreover, this kind of ranking is highly subjective in nature and may offend many employees. Therefore, a more scientific and fruitful way of job evaluation is called for.

Classification method (Grading method)

According to this method, a predetermined number of job groups or job classes are established and jobs are assigned to these classifications. This method places groups of jobs into job classes or job grades. Separate classes may include office, clerical, managerial, personnel, etc. Following is a brief description of such a classification in an office.

Class I - Executives: Further classification under this category may be Office Manager, Deputy office manager, Office superintendent, Departmental supervisor, etc.

Class II - Skilled workers: Under this category may come the Purchasing assistant, Cashier, Receipts clerk, etc.

Class III - Semiskilled workers: Under this category may come Stenotypists, Machine-operators, Switchboard operator etc.

Class IV - Unskilled workers: This category may comprise peons, messengers, housekeeping staff, Daftaris[clarification needed], File clerks, Office boys, etc.

The job grading method is less subjective when compared to the earlier ranking method. The system is very easy to understand and acceptable to almost all employees without hesitation. One strong point in favour of the method is that it takes into account all the factors that a job comprises. This system can be effectively used for a variety of jobs. The weaknesses of the Grading method are:

Factor comparison method or Point method

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This method is widely used and is considered to be one of the reliable and systematic approach for job evaluation in mid and large size organisations. Most consulting firms adopt this method, which was pioneered by Edward Hay in 1943. Here, jobs are expressed in terms of key factors. Points are assigned to each factor after prioritizing each factor in order of importance. The points are summed up to determine the wage rate for the job. Jobs with similar point totals are placed in similar pay grades. The procedure involved may be explained thus:

1. Select key jobs. Identify the factors common to all the identified jobs such as skill, effort, responsibility, etc.

2. Divide each major factor into a number of sub factors. Each sub factor is defined and expressed clearly in the order of importance, preferably along a scale.

3. Find the maximum number of points assigned to each job (after adding up the point values of all sub-factors of such a job).

4. Once the worth of a job in terms of total points is expressed, the points are converted into money values keeping in view the hourly/daily wage rates. A wage survey is usually undertaken to collect wage rates of certain key jobs in the organization.

Advantages of job Evaluation

1.   Reduction in inequalities in salary structure - It is found that people and their motivation is dependent upon how well they are being paid. Therefore the main objective of job evaluation is to have external and internal consistency in salary structure so that inequalities in salaries are reduced.

2.   Specialization - Because of division of labour and thereby specialization, a large number of enterprises have got hundred jobs and many employees to perform them. Therefore, an attempt should be made to define a job and thereby fix salaries for it. This is possible only through job evaluation.

3.   Helps in selection of employees - The job evaluation information can be helpful at the time of selection of candidates. The factors that are determined for job evaluation can be taken into account while selecting the employees.

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4.   Harmonious relationship between employees and manager - Through job evaluation, harmonious and congenial relations can be maintained between employees and management, so that all kinds of salaries controversies can be minimized.

5.   Standardization - The process of determining the salary differentials for different jobs become standardized through job evaluation. This helps in bringing uniformity into salary structure.

6.   Relevance of new jobs - Through job evaluation, one can understand t understand the relative value of new jobs in a concern.

Components of compensation

What are the components of a compensation system?

Compensation will be perceived by employees as fair if based on systematic components. Various compensation systems have developed to determine the value of positions. These systems utilize many similar components including job descriptions, salary ranges/structures, and written procedures.

The components of a compensation system include

- ➢ Job Descriptions A critical component of both compensation and selection systems, job descriptions define in writing the responsibilities, requirements, functions, duties, location, environment, conditions, and other aspects of jobs. Descriptions may be developed for jobs individually or for entire job families.
- ➢ Job Analysis :The process of analyzing jobs from which job descriptions are developed. Job analysis techniques include the use of interviews, questionnaires, and observation.
- ➢ Job Evaluation :A system for comparing jobs for the purpose of determining appropriate compensation levels for individual jobs or job elements. There are four main techniques: Ranking, Classification, Factor Comparison, and Point Method.
- ➢ Pay Structures: Useful for standardizing compensation practices. Most pay structures include several grades with each grade containing a minimum salary/wage and either step increments

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or grade range. Step increments are common with union positions where the pay for each job is pre-determined through collective bargaining.

➢ Salary Surveys: Collections of salary and market data. May include average salaries, inflation indicators, cost of living indicators, salary budget averages. Companies may purchase results of surveys conducted by survey vendors or may conduct their own salary surveys. When purchasing the results of salary surveys conducted by other vendors, note that surveys may be conducted within a specific industry or across industries as well as within one geographical region or across different geographical regions. Know which industry or geographic location the salary results pertain to before comparing the results to your company.

➢ Policies and Regulations

Factors Affecting Employee Compensation

The **Compensation** is the monetary and non-monetary rewards given to the employees in return for their work done for the organization. Basically, the compensation is in the form of salaries and wages. There are several internal and external factors affecting employee compensation, which are discussed in detail below.

Internal factors: The internal factors exist within the organization and influences the pay structure of the company. These are as follows:

Ability to Pay: The prosperous or big companies can pay higher compensation as compared to the competing firms whereas the smaller companies can afford to maintain their pay scale up to the level of competing firm or sometimes even below the industry standards.

Business Strategy: The organization's strategy also influences the employee compensation. In case the company wants the skilled workers, so as to outshine the competitor, will offer more pay as compared to the others.Whereas, if the company wants to go smooth and is managing with the available workers, will give relatively less pay or equivalent to what others are paying.

Job Evaluation and Performance Appraisal: The job evaluation helps to have a satisfactory differential pays for the different jobs. The performance Appraisal helps an employee to earn extra on the basis of his performance.

Employee: The employee or a worker himself influences the compensation in one of the following ways.

Performance: The better performance fetches more pay to the employee, and thus with the increased compensation, they get motivated and perform their job more efficiently.

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Experience: As the employee devote his years in the organization, expects to get an increased pay for his experience.

Potential: The potential is worthless if it gets unnoticed. Therefore, companies do pay extra to the employees having better potential as compared to others.

External Factors: The factors that exist out of the organization but do affect the employee compensation in one or the other way. These factors are as follows:

Labour Market: The demand for and supply of labor also influences the employee compensation. The low wage is given, in case, the demand is less than the supply of labor. On the other hand, high pay is fixed, in case, the demand is more than the supply of labor.

Going Rate: The compensation is decided on the basis of the rate that is prevailing in the industry, i.e. the amount the other firms are paying for the same kind of work.

Productivity: The compensation increases with the increase in the production. Thus, to earn more, the workers need to work on their efficiencies, that can be improved by way of factors which are beyond their control.The introduction of new technology, new methods, better management techniques are some of the factors that may result in the better employee performance, thereby resulting in the enhanced productivity.

Cost of Living: The cost of living index also influences the employee compensation, in a way, that with the increase or fall in the general price level and the consumer price index, the wage or salary is to be varied accordingly.

Labour Unions: The powerful labour unions influence the compensation plan of the company. The labour unions are generally formed in the case, where the demand is more, and the labour supplies is less or are involved in the dangerous work and, therefore, demands more money for endangering their lives. The non-unionized companies or factories enjoy more freedom with respect to the fixation of the compensation plan.

Labour laws: There are several laws passed by the Government to safeguard the workers from the exploitation of employers. The payment of wages Act 1936, The Minimum wages act 1948, The payment of Bonus Act 1965, Equal Remuneration Act 1976, Payment of Gratuity Act 1972 are some of the acts passed in the welfare of the labor, and all the employers must abide by these.

Incentives and rewards

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Incentives

       Incentives are monetary benefits paid to workmen in lieu of their outstanding performance. Incentives vary from individual to individual and from period to period for the same individual. They are universal and are paid in every sector. It works as motivational force to work for their performance as incentive forms the part total remuneration. Incentives when added to salary increase the earning thus increase the standard of living. The advantage of incentive payment are reduced supervision, better utilisation of equipment, reduced scrap, reduced lost time, reduced absenteeism and turnover & increased output.

       According to Burack & Smith, "An incentive scheme is a plan or programmes to motivate individual or group on performance. An incentive programme is most frequently built on monitory rewards (incentive pay or monetary bonus), but may also include a variety of non monetary rewards or prizes."

Kinds of Incentives Incentives can be classified under the following categories:

       1. Individual and Organizational Incentives

       2. Financial and Non-Financial Incentives

       3. Positive and Negative Incentives

1) Individual and Organizational Incentives-

       According to L.G. Magginson, "Individual incentives are the extra compensation paid to an individual for all production over a specified magnitude which stems from his exercise of more than normal skill, effort or concentration when accomplished in a predetermined way involving standard tools, facilities and materials." individual performance is measured to calculate incentive where as organizational or group incentive involve cooperation among employees, management and union and purport to accomplish broader objectives such as an organization-wide reduction in labour, material and supply costs, strengthening of employee loyalty to company, harmonious management and decreased turnover and absenteeism.

I) Individual Incentive System is of two types:

a) Time based System- It includes Halsey Plan, Rowan Plan, Emerson Plan and Bedeaux Plan

b) Production based System- it includes Taylor's Differential Piece Rate System, Gantt's Task and Bonus Plan

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II) Group Incentive System is of following types a) Scalon Plan b) Priestman's Plan c) Co-Partnership Plan d) Profit Sharing Some important these plans of incentive wage payments are as follows:

Halsey Plan: Under this plan a standard time is fixed in advance for completing a work. Bonus is rewarded to the worker who performs his work in less than the standard time and paid wages according to the time wage system for the saved time.

The total earnings of the worker = wages for the actual time + bonus

Rowan Plan: Under this method minimum wages are guaranteed given to worker at the ordinary rate for the time taken to complete the work. Bonus is that proportion of the wages of the time taken which the time saved bears to the standard time allowed. Incentive = Wages for actual time for completing the work + Bonus

Emerson Plan: Under this system, wages on the time basis are guaranteed even to those workers whose output is below the standard. The workers who prove efficient are paid a bonus. For the purpose of determining efficiency, either the standard output per unit of time is fixed, or the standard time for a job is determined, and efficiency is determined on the basis of a comparison of actual performance against the standard.

Bedeaux Plan: It provide comparable standards for all workers. The value of time saved is divided both to the worker and his supervisor in the ratio of ¾ and ¼ respectively. A supervisor also helps a worker in saving his time so he is also given some benefit in this method. The standard time for each job is determined in terms of minutes which are called Bedeaux points or B's. Each B represents one minute through time and motion study. A worker is paid time wages up to standard B's or 100% performance. Bonus is paid when actual performance exceeds standard performance in terms of B's.

Taylor's Differential Piece Rate System : F.W. Taylor, founder of the scientific management evolved this system of wage payment. Under this system, there is no guarantee of minimum wages. Standard time and standard work is determined on the basis of time study. The main characteristics of this system are that two rates of wage one lower and one higher are fixed. Those who fail in attaining the standard, are paid at a lower rate and those exceeding the standard or just attaining the standard get higher rate. Under this system, a serve penalty is imposed on the inefficient workers because they get the wages at lower rates. The basic idea underlying in this scheme is to induce the worker at least to attain the standard but at the same time if a worker is relatively less efficient, he will lose much. For example, the standard is fixed at 40 units per day and the piece rate are 40 P. and 50 P. per unit. If a

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worker produces 40 units or more in a day, he will get the wages at the rate of 50 P per unit and if he produces 39 units will get the wages at 40 paise per unit for the total output.

Gantt's Task and Bonus Plan - In this, a minimum wage is guaranteed. Minimum wage is given to anybody, who completes the job in standard time. If the job is completed in less time, then there is a hike in wage-rate. This hike varies between 25% to 50% of the standard rate.

Profit Sharing

Profit sharing refers to various incentive plans introduced by businesses that provide direct or indirect payments to employees that depend on company's profitability in addition to employees' regular salary and bonuses. In publicly traded companies these plans typically amount to allocation of shares to employees.

The profit sharing plans are based on predetermined economic sharing rules that define the split of gains between the company as a principal and the employee as an agent.For example, suppose the profits are x, which might be a random variable. Before knowing the profits, the principal and agent might agree on a sharing rule s(x. Here, the agent will receive s(x) and the principal will receive the residual gain x-s(x)

Gain Sharing

Gain sharing is a program that returns cost savings to the employees, usually as a lump-sum bonus. It is a productivity measure, as opposed to profit-sharing which is a profitability measure. There are three major types of gain sharing:

- Scanlon plan: This program dates back to the 1930s and relies on committees to create cost-sharing ideas. Designed to lower labour costs without lowering the level of a firm's activity. The incentives are derived as a function of the ratio between labour costs and sales value of production (SVOP).
- Rucker plan: This plan also uses committees, but although the committee structure is simpler the cost-saving calculations are more complex. A ratio is calculated that expresses the value of production required for each dollar of total wage bill.
- Improshare: Improshare stands for "Improved productivity through sharing" and is a more recent plan. With this plan, a standard is developed that identifies the expected number of hours to

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produce something, and any savings between this standard and actual production are shared between the company and the workers

Reward management

In the contemporary world, rewards for better performance and success matter more than the actual achievement itself. Indeed, as the global financial crisis showed, rewards were everything for the bankers as they strove for more reckless bets and increasing risk taking. Because of the system of flawed incentives, rewards were seen to the ultimate prize that was greater than the actual process of winning. Hence, rewards management has to be seen in the context of what are proper and just rewards and what are disproportionate rewards. The point here is that rewards ought to justify the performance and not exceed them. What we mean by this is that it is okay to reward a high performer for his or her stellar performance but not to the point where in the pursuit of rewards, the individual throws caution to the winds and indulges in unethical behavior.

For the present day generation, rewards matter more than the actual performance and this is reflected in their increasing demands from the employers for salary hikes and bonuses.

If not anything else, the millennial generation believes that excessive rewards are their due. Though this is not to say that only this generation behaves that way (this pattern can be seen in the Generation X as well), it is the case that undue emphasis is being placed on the rewards alone as opposed to the fulfillment one gets by getting the job done in a proper manner. If the baby boomer generation taught us anything, it is that doing the job for fulfillment sake is more important than the reward system in place. Of course, it goes without saying that in a world of diminishing resources, everyone is concerned with earning as much money as possible, and hence some of this behavior is indeed justified.

However, the point needs to be made that while rewards are one way to motivate individuals and incentivize good performance, they are not the be all and end all that everyone likes to believe. Hence, a proper reward system in organizations would be aligned with the correct strategic fit

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between internal motivation and external rewards and only when they are in balance can organizations grow in a healthy manner.

Much has been written about how excessive CEO compensation is hurting the corporate world and hence, the debate over whether CEO's are being paid excessively is indeed justified in view of the ongoing global economic crisis. The point here is that a reward system that does not increase the gap between the CEO and the lowest paid worker by more than a ratio of 15:1 is the correct one according to studies done in this field. Hence, all possible efforts must be made to decrease the gap between the lowest paid employee and the highest paid employee. Of course, in practice this might not be possible completely due to entry-level salaries being much lower. Therefore, a way out would be to determine the cap according to each company's requirements and then pay the employees at all levels accordingly.

Reward is pay provided by an employer to the employees. It consists of packages of pay, benefits,services etc. Broadly, rewards can be divided into following types:

1. **Intrinsic Rewards And Extrinsic Rewards**

   Intrinsic rewards:

   Intrinsic rewards are the satisfactions that an individual obtains from the job itself. It means, they are the factors of esteem and self actualization needs of the employees. These satisfactions are self initiated rewards and are fulfilled internally by the employees. These rewards consists of having a pride on work, having a feeling of accomplishment, or being a part of team etc.

   Extrinsic Rewards

   Extrinsic rewards are the benefits provided externally. These rewards are provided in term of money and fringe benefits. These rewards are necessary to fulfill physiological and

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safety needs of the employees. Such rewards are the results of management policies and procedures of the organization.

2. Financial Rewards And Non-financial Rewards

Financial Rewards

Financial rewards means those direct and indirect payments that enhance an employee's well being. Financial rewards make employee financially sound so that he/she can fulfill his/her material desire. Direct payment consists of salary,wages, commissions,incentives, bonus, allowances etc. Indirect payment include pensions, medical insurance, paid leaves, paid sick leaves, purchases, discounts etc.

Non-financial Rewards

Non-financial rewards are those employee benefits that do not enhance an employee's financial well-being However, such rewards provide more job satisfaction. Preferred lunch hours, preferred office furnishing, parking spaces, impressive job title, desired work assignments, business cards, own secretary etc. are some of its examples.

3. Performance Based Rewards And Membership Based Rewards

Performance Based Rewards

Performance based rewards are such benefits which are provided on the basis of an employee's job performance ability. The reward depends upon the performance of an individual in the actual work floor.These rewards are exemplified by the use of commissions, piece work pay plans, incentive systems, group bonuses or other forms of merit pay plans.

Membership Based Rewards

Membership based rewards are those rewards that are paid on the basis of being a member of an organization. It means, the basis of allocating rewards is employee's

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organizational membership. Hence, the reward goes to all employees irrespective of their performance.

Employee service and benefits

Employers can offer a wide variety of benefits to their employees. Benefits are designed to help employees meet basic needs they might not otherwise be able to meet on their own. For instance, the high cost of health insurance is often offset by employer contributions to the employee's premium. Employee services are employee benefits, but they are a more specific form of employee benefit that employers offer to help instill loyalty among their workers. Small business owners must decide which benefits and services to offer employees. With limited resources, some can offset expensive benefits with less expensive employee services.

Services

Employee services can include anything an employer deems necessary to provide as a perk for employees. No real limit exists as to what can be included as an employee service. Some companies provide cafeterias and event catering services for employees. Others have coffee shops. Employee services are more of a convenience than a true benefit. Busy corporate offices, for example, might provide dry cleaning pickup services for employees. Employers in remote locations might offer shuttle services to and from work. The types of services depends upon each employer. Small business owners can use employee services such as on-site childcare to make their positions more attractive to potential employees.

Benefits

Employee benefits differ from employee services in that benefits tend to be necessities for many people. Basic insurance needs are covered by many employee benefit plans. Insurance options provided by employers can include health insurance, but they can also include life insurance, accidental death and disability insurance, dental insurance and unemployment insurance also. Other types of benefits usually include a retirement plan in the form of a 401(k) or some other qualified tax-deferred plan. Although employee services might be considered a benefit, they are usually optional and not necessarily what job seekers first look for when conducting a job hunt.

Importance

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Benefits and services for employees play important roles in the culture of a company. For employees, these provisions can create a sense of loyalty to the employer and indicate the employer cares for their well-being. Employee benefits, such as health insurance and retirement plans, also provide employers with tax advantages. Employees also benefit in this manner with tax-deferred retirement plans. A carefully implemented benefits plan that also includes some basic employee services can go far toward creating a positive business culture.

Pros and Cons

A small business owner should consider the pros and cons of employee benefits and services before implementing either as part of a compensation package. Employee benefits packages can be cost prohibitive but can benefit the business owner as a tax deduction. Business owners might be limited in the benefits they can provide and might have to compete with other business owners to provide the most comprehensive benefits packages. Employee services have the potential to make a less comprehensive benefits package appear to be more generous because of the additional perks they provide. Employee services can also prove to be expensive for employers. In businesses where employee services are an established part of the benefits offered, it might be difficult for employers to cut the services even when they become too expensive.

Executive compensation
Compensation or remuneration for the executive managers is different from compensation for other employees in most the organizations. Executive compensation covers employees that include presidents of company, chief executive officers (CEOs), chief financial officers (CFOs), vice presidents, occasionally directors of the company, and other upper-level managers. These high level employees are paid executive compensation.

Usually only those members of your most senior management team qualify for executive pay. It is usual the members of the "C-Suite." (A widely-used slang term used to collectively refer to a

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corporation's most important senior executives. C-Suite gets its name because top senior executives' titles tend to start with the letter C, for chief, as in chief executive officer, chief operating officer and chief information officer.)

What Are the Components of Executive Compensation?

1. Base salary
2. Incentive pay, with a short-term focus, usually in the form of a bonus
3. Incentive pay, with a long-term focus, usually in some combination of stock awards, option awards, non-equity incentive plan compensation
4. Enhanced benefits package that usually includes a Supplemental Executive Retirement Plan (SERP)
5. Extra benefits and perquisites, such as cars and club memberships
6. Deferred compensation earnings

Executive Compensation

Many organizations, especially large ones, administer executive compensation somewhat differently than compensation for lower-level employees. An executive typically is someone in the top two levels of an organization, such as Chief Executive Officer (CEO), President, or Senior Vice-President. As Figure shows, the common components of executive compensation are salaries, annual bonuses, long-term incentives, supplemental benefits, and perquisites

Employee social security

Social security refers to protection provided by the society to its members against providential mishaps over which a person has no control. The underlying philosophy of social security is that the State shall make itself responsible for ensuring a minimum standard of material welfare to all its

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citizens on a basis wide enough to cover all the main contingencies of life. In other sense, social security is primarily an instrument of social and economic justice.

Definition

According to a definition given in the ILO publication', "Social security is the security that society furnishes through appropriate organisation against certain risks to which its members are exposed. These risks are essentially contingencies of life which the individual of small means cannot effectively provide by his own ability, or foresight alone or even in private combination with his fellows".

Objectives of Social Security:

1. Compensation

2. Restoration

3. Prevention

A brief description of these is given as under:

Compensation

Compensation ensures security of income. It is based on this consideration that during the period of contingency of risks, the individual and his/her family should not be subjected to a double calamity, i.e., destitution and loss of health, limb, life or work.

Restoration

It connotates cure of one's sickness, reemployment so as to restore him/her to earlier condition. In a sense, it is an extension of compensation.

Prevention

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These measures imply to avoid the loss of productive capacity due to sickness, unemployment or invalidity to earn income. In other words, these measures are designed with an objective to increase the material, intellectual and moral well-being of the community by rendering available resources which are used up by avoidable disease and idleness.

Employee Engagement

Employee engagement is not the same as employee satisfaction

Employee Satisfaction only indicates how happy or content your employees are. It does not address their level of motivation, involvement, or emotional commitment. For some employees, being satisfied means collecting a paycheck while doing as little work as possible.

When organizations focus on how to improve employee satisfaction, changes won't necessarily lead to increased performance. Oftentimes, the conditions that make employees "satisfied" with their jobs are the same conditions that frustrate high performing employees. Top performers embrace change, search out ways to improve, and challenge the status quo. They expect all employees be held accountable for delivering results, whereas low performers avoid accountability, cling to the status quo, and resist change.

Why is employee engagement important?

Employee engagement goes beyond activities, games, and events. Employee engagement drives performance. Engaged employees look at the whole of the company and understand their purpose, where, and how they fit in. This leads to better decision-making. Organizations with an engaged workforce outperform their competition. They have a higher earning per share (EPS) and recover more quickly after recessions and financial setbacks. Engagement is a key differentiator when it comes to growth and innovation.

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Moreover, expectations of employees have changed. Mobile professional careers are much more common than "job for lifers". Retention of top talent is more difficult than before. A company that has an effective employee engagement strategy and a highly engaged workforce is more likely to retain top performers as well as attract new talent. Successful organizations are value-driven with employee-centric cultures.

How is employee engagement measured?

Measure what matters.

The best way to find strategies to improve employee engagement is by conducting a survey that has been developed specifically for this purpose. Employee engagement surveys must be statistically validated and benchmarked against other organizations if they are going to provide useful results. Without these things, it is difficult to know what you are measuring and whether the results are good or bad.

Engagement can be accurately measured with short surveys that contain just a few questions, but such short surveys can only provide an indication of whether employees are engaged. They have a hard time explaining why employees are engaged or disengaged because they lack detail. Without sufficient information, an organization cannot develop meaningful activities, training programs, strategies, and initiatives to raise levels of engagement.

In order to get a complete picture of employee engagement, a survey needs to include about 50 to 80 questions that cover a complete range of relevant topics. There should also be open ended questions to further diagnose potential engagement problems in a company.

When should an organization measure employee engagement?

The best time to conduct an employee engagement survey is anytime. The timing of an engagement survey will have an effect on survey results, but it is always a good time to have a better understanding of how engaged your employees are.

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Create a readiness assessment, communicate the reasons for doing the engagement survey, communicate results, and take action on survey results. These actions give meaning to the survey. Otherwise, a survey ends up being more of a waste of time and de-motivator.

Components of employee engagement

There are two primary factors that drive employee engagement. These factors are based on statistical analysis and widely supported by industry research.

1. Engagement with The Organization measures how engaged employees are with the organization as a whole, and by extension, how they feel about senior management. This factor has to do with confidence in organizational leadership as well as trust, fairness, values, and respect - i.e. how people like to be treated by others, both at work and outside of work.
2. Engagement with "My Manager" is a more specific measure of how employees relate to their direct supervisors. Topics include feeling valued, being treated fairly, receiving feedback and direction, and generally, having a strong working relationship between employee and manager based on mutual respect.

Beyond the Two Core Engagement Factors

High performance organizations, and highly engaged employees, also excel in these areas:

Strategic Alignment: Do employees have clarity of purpose and direction? Do employees understand how the work they do contributes to the organization's success? Strategic Alignment ensures that employees have clarity of purpose and direction, and that their efforts are focused in the right direction. If those efforts are not focused in the right direction, they could be wasted.

Managing Execution: The most effective managers excel at the people skills, but they also provide clear expectations, hold people accountable, and stay focused on delivering results.

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Leader and Manager Competency is measured as part of the employee survey via upward feedback.

For a more complete assessment of manager competency, we recommend using a 360 Degree Feedback Survey.

Who should be involved in employee engagement initiatives?

Research shows that many organizations struggle to bridge engagement survey results to its financial impact on the organization. It is important to understand how engagement affects a company's bottom line.

A high-performing workforce is necessary to remain competitive, even survive. Developing programs to raise levels of employee engagement must be intentional, have meaning, purpose based on survey results.

HR can lead the charge to create an effective employee engagement strategy, but it needs to be embraced by the entire organization. There is a clear gap between the optimism of upper management and what middle managers experience with their teams. To understand the whole-organization picture, it's essential to have an effective, multi-directional communication strategy in the organization. Effective communication is one of the most important factors that is most likely to bring company success. Organizations that thrive are able to articulate and communicate what success looks like – as individual employees, teams and departments, and the company as a whole. This increases engagement organization-wide.

Rules of Employee Engagement

Every HR is bound to follow a set of rules in order to maintain the ethics and justify the role of HR. The following rules must be followed to engage the employees in an organization.

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1. **Don't Sweat Over Reviews**

   Don't judge people on the basis of what others say about them. Instead, judge a person on his/her abilities and performance.

2. **Discover Your Company's Purpose**

   Invent the purpose or object of the company, discover the new objectives or target points that can be set for the company.

3. **Survey, But Keep It Short and Follow Up**

   When asked about an update, try to keep it to the point and short; be specific. There is no point in explaining unnecessary details, which are not relevant to the topic.

4. **There Is Only So Much You Can Do**

   Give yourself a break. Don't try to complete all the work at the same time; analyze your potential and work accordingly.

5. **Don't Worry About Engagement**

   Don't worry about always fitting into the group; show what you are. Rules are fine, but simply having actual conversations and asking employees what we can do better is much more valuable.

If employees can't sit down with their boss and talk about things, then it can be detrimental for the company in the long run — doesn't matter how many stringent rules are put in place.

Process of Employee engagement

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This is the hardcore fact that the future business performance and revenues and profitability of an organisation no longer depends upon traditional capital management and investment and portfolio management. But the success of any organisation in this constantly changing world of work depends upon human capital management. The companies who understood this fact long before are the most successful and highly productive organisations of the currents times. Those who have just realised it are still struggling to establish a reputation in the industry.

Since the mantra of success of any organisation is the higher involvement, engagement and dedication of employees towards their jobs and their continuous performance to attain more, it is necessary to keep their spirits high, motivate them to perform their best always and generate a breed of satisfied and dedicated employees. Employee Engagement is not a onetime process that can quickly bring results; rather it is an ending process that will go on till the existence of an organisation.

As it is an established fact that there is a clear link between organisational performance and employee engagement, every organisation seeking sustenance and growth in the ever changing world of work quickly respond to the needs of employees along with designing and implementing a customised process to increase the levels of employee engagement. The following are a few basic steps in this process based on the best industry practices.

1. Prepare and Design: The first step in the process is about discovering the specific requirements of your organisation and deciding the priorities. After that a customised design of carrying the whole process can be designed. It is recommended to seek advice of expert management consultant in order to increase the chances of getting it done right at the first attempt.
2. Employee Engagement Survey: Design the questions of the employee engagement survey and deploy it with the help of an appropriate media. It can be either in printed form or set online depending upon the comfort level of the employees and your questionnaire evaluation process.

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3. Result Analysis: It is the most important step in the entire process. It is time when reports are to be analysed to find out what exactly motivates employees to perform their best and what actually disengages them and finally compels them to leave the organisation. The results and information can then be delivered through presentations.

4. Action Planning: 'How to turn the results of the survey in to an action' is a challenging question that organisations need to deal with the utmost care. Coaching of line managers as well as HR professionals is very important in order to tell them how to take appropriate actions to engage employees. They should also be told about do's and don'ts so that they can successfully implement the changes.

5. Action Follow-up: Action follow up is necessary in order to find out if the action has been taken in the right direction or not and if it is producing the desired results.

Cost of Disengaged Workforce

The findings of the Gallup Study of 2008 show that while the engaged employees believe they can contribute to company's growth, the disengaged employee believes otherwise, i.e. his job does not contribute to the organization. This belief of the disengaged employee creates a negative spiral that

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affects his work, co-workers, customers, productivity, and eventually both happiness of employee and company performance. Some effects are illustrated below:

1. Effect on Work - The disengaged employee tries to evade work, struggles to meet deadlines and is reluctant to accept additional responsibility.
2. Effect on Co-Workers - The negativity of a disengaged employee, demonstrated either through raves and rants or complete withdrawal from participation, affects the team morale. After all who has not heard of the proverb - one bad apple can spoil the whole bunch.
3. Effect on Customers - Every employee, whether an organization likes it or not, becomes its ambassador. And a disengaged employee either by actively de-selling the organization, or by complete apathy towards their work, product, process, organization help create disengaged customers.
4. Effects on Productivity - Disengaged employees seldom push themselves to meet organizational goals let alone contribute to innovative practices at workplace. Since, they do not believe that their work contributes to the organization; they evade completing tasks thereby affecting team productivity.
5. Effect on Company Performance - In the corporate world, time is money and organizations must innovate to stay relevant. A disengaged workforce by virtue of delayed completion of tasks and inability to improvise and innovate cost the company dollars which ultimately affects bottom line. This has been validated by a Gallup Study whose research showed that costs of disengaged workforce in the United States was upwards of $300bn annually.
6. Effect on Personal Life of Employee - A disengaged employee is seldom able to shake off the lethargy and perform in the current organization or land a job of preference. This leads to pent up frustration which may ultimately affect his personal and family life.

Benefits of an Engaged Workforce

1. An engaged workforce form an emotional connect with the organization that helps them

2. Go the Extra Mile to Achieve Individual and Company Success

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3. Innovate at Workplace
4. Attract customers and employees
5. Become Evangelists of the company, its product and processes
6. Infuse energy and positivity at workplace.

Phases of employee engagement

1. Attract
   a. The first phase of the employee engagement cycle is attracting the best talent from the industry. This phase involves creating a positive impression about the work culture and employee career as a potential employer. It is all about carefully creating an authentic, genuine and crafted image as an employer. This is although an indirect yet the first impression that attracts a big pool of candidates to apply for the job vacancies in an organisation. The first phase is the most important phase of the employee engagement cycle.

   b. Another aspect spreading the reputation of an organisation is its employees. They are not only the employees but also are regarded as internal customers. Their job and career satisfaction speaks about their workplace. Therefore, they should not be taken for granted. Besides attracting the talent from the outside, it is important to keep the existing employees attracted towards the organisation.

2. Acquire
   a. The acquire image involves more than one thing. It includes (1) the way the potential candidates are interacted while advertising a position; (2) keeping the promises that were made while hiring them and (3) providing the new joiners a right kind of work culture.
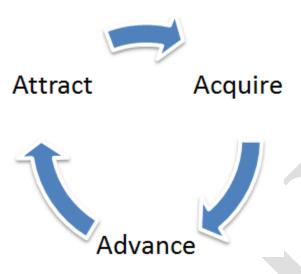
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b. When an organisation advertises a position, interested candidates apply. The way their applications are created, the reaction of the organisation and the manner in which they are approached speak a lot about the image and work culture of an organisation.

c. Hiring the best talent not only serves the purpose. During their honeymoon or initial period with the organisation, the company must try to keep all the promises that were made during the selection process.

d. Besides this, they should feel happy and satisfied when their expectations are tested against the reality. Providing the right kind of culture also plays an important role in keeping them engaged.

e. The whole idea is to prepare them to perform their best by giving them challenging tasks right from the beginning. It's like developing a habit or culture right from the time they decide to work with the organisation.

3. Advance
   a. Continuous moving the talent is the last but an unending phase. It not only involves promoting the employees to a higher designation along with salary increments but also growing them in other tangible and intangible ways. Job rotation can help them grow in experience, responsibility and belongingness but only when it is done right. Advancing the employees in every aspect, be it monetary or non-monetary, is the key to retain people and develop their overall personality.

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Employee engagement strategies

Various studies have shown that actively engaged employees are almost 50 percent more productive than their not-engaged or disengaged colleagues. The employee engagement cannot be improved only by designing and implementing effective human resource strategies but their involvement and quality of output produced by them also depends on their relationships with their colleagues, subordinates and seniors. It is a basic need of human beings to belong and to be belonged. Such collaborations can be a major contributor to the success of a company.
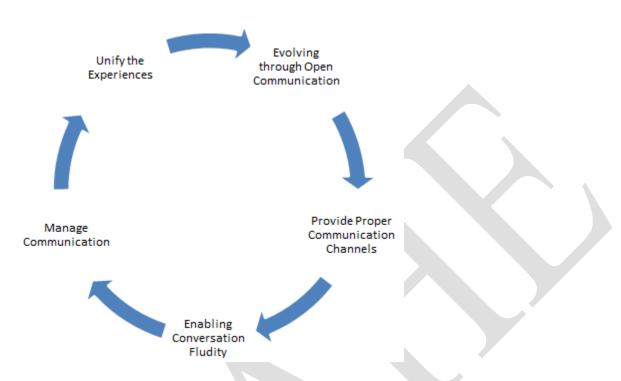
Until recently, solutions facilitating two-way communication including top-to-bottom and bottom-to-top were given much important but nothing has been done to foster the open communication and collaborations among employees. The way they interact with each other determines the health of any organisation. A perfect balance of respect, care and competitiveness should be prevailed in the organisation to keep them actively engaged in their jobs. Mutual support and healthy relationships contribute majorly to the organisation's success.

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Besides this, empowering employees by delegating them responsibilities and giving them autonomy to take decisions regarding their job on their own can also increase their productivity. It is worth going beyond the traditional management tools of connectivity to help employees remain motivated and dedicated to perform their tasks. To achieve this, the organisations can design effective employee engagement strategies on the basis of the model explained below.

1. Unify the Experiences: Conduct an employee engagement survey in order to find the factors responsible for engaging and disengaging employees. Unify the common experiences and problems and design employee engagement strategies accordingly. Sharing of feedback in written is one way of communicating the experiences and problems.

2. Evolving Through Open Communication: Open communication or face to face communication in the form of discussions can really help in bringing the various issues and identifying the main problems in the organisation. It is very essential to establish a proper communication where everyone can put their views and suggest a solution too. Most of the top organisations ask for suggestions and new ideas from their employees and then offer rewards on giving the best proposal.

3. Providing Proper Communication Channels: Some employees are comfortable with open face-to-face communication styles whereas there are some who want to give feedbacks and suggestions in written. Discovering the best channel of communication and establishing a proper route to share feedbacks and views plays a vital role.

4. Enabling Conversation Fluidity: Whichever way of communication you choose, ensure that it has required fluidity. There should not be any hindrance in the established method of communication. Not being able to provide feedback or share problems and experiences can lead to frustration and distress among employees. Therefore, ensure that there are no barriers to communication. This can also result in disengaging the engaged employees.

5. Manage Communication: Managing communication is the last but the most important step in the entire process. Managers should keep a check on the entire process in order to ensure that it is not adversely affecting the health of the organisation. They must make sure that it serves the desired purpose and is not being used negatively.

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Drivers of Employee engagement

Employee Engagement has transcended from being the latest business buzzword to being recognized by organizations as a tool that positively influences business performance. This linkage between organization performance and employee engagement was researched by ISR in 2006 by means of world-wide survey.

The ISR study reveals that companies with high engagement scores saw an increase of more than 25% in EPS (Earnings per Share), while companies with low engagement scores saw a decrease of 11% in EPS. The results confirm the belief of many that engagement positively influences business performance.

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Hence, it is vital for companies to understand what "causes" employee engagement if they want to influence the "effect" i.e. Employee Engagement. By understanding these drivers and leveraging them, organizations can try and manage engagement levels of their employees.

So what drives employee engagement? Several theories have been propounded that focus on the rational and emotional aspects of engagement. Some even focus on the tangible and intangible aspects of engagement. Mercer's 'What's Working' studies reveal that engagement drivers differ by geography, by industry and even by time.

While there is no one panacea for leveraging employee engagement, there are some broad drivers which are presented below:

1. Work/Job Role - Employees must see a link between their role and the larger organization goal. Understanding this linkage provides an intrinsic motivation and increased engagement. Most employees will come to work on time without possessing a sense of belonging and will try and complete assigned tasks even without possessing that sense achievement on completion of task. However, an employee that sees a clear linkage on how his/her role contributes to the organization will go the extra mile and help create organization wealth.
2. Work Environment/Organization Culture - The bond between an employee and the organization is cemented when the employee identifies with the culture of the organization. An employee is engaged and motivated to stretch beyond the call of duty if he/she finds the work environment enabling and supportive.
3. Rewards and Recognition - The bottom line is that people work to earn which helps fulfil ambitions. Equitable pay coupled with rewards and recognition programs enhances motivation and leads to commitment and engagement.
4. Learning and Training Oppurtunities - As Lawyer (2006) put it - "People Enjoy Learning." This is especially true in the case of today's millennial workforce that constantly looks at enhancing knowledge and skill. Skill and Knowledge enhancement is not just important for

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the employees but providing a learning culture is essential for organizations to remain relevant in the constantly changing business landscape.

5. Performance Management - An effective performance management system contributes positively to employee engagement. Goal setting lies at the root of any performance management system. Clearly articulated goals, a fair and just means to judge performance and timely, rational feedback are critical elements in creating a bond between the employee and his/her organization.

6. Leadership - It is a well recorded fact that most resignations happen because the employee is not satisfied with his/her 'boss.' An organization that spends time and effort in grooming leaders who are aligned to its goals, culture and people invests well. New age industries have a young and dynamic workforce that looks for autonomy in decision making, increased responsibility and accountabilities.

7. Other Factors - Clear and open communication, quality of interaction with peers, collaboration, organization policy, organization performance are all contributing factors to employee engagement.

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UNIT 4

s.no	Questions	Option A	Option B	Option C	Option D	Answer
1	_____ is the systematic process of analysing and evaluating jobs to determine their relative worth in an organization.	Job evaluation	Job designs	Job analysis	Job enrichments	**Job evaluation**
2	Traditionally,the pay scales in companies were associated with	Employee performance	Organizational hierarchy	Worth of the candidate	Charm of the employee	**Organizational hierarchy**
3	Compensation that is linked to performance by rewarding employees for actual results achieved instead of seniority or hours worked is known as	pay-for-performance	incentive compensation	performance bonus	fringe benefits	**incentive compensation**
4	A pay plan that is designed to directly link rewards to the contributions made by an individual employee is known as	Pay- for – performance	Contribution based pay	Skill-based pay	Result- base pay	**Contribution based pay**
5	Many CEOs often receive bonus payments	regardless of whether performance agreements are in place	that are tied to effort not results	whether organisations have performed well or not	Both (a) and (c)	**Both (a) and (c)**

6	Incentive pay plans are used by organisations because	it is a simple, easy to understand method of evaluation	it is a useful way of identifying those employees who are not performing at an acceptable standard	employees who are rewarded in this method are more loyal and committed to the organisation	they can focus employee attention on those objectives that the organisation wishes to reinforce	**they can focus employee attention on those objectives that the organisation wishes to reinforce**
7	If you were designing a performance-based pay system you need to	make sure that it reduces the organisation's overall labour costs	ensure that it is straightforward in design and simple to communicate	involve all employees in the design and decision-making process	conduct a detailed review of employee performance standards	**ensure that it is straightforward in design and simple to communicate**
8	A plan whereby employees share in the company profits is	at-risk compensation	profit sharing	commission bonus	performance bonus	**profit sharing**
9	Variable performance pay system can be all of the following except	recognition programs	individual	small group	specialty based	**specialty based**
10	Two conditions need to be present for individual incentive plans to be successful they are	1.There is a requirement that the organisation emphasises individual and group contribution, as distinct from organisational contribution. 2.The job must be designed to allow each employee to	1.There is a requirement that the organisation emphasises individual contribution, as distinct from team or work group effort. 2.The job must be designed to allow each employee to work independently or as an integral	1.There is a requirement that the organisation emphasises individual contribution, as distinct from team or work group effort. 2.The job must be designed to allow each employee to work independently and with a high	1. There is a requirement that the organisation emphasises individual and group contribution, as distinct from organisational contribution. 2.The job must be designed to allow each employee to work independently or as an integral part of a team.	**1.There is a requirement that the organisation emphasises individual contribution, as distinct from team or work group effort. 2.The job must be designed to allow each employee to work independently**

		work independently and with a high degree of autonomy and discretion.	part of a team	degree of autonomy and discretion.		**and with a high degree of autonomy and discretion.**
11	A door-to-door sales representative, whose pay consists only of a commission on sales revenue or volume is working under	a performance bonus system	a piece-rate system	a profit sharing incentive	an individual incentive pay system	**an individual incentive pay system**
12	That part of pay that is not guaranteed and is at risk is known as	the variable pay component	a performance bonus	results-based incentives	a fringe benefit	**the variable pay component**
13	The criteria used to set performance objectives in relation to individual incentive plans include all of the following except	internal benchmark	customer satisfaction	strategic business objectives	external benchmark	**customer satisfaction**
14	An advantage of an individual incentive plan is that	it may encourage individualism and non-productive competition	where improvements by one employee are offset by poor performance by another, the organisation is no better off	it can sometimes end up paying for performance that would have been achieved without an incentive plan	it discriminates in favour of high performers	**it discriminates in favour of high performers**
15	Which of the following is not an advantage of an individual incentive plan	provides a clear link between individual pay and work contribution	may encourage individualism and non-productive competition	links total compensation costs to organisational objectives	can have significant impact on key performance indicators such as productivity, quality and sales	**may encourage individualism and non-productive competition**

16	When designing and implementing an individual incentive plan you need to consider all of the following except	ability to attract job applicants	frequency of rewards	clear goals and design simplicity	the need for periodic review	**ability to attract job applicants**
17	An organisation uses complex technology requiring specific purpose project teams. Secondly, this organisation has a flat structure with a culture characterised by employee involvement and a supportive management style. This organisation would most probably utilize	small group incentives	individual incentive plans	recognition plans	organisation wide incentive plans	**small group incentives**
18	Because small group incentives focus on team accomplishments rather than individual ones they are able to	increase job satisfaction	increase performance	decrease competition and conflict between different work groups	increase flexibility in job assignments	**increase flexibility in job assignments**
19	A small group incentive system that shares the productivity improvements with the employees who make them is a definition of	recognition program	profit share	gainsharing	bonus payment	**gainsharing**
20	A gainsharing plan that calculates employee gains using a value-added formula is	the Scanlon Plan	the Line of Sight Plan	the piece-rate plan	the Rucker Plan	**the Rucker Plan**
21	An advantage of small-group incentive plans is that it	reduces emphasis on employee performance	provides a clear link between group performance and reward	allows poor performers to be carried by the group	can sometimes mean organisations end up paying for performance that would have been achieved without an incentive plan	**provides a clear link between group performance and reward**

22	Of the following statements, which is <u>not</u> a consistent criticism of the use of bonus plans	they do little to influence individual performance	They are often seen as a right and as a form of deferred pay	high performing employees often feel their contributions are not sufficiently recognised	they promote a positive organisational image	**they promote a positive organisational image**
23	If you were using organisation-wide incentive plans as a motivation tool you would use which two performance indicators to determine incentive payments	profit and achievement within budget	productivity and quality improvements	reduction in downtime and lower employee turnover	lower costs of production and increased output	**profit and achievement within budget**
24	A disadvantage of large-group incentive plans is that they	promote a positive organisational image	have a long 'line of sight' because only a few employees can directly influence the end result	encourage employee identification with organisation-wide objectives	control part of remuneration costs if reward is contingent on meeting objectives	**have a long 'line of sight' because only a few employees can directly influence the end result**
25	Incentive programs that make use of rewards such as cash, merchandise, travel, certificates and the like are known as	bonus incentive schemes	profit sharing schemes	recognition programs	pay for performance programs	**recognition programs**
26	An advantage of recognition programs is that they	can involve high administrative costs and time	may lead employees to lose motivation if they feel they cannot ever win	may be seen as favouritism if system allows for repeat winners	have the added psychological value associated with peer recognition	**have the added psychological value associated with peer recognition**

27	The first step in designing an effective incentive pay system is	to determine the budget allowance for incentives	to define the required performance criteria	to discuss incentive choices with all employees	to provide explanatory sessions so that all employees are aware of how the incentive system works	**to define the required performance criteria**
28	How base pay and the incentive system fit together to form the total reward framework needs to be determined	after the system has been trialed for a minimum of six months	through a process of negotiation with employees	by an examination of packages offered by competitor organisations	at the design stage	**at the design stage**
29	Incentive plans are generally funded through	increased profits and reduced expenses	increased customer satisfaction and increasing share values	the sale of surplus assets and product innovation benefits	both (b) and (c)	**increased profits and reduced expenses**
30	The process of ranking in which the relative importance of each job is determined in comparison with the representative job is called	Relative ranking	Comparative ranking	Paired comparison	Single factor ranking	**Relative ranking**
31	The main disadvantage of the grading method is that	It is more comprehensive	It is not supported by job description or specification	It is very expensive	The grade definitions have to cover job from different functions	**The grade definitions have to cover job from different functions**
32	Example of a quantitative method of job evaluation is	Single factor ranking method	Factor comparison methods	Job classification method	All of the above	**Factor comparison methods**
33	The financial capacity of the employer is taken into consideration in the concept of	Minimum wages	fair wages	Living wages	Just wages	**fair wages**

34	Radha works in a small scale industry where she is paid Rs.100 as a daily wage like all her co-workers.This is an example of	Time wage plans	Piece wage plan	Skill-based pay	Competency-based pay	**Time wage plans**
35	The system of compensating employees in accordance with their performance is termed the	Executive compensation program	Fixed compensation program	Variable Compensation program	Performance pay program	**variable compensation program**
36	Performance bonus is an example of an	Intrinsic reward	Extrinsic reward	Intrinsic wage payment	Extrinsic wage payment	**Extrinsic reward**
37	The process of rewarding employees by giving them a stake in the company,which further enhances their performance is called the	Gain sharing	Annual bonus	Employee - stock plan	Profit sharing	**Employee stock plan**
38	The fringe advantages that accrue to an employee over and above his salary,as a result of hi employment and position in an organization are termed	Benefit	Incentives	Compensations	Wages	**Benefit**
39	The flexible benefit plan for employees,where the employee gets a chance to choose from a lot of benefits,is also called the	Holiday benefit plan	Restaurant benefit plan	cafeteria benefit plan	Variable benefit plan	**cafeteria benefit plan**
40	The provision of compensation or lucrative benefits for the top management,in case of a job loss changeover when there is a change of guard,is the	High flier scheme	Retention planning scheme	Cool landing scheme	Golden parachute schemes	**Golden parachute schemes**
41	The basic difference between incentives and benefits is	incentives are service related and benefits are performance related	incentives are performance related and benefits are service related	incentives are non-monetary and benefits are monetary	incentives are monetary and benefits are non-monetary	**incentives are performance related and benefits are service related**

42	Halsey plan ,Rowan plan,Barth system ect.are all examples of	Long-term incentive plans	Short-term incentive plans	Non-monetary incentives plans	Employee- benefits plans	**Short-term incentives plans**
43	…………… Includes all the extrinsic rewards that an employee receives during and after the course of his job.	Compensation	Wages	Salary	incentives	**Incentives**
44	…………..are the rewards an employee earns in addition to regular wages.	Bonus	Incentives	Fringe benefit	Salary	**Incentives**
45	………………is primarily a share in the bounty and is directly related to the organizations performance	Fringe benefits	Incentives	Salary	Bonus	**Bonus**
46	Recreational facility in a……………	Fringe benefits	Incentives	Bonus	Compensation	**Fringe benefits**
47	Compensation is a supporting function of…………………	Social objective	Organizational objective	Functional objective	Personal objective	**Personal objective**
48	What percentage of an executive's remuneration is fixed at Harvey Norman?	35%	69%	20%	12%	**20%**
49	All financial rewards that are not paid directly in cash to the employee are:	Illegal	Benefits	Performance bonuses	Gratuities	**Benefits**
50	A well designed benefits program should:	fit with the organisation's strategic business objectives and culture	not be a financial cost to the organisation	be determined through negotiation with employees	provide employees with benefits equivalent to at least 20% of their normal salary	**fit with the organisation's strategic business objectives and culture**
51	Employee benefits still exempt from Fringe benefit tax include all of the following except:	superannuation contributions	employee share acquisition schemes	childcare expenses	medical treatment	**childcare expenses**

52	The major obstacles to more employers introducing child-care programs include all of the following except	high initial establishment costs	lack of employee demand	loss of government subsidies	unfamiliarity with child-care options	**lack of employee demand**
53	A company sponsored program that helps employees to cope with personal problems that are interfering with their job performance is a(n)	employee welfare program	workers counselling service	employee assistance program	family welfare system	**employee assistance program**
54	hich of the following is **not** a claimed benefit of employer sponsored health promotion programs	improved morale	decreased workers compensation claims	improved organisational image	improved employee retention	**improved employee retention**
55	Employee loans, study leave, travel time, and free parking are categorised as what type of benefits	miscellaneous benefits	fringe benefits	employee assistance benefits	workers compensation benefits	**miscellaneous benefits**
56	A superannuation plan which pays out on the employee's retirement a predetermined amount either as a lump sum or as a monthly pension, is known as	a defined-benefit plan	a defined-contribution plan	a lump-sum pension plan	an annuity	**a defined-benefit plan**
57	Several issues are particularly important in relation to superannuation. Which of the following is **not** discussed by Stone in relation to superannuation	retirement age	occupational superannuation	vesting	health of retiree	**health of retiree**
58	The ability of an employee to transfer without penalty their accrued retirement benefits from one superannuation plan to another superannuation plan is known as	superannuation compression	transferability	portability	policy merging	**Portability**
59	The low participation rate of women in superannuation schemes can be attributed to all of the following except	ineligibility on the grounds of age and work status	perceived unattractiveness of the schemes	by their spouse's superannuation scheme	a lack of understanding of the issues associated with the choice of a scheme	**a lack of understanding of the issues associated with the choice of a scheme**

| 60 | An organisation can gain a competitive edge, and attract and retain people with the skills it needs to achieve its key business objectives by | a better staffing policy | a strategic use of benefits | cutting employment costs | being innovative and risk taking | **a strategic use of benefits** |

UNIT V Employee Relations.

Employee Relations - Managing employee relations – Grievance Management – organizational discipline – dispute settlement – Collective bargaining – Employee Health and Safety – IHRM and Managing Expatriates - Quality of Work life – Concepts – Methods to improve quality of work life.

Employee relations

An organization can't perform only with the help of chairs, tables, fans or other non living entities. It needs human beings who work together and perform to achieve the goals and objectives of the organization.

The human beings working together towards a common goal at a common place (organization) are called employees. Infact the employees are the major assets of an organization.

The success and failure of any organization is directly proportional to the labour put by each and every employee.

The employees must share a good rapport with each other and strive hard to realize the goal of the organization. They should complement each other and work together as a single unit. For the employees, the organization must come first and all their personal interests should take a back seat.

What is Employee Relations ?

Every individual shares a certain relationship with his colleagues at the workplace. The relationship is either warm, so-so or bad. The relationship can be between any one in the organization - between co workers, between an employee and his superior, between two members in the management and so on. It is important that the employees share a healthy relationship with each other to deliver their best performances.

An individual spends his maximum time at the workplace and his fellow workers are the ones with whom he spends the maximum hours in a day. No way can he afford to fight with his colleagues. Conflicts and misunderstandings only add to tensions and in turn decrease the productivity of the individual. One needs to discuss so many things at work and needs the advice and suggestions of all to reach to a solution which would benefit the individual as well as the organization.

No individual can work alone. He needs the support and guidance of his fellow workers to come out with a brilliant idea and deliver his level best.

Employee relations refer to the relationship shared among the employees in an organization. The employees must be comfortable with each other for a healthy environment at work. It is the prime duty of the superiors and team leaders to discourage conflicts in the team and encourage a healthy relationship among employees.

Life is really short and it is important that one enjoys each and every moment of it.Remember in an organization you are paid for your hard work and not for cribbing or fighting with each other. Don't assume that the person sitting next to you is your enemy or will do any harm to you. Who says you can't make friends at work, infact one can make the best of friends in the office. There is so much more to life than fighting with each other.

Observation says that a healthy relation among the employees goes a long way in motivating the employees and increasing their confidence and morale. One starts enjoying his office and does not take his work as a burden. He feels charged and fresh the whole day and takes each day at work as a new challenge. If you have a good relation with your team members you feel going to office daily. Go out with your team members for a get together once in a while or have your lunch together. These activities help in strengthening the bond among the employees and improve the relations among them.

An employee must try his level best to adjust with each other and compromise to his best extent possible. If you do not agree to any of your fellow worker's ideas, there are several other ways to convince him. Sit with him and probably discuss with him where he is going wrong and needs a correction. This way he would definitely look up to you for your advice and guidance in future. He would trust you and would definitely come to your help whenever you need him. One should never spoil his relations with his colleagues because you never know when you need the other person.

Avoid using foul words or derogatory sentences against anyone. Don't depend on lose talk in office as it spoils the ambience of the place and also the relation among the employees. Blame games are a strict no no in office.

One needs to enter his office with a positive frame of mind and should not unnecessarily make issues out of small things. It is natural that every human being can not think the way you think, or behave the way you behave. If you also behave in the similar way the other person is behaving, there is hardly any difference between you and him. Counsel the other person and correct him wherever he is wrong.

It is of utmost importance that employees behave with each other in a cultured way, respect each other and learn to trust each other. An individual however hardworking he is, cannot do wonders alone. It is essential that all the employees share a cordial relation with each other, understand each other's needs and expectations and work together to accomplish the goals and targets of the organization.

Importance of Employee relation

Every individual at the workplace shares a certain relationship with his fellow workers. Human beings are not machines who can start working just at the push of a mere button. They need people to talk to, discuss ideas with each other and share their happiness and sorrows. An individual cannot work on his own, he needs people around. If the organization is all empty, you will not feel like sitting there and working. An isolated environment demotivates an individual and spreads negativity around. It is essential that people are comfortable with each other and work together as a single unit towards a common goal.

It is important that employees share a healthy relation with each other at the work place. Let us find out why employee relations are important in an organization:

There are several issues on which an individual cannot take decisions alone. He needs the guidance and advice of others as well. Sometimes we might miss out on important points, but our fellow workers may come out with a brilliant idea which would help us to achieve our targets at a much

faster rate. Before implementing any plan, the pros and cons must be evaluated on an open forum where every employee has the right to express his opinions freely. On your own, you will never come to know where you are going wrong, you need people who can act as critic and correct you wherever you are wrong. If you do not enjoy a good relation with others no one will ever come to help you.

1. Work becomes easy if it is shared among all. A healthy relation with your fellow workers would ease the work load on you and in turn increases your productivity. One cannot do everything on his own. Responsibilities must be divided among team members to accomplish the assigned tasks within the stipulated time frame. If you have a good rapport with your colleagues, he will always be eager to assist you in your assignments making your work easier.

2. The organization becomes a happy place to work if the employees work together as a family. An individual tends to lose focus and concentration if his mind is always clouded with unnecessary tensions and stress. It has been observed that if people talk and discuss things with each other, tensions automatically evaporate and one feels better. Learn to trust others, you will feel relaxed. One doesn't feel like going to office if he is not in talking terms with the person sitting next to him. An individual spends around 8-9 hours in a day at his workplace and practically it is not possible that one works non stop without a break. You should have people with whom you can share your lunch, discuss movies or go out for a stroll once in a while. If you fight with everyone, no one will speak to you and you will be left all alone. It is important to respect others to expect the same from them.

3. An individual feels motivated in the company of others whom he can trust and fall back on whenever needed. One feels secure and confident and thus delivers his best. It is okay if you share your secrets with your colleagues but you should know where to draw the line. A sense of trust is important.

4. Healthy employee relations also discourage conflicts and fights among individuals. People tend to adjust more and stop finding faults in each other. Individuals don't waste their time in meaningless conflicts and disputes, rather concentrate on their work and strive hard to perform better. They start treating each other as friends and try their level best to compromise and make everyone happy.

5. A healthy employee relation reduces the problem of absenteeism at the work place. Individuals are more serious towards their work and feel like coming to office daily. They do

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not take frequent leaves and start enjoying their work. Employees stop complaining against each other and give their best

6. It is wise to share a warm relation with your fellow workers, because you never know when you need them. You may need them any time. They would come to your help only when you are nice to them. You might need leaves for some personal reasons; you must have a trusted colleague who can handle the work on your behalf. Moreover healthy employee relations also spread positivity around.

Role of HR manager in Employee relationship

It is rightly said that the success and failure of an organization is directly proportional to the relationship shared among the employees. The employees must share a cordial relation otherwise they would always end up fighting with each other. Nothing is possible without trust. You need to trust people to expect the best out of them. Trust only comes when you are comfortable with the other person. An individual can't always take decisions alone. Employees together can discuss things among themselves, come out with innovative ideas and accomplish the tasks at a much faster rate.

A human resource professional plays a key role in binding the employees together. He/she must undertake certain activities which help in strengthening the bond among the employees and bring them closer.

The individual taking care of the HR activities plays a key role in involving all the employees into something productive which would give them an opportunity to know each other well. Individuals are so engrossed in their daily routine work that they hardly get time to interact with each other. Many of them don't even know the full names of the person sitting next to their workstations. The human resource department must ensure that several group activities are being organized at the workplace to bring all employees on a common platform.

Research says that if the employees are satisfied with their job responsibilities, they tend to remain happy and avoid conflicts with each other. Individuals develop a feeling of trust and loyalty towards their organization and don't waste their time and energy in unproductive tasks.

Organize various activities like potlucks and small get togethers at the workplace. Ask each one to bring some dish according to his taste and convenience. Let the employees enjoy together. Employees tend to discuss lot many things apart from routine work in these kinds of informal get togethers.

One day probably the last day of the month should be earmarked with the sole objective of celebrating birthdays falling in the particular month. For example all those born in the month of May should celebrate their birthdays together on the last day of the month i.e. 31st May which will help a great deal for them to remain charged for next one year. The HR should send a formal mail inviting all. Let everyone enjoy and have fun. Divide individuals into groups and ask each group to do something. One group can probably be responsible for the decoration of the venue; the other group can take care of the cake as well as other eatables and so on. The HR person should ideally support each group to ensure that no one faces any difficulty in getting things organized.

It is the responsibility of the human resources team to organize various events like sports day, annual day, green day etc. The employees must be encouraged to participate in these kinds of extra curricular activities. Employees are able to relax this way and take a break from their routine work. Problems crop up when the work tends to become monotonous. Employees should enjoy coming to office, rather than treating work as a burden.

The HR in coordination with the team leaders must display the names of the top performers every month on the company's noticeboard.Send a congratulations mail as well. The human resource professional along with the supervisor can even hand over a small trophy as a token of appreciation to the top performers. Do this activity in the presence of all. The one who has performed well starts trusting his management more and strives hard to win many more trophies in the future. Everyone is aware about each other's performance and gets inspired as well.

While making the organization's policies, the human resource department must fix a common time for lunch for all the employees. Assign half an hour for the same and make sure that no one during the lunch time is seen working at their workstations. Everyone should come together at the office canteen and take lunch together. When people sit together, half of their problems disappear on their own. Employees share their sorrows, displeasures and various other problems with their colleagues and this way come closer to each other. People develop better bonding this way.

When a new employee joins an organization, make sure he receives a warm welcome by all. The induction program should be conducted at the auditorium or the conference room so that everyone can be invited. Ask the new joinee to introduce himself well. Let others know that a new member has stepped into their family to help them in their assignments.

The HR along with the line managers must communicate the key responsibility areas clearly to the employees to extract the best out of them and avoid dissatisfactions later.

Role of managers in employee relationship

A healthy employee relationship is essential for the employees to find their work interesting and perform their level best. It is important for everyone to understand that one goes to his organization to work and conflicts must be avoided as it is nothing but a mere waste of time. Employees must be comfortable with each other and work in unison towards a common goal. An

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individual cannot remain tightlipped and work for infinite hours, he needs people around to talk to and discuss his ideas.

One must have friends at the workplace whom he can trust well and share his secrets without the fear of them getting leaked. This way the employees feel motivated and enjoy going to office daily. They do not take frequent leaves and strive hard to live up to the expectations of the management. For an organization to perform well, it is important that the employees are friendly with each other and avoid criticism, backstabbing at work, a strong reason to spoil the relationship among the employees.

The team leader or the manager plays an important role in promoting healthy relation at workplace:

It is essential that the supervisor assigns challenging tasks to his team member as per his specialization and interest. The individual should have interest in the work; otherwise he would treat it as a burden and unnecessarily crib about things. It is important that the team leader understands his team members well. Try to find out their interests and what all they expect from the organization. While developing their KRAs it is always better if the team leader calls everyone and invites suggestions from them. Let them decide what best they can perform. This way the employees would never blame each other or their superior later as they themselves have decided on the roles and responsibilities. Encourage them to willingly accept the challenge. They would strive hard for a better output without fighting and finding faults in each other.

A team leader should be a role model to his team members. He should treat each and every individual as one and avoid partialities at work. Do not give anyone a special treatment just because he drops your son to school every day or says a yes to whatever you say. Appreciate if

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someone has done exceptionally well but do make sure to correct him if he is wrong somewhere. The team leader should not be rude or harsh to anyone. There is a correct way for everything and one should not insult any team member. It is strictly unethical. Sit with him and make him realize his mistakes. He would definitely look up to you in future.

The superior must not act pricy and should always be accessible to his employees. The individuals must have the liberty to walk up to their immediate bosses in case of a doubt and clear things. The hierarchy should not be too complicated as it leads to confusions and disputes among employees.

The manager must ensure that all important communication takes place on an open forum for everyone to get a common picture. Problems arise when communication is done on a one to one basis. Call everyone together so that all the members are clear as to what is expected out of them and what their colleagues are up to. Communication should be transparent for an effective employee relation. Any employee should not feel neglected or left out. If the team leader wants to pass on any information to his team members, he must send a mail keeping all the related members in the loop.

As a team leader it is one's prime responsibility to encourage healthy competition at work. Competition is mandatory for an individual's growth but it should not turn friends to foes. Motivate them constantly to perform better than the other but make sure there are no useless gossips in your team. If you find any of your team members criticizing or making fun of anyone, stop him immediately. Do not provoke any individual to fight, instead intervene and try to resolve the conflict as soon as possible.

Make sure all your team members take their lunch together and you are also a part of it. Don't discuss work that time. Let them enjoy. Encourage everyone to talk to each other and participate in discussions. Do take the initiative to ask about their families or personal lives as well. They would feel attached to you. If you find any two of your team members not getting along well with each other, make sure both of them work together on the same assignment. They would not be left with any choice than to talk to each other and discuss things. Make them sit together on adjacent workstations so that the comfort level increases.

The team leader should be neutral to his team members and make sure they enjoy a healthy relationship with him as well as their fellow team members for a better output. A team leader should try his level best to bring his team members closer and bind them together.

For better employee relationship

For an organization to perform well, it is essential that the employees share a warm and a healthy relationship among themselves. They must be comfortable with each other for them to enjoy their work and deliver their level best. Disputes and disagreements only lead to stress and nothing productive comes out of it.

Let us go through some handy tips for a professional for a healthy employee relationship:

The first and the foremost mantra for a healthy employee relationship is effective communication. A professional must communicate effectively by carefully putting his thoughts into relevant words to avoid confusions and better understanding at the workplace. One should never play with words or speak something which might make the other person feel awkward or out of place. One's communication has to be crisp and precise to create an impression. There should be transparency in speech at all levels for a healthy relationship. Pass on the information as it is.Never manipulate the

truth. Communication is an art.No individual is born with effective communication skills; it comes in due course of time with practice.

1. Professionals must depend more on written modes of communication than verbal as it is more reliable and one can't back out later. An email is nothing but a reflection of one's thoughts and should be self explanatory for the others to respond accordingly. Take care of the style and font of the mail. One needs to be very careful about the subject line as the other person opens the mail only when the subject line is impressive and relevant. The mail should be marked to all the employees who should be a part of the communication with a cc to the team leader for him to be aware of what is happening in his team. Don't send mails separately to individuals as it might create a confusion and eventually a friction among employees.

2. One should never adopt a casual attitude at work. Be professional in your approach. Learn to be disciplined. A professional must abide by the policies of the organization for better relations and peace at work. An individual should not take frequent leaves to ensure timely submission of work. Don't unnecessarily ask for favours from your team members. For a better relationship with the fellow workers, one should not interfere in each other's work. No one would appreciate if you peep into your colleague's computer screen or open something not meant for you. One should be more concerned with his own work rather than bothering about others. Your organization pays you for your hard work so one should not waste his time in criticizing or making fun of others. How would you feel if someone unnecessarily pulls you into a controversy? You would never feel like talking to him. Avoid playing blame game at work. Learn to own your responsibilities else you would be left all alone in the office. Backstabbing should be avoided as it is considered highly unprofessional and spoils the relationship among the employees.

3. Don't walk into meetings empty handed. Carry a notepad along with you to jot down the important points for future reference. An individual can't remember each and everything thus it is always advisable to write down somewhere to avoid forgetting things later and earn the criticism of others. Develop the habit of carrying a planner to mark the important dates. The agenda and the minutes of the meeting must be circulated among all so that everyone gets a common picture and nobody feels neglected.

4. It is essential to maintain the decorum of the office. Remember you are not sitting at your home where you can shout on anyone. Be polite to everyone irrespective of his designation

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and level in the hierarchy. Never use foul words or abusive language against anyone as it lead to severe disputes among employees. If you do not agree to someone, it is better to sit with him and discuss rather than arguing and spoiling your relationship. A professional must avoid gossiping and spreading unnecessary rumours at work.

5. Employees must help each other at work for a better relationship. One should avoid being jealous and selfish at work. If someone has done well, do appreciate him. Lend a sympathetic ear to your fellow workers if they are in trouble. Be a little more adjusting. Things can't always be the same as you want, compromise sometimes to your best extent possible. Don't just rush to your desk and start working the moment you step into your office. Greet others with a warm smile. Take your lunch with your team members and do go out once in a while to increase the comfort level. Celebrate festivals at the workplace where each and every employee can come together and enjoy. Don't forget to wish your colleague on his birthday. Bring a nice gift for him as well.

6. One should intervene immediately in case of conflicts and arguments. Don't tend to ignore things. One needs to be loyal towards his organization to be in the good books of the management as well as to grow professionally. Never misguide anyone. If you are not aware of something, it is better to stay out of it than misleading the other person.

7. Last but not the least one should always have a positive attitude at work. Try to be friendly with your colleagues and don't always find faults in them. Don't assume that your colleagues would always harm you. One should always look at the positive side of the things to avoid stress and maintain a cordial relationship with everyone at work.

Employee relationship management

Employee relationship management is an art which effectively monitors and manages the relation between individuals either of the same team or from different teams. Employee relationship management activity helps in strengthening the bond among the employees and ensures that each one is contented and enjoys a healthy relation with each other.

Employee relationship management includes various activities undertaken by the superiors or the management to develop a healthy relation among the employees and extract the best out of each team member.

Let us go through certain activities which are imperative for a healthy employee relationship management:

1. Transparency in communication is of utmost importance for a healthy employee relationship management. A single point of contact must be assigned who should be made responsible for handling queries of all the team members and escalating it to the seniors. Confusions are bound to arise if all of them would walk up to their superiors with their problems. Let the team members decide their SPOC. In such cases employees actually know who to get in touch with in case of a query and in the absence of their superiors. The hierarchy should not be too complicated and every employee should be accessible to each other. Important information must be passed on in the presence of all, where everyone has the liberty to express his opinions freely. Important information can also be put on the notice boards for everyone to read and get a common picture. If any one has performed exceptionally well, do display his name on the bulletin board. Let everyone read it and get inspired to perform better next time. Encourage morning meetings where individuals can come together and know each other well. Exchanging information through emails is also an important way to improve the relation among the employees as everyone knows what is being communicated to the other individual.

2. Encourage group activities at the workplace. Motivate individuals to work together probably in a group so that the comfort level increases. The more they talk, the more they get to know each other. Give them a target, a deadline and ask them to take each other's help and reach to a conclusion. They would definitely come closer this way and start trusting each other more.

3. An individual spends the maximum time at his workplace and one should treat his team members as a part of one's extended family. It is important to celebrate festivals at organization, the same way we do at our homes. Celebrate each other's birthday and do ask for treats. Such informal get togethers go a long way in improving the relation among the

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employees. Individuals come together, enjoy together and come to know lot many things which actually they don't bother to find out during the normal working hours. Families must also be invited for a better bonding. The team leaders must ask their team members to take their lunch together so that they discuss other things apart from their daily work.

4. Assign challenging work to your team members so that they feel motivated to deliver their level best. Do not assign something which they do not find interesting. The responsibilities must be divided equally among the team members and no employee should be overburdened. Every employee should be aware of his key responsibility areas to avoid confusions. No way should the work get monotonous.

5. The concept of workstations and cubicles must be promoted rather than closed cabins. People sitting in closed cabins tend to get cut off from rest of the employees in the organization and are generally lost in their own sweet world. They would enter their cabins in the morning and come out in the evening and thus sometimes even don't get the opportunity to exchange greetings with their fellow workers. People sitting in workstations tend to talk to each other more often even in between work and thus relationship improves. One can even walk up to the other's desk to have a brief chit chat in order to take a small break and feel relaxed. Employees sitting together discuss many things and even share their secrets, thus the trust increases. It is commonly observed that if any of your colleagues sitting next to you is on leave for some days, you start missing him.

6. The employees must be motivated to avoid politics and blame games at work. Such activities are considered highly unproductive and spoil the relationship among the employees. Backbiting is a strict no no at the workplace. Avoid getting into unnecessary controversies and useless criticism at work. Respect your team members as well as your superiors. It is important that one trusts his management rather than unnecessarily cribbing and finding faults. Avoid conflicts and try to adjust with each other. It is okay to be friends with your colleagues but don't have unrealistic expectations from anyone.

7. Last but not the least the superiors or the team leaders must not act pricy and try to dominate their team members. The "Hitler approach" does not work now a days. No one should be afraid of his boss, instead treat him as his well-wisher and mentor who is always there to

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support him. The employees must be able to fall back on their team leader anytime. The team leader must understand the needs and expectations of his employees and should not be too harsh to them. If they want a leave for a genuine reason, do grant them. Don't be after their life if you find them chatting with their family or friends over the phone once in a while or log on to any social networking site. These things are natural but make sure the work does not suffer.

8. Partialities must be avoided for a better employee relationship. Treat everyone as one and every individual must respect each other's privacy. There is a limit to everything and thus over indulgence in each other's work, too much of a friendly nature should be avoided.
9. For a better employee relationship management, it is important that employees have a positive frame of mind and don't always consider their colleagues as their enemies. Don't always assume that your fellow team member would say something against you in front of your boss. Avoid disputes, misunderstandings, instead work together, enjoy together and make the organization a better place to work.

Meaning of Trade Union

Trade union is a voluntary organization of workers formed to protect and promote their interests through collective action. These may be formed on plant basis, industry basis, firm basis, regional basis or national basis.

Different writers and. thinkers have defined the trade union differently. A few definitions are given below:

(1) Trade Union is a "continuous association of wage earners for the purpose of maintaining and improving the conditions of their working lives".

– Webb

"A labour union or trade union is an organization of workers to promote, protect and improve, through collective action the social economic and political interests of its members".

- Edwin B. Flippo

Functions of Trade Unions

The basic function of unions is to protect and promote the interest of the workers and conditions of their employment. The other factors are:

i) achieving higher wages and better working and living conditions for the members;

ii) Acquiring the control of industry by workers;

iii) Minimizing the helplessness of the individual workers by making them stand collectively and increasing their resistance power through collective

bargaining; protecting the members against victimization and injustice of the employers;

iv) Raising the status of the workers as partners of industry and citizens of society by demanding increasing share for the workers in the management of industrial enterprises;

v) Providing a worker self-confidence and a feeling that he is not simply a cog in the machine;

vi) Imbibing-sincerity and discipline in workers; and

vii) Taking up welfare measures for improving the morale of the workers.

The functions of trade unions can be divided into five categories, viz.:

(a) Militant or Protective or Intra-Mural Functions

(b) Fraternal or Extra-Mural

(c) Social Functions

(d) Political Functions

(e) Ancillary Functions

Militant or Protective or Intra-Mural Functions - These functions include protecting the workers' interests, i.e., hike in wages, providing more benefits, job security, etc., through collective bargaining and direct action such as strikes gheraos, etc.

(b) Fraternal or Extra-Mural Functions - These functions include providing financial and non-financial assistance to workers during the periods of strikes and lockouts, extension of medical facilities during slackness and causalities, provision of education, recreation, recreational and housing facilities, provision of social and religious benefits, etc.

(c) Social Functions - These functions include carrying out social service activities, discharging social responsibilities through various sections of the society like educating the customers.

(d) Political Functions - These functions include affiliating a union to a political party, helping the political party in enrolling members, collecting donations, canvassing during election-period, seeking the help of political parties during the strikes and lockouts.

(e) Ancillary Functions - Ancillary functions of trade unions include:

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(i) Communication: Trade Unions communicate its activities, programmes,

decisions, achievements, etc., to its members through publication of newsletters or magazines.

(ii) Welfare Activities: Trade Unions undertake welfare activities like acquiring of house sites, construction of houses, establishment of cooperative housing societies, cooperative thrift and credit societies, organizing training activities, etc.

(iii) Education: Trade Unions provide educational facilities to its members and their family members.

(iv) Research: Trade Unions arrange to conduct research programmes. They systematically collect and analyze data and information for collective bargaining, preparing of notes for union officials, for court cases, etc.

They also arrange to analyze macro data about the economy, industry and different sectors, etc.

The following principles regulate trade union functions:

(i) The Doctrine of Vested Interest - According to this doctrine, "wages and other conditions of employment hitherto enjoyed by any section of workmen ought under no circumstances be interfered with for the worse".

(ii) The Doctrine of Supply and Demand - This doctrine relies on the method of collective bargaining and implies that because of collective action on the part of labourers, trade unions are able to attain their objectives.

(iii) The Doctrine of Living Wage - This doctrine empowers the workers to maintain their right to demand to living wage.

(iv) The Doctrine of Partnership - This doctrine implies that the workers are to be accepted as partners in industry as such they should be associated with the affairs of the management.

(v) The Doctrine of Socialism - This doctrine implies that every worker has a right to work, rest and leisure, maintenance in old age, sickness and disability and equal pay for equal work.

Types of Trade union

There are four main types of trade unions.

These are:

i. Craft unions

These represent workers with particular skills e.g. plumbers and weavers. These workers may be employed in a number of industries.

ii. General unions

These unions include workers with a range of skills and from a range of industries.

iii. Industrial unions

These seek to represent all the workers in a particular industry, for instance, those in the rail industry.

iv. White collar unions

These unions represent particular professions, including pilots and teachers. Unions in a country, often belong to a national union organisation. For example, in India, a number of unions belong to the All India Trade Union Congress (AITUC).

This is the oldest and one of the largest trade union federations in the country. A number of them also belong to international trade union organisations such as the International Confederation of Free Trade Unions, which has more than 230 affiliated organisations in 150 countries.

Role of Unions

Unions carry out a number of functions. They negotiate on behalf of their members on pay scales, working hours and working conditions. These areas can include basic pay, overtime payments, holidays, health safety, promotion prospects, maternity and paternity rights and job security.

Depending on the circumstances, unions may try to protect or improve workers' rights. They also provide information on a range of issues for their members, for instance on pensions. They help with education and training schemes and may also participate in measures designed to increase demand for the product produced and hence for labour.

Some also provide a range of benefits to their members including strike pay, sickness pay and unemployment pay. In addition many get involved in pressurizing their governments to adopt a legislation, which will benefit their members or workers in general, such as fixing a national minimum wage.

Problems in trade Union

1. Small Size

According to the veteran trade union leader V.V. Giri, "the trade union movement in India is plagued by the predominance of small sized unions". To quote there were 9,023 trade unions submitting returns during the year 1992. The total membership of these unions was 57.4 lakhs, with

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an average membership of 632 per union. Nearly three-fourths of the unions have a membership of less than 500. Smallness in size of the union implies, among other things, weakness in bargaining power.

2. Poor Finance

Small size of unions has its direct bearing on its financial health. Total income and total expenditure of 9,073 trade unions with a membership of 57.4 lakhs were Rs. 3,238 lakhs and Rs. 2,532 lakhs respectively in 1992. The per member income and expenditure, thus, come to Rs. 56.4 and Rs. 44.1 respectively". These are, by all means, very low. It is the small size of trade unions accompanied by small subscriptions; the trade unions cannot undertake welfare activities.

3. Politicization

A serious defect of the trade union movement in India is that the leadership has been provided by outsiders' especially professional politicians. Leaders being affiliated to one or the other party, the unions were more engrossed in toeing the lines of their political leaders than protecting workers' interests.

Ironically, in many cases, the political leaders possess little knowledge of the background of labour problems, fundamentals of trade unionism, the techniques of industry, and even little general education. Naturally, unions cannot be expected to function efficiently and on a sound basis under the guidance of such leaders.

4. Multiplicity of Unions

Trade unionism in India is also characterised by multiplicity of unions based on craft, creed and religion. This is well indicated by the socio-political realities after the mandalisation of polity and heightened sectarian consciousness after the demolition of the disputed structure of Ayodhya.

As noted earlier, the multiplicity of unions is mind-boggling in the DTC (50), the SAIL (240) and the Calcutta Corporations (100). The implication of multiplicity of trade unions is that it leads to union's rivalry in the organization. Obviously, multiplicity of unions contributes to fragmentation to workers leading to small-sized unions.

5. Lack of Enlightened Labour Force

The lack of an enlightened labour force capable of manning and conducting the movement efficiently, purposefully and effectively has been a major problem in the development of trade unions in the country. Lack of education, division by race religion, language and caste, migratory nature,

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lack of self consciousness, and non-permanent class of workers have been attributed as the causes for the lack of enlightened labour force in India.

6. Miscellaneous Problems

The other problems from which trade union movement has suffered include:

s(i) The majority of registered unions are independent unions as only 16,000 units out of 50,000 registered unions are affiliated to the Central Trade Unions (CTUs). One possible reason for this IS the educated workers' preference to the independent unions,

Definition of Grievance

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 where he is working. When the organisation fails 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 practices.

Keith Davis defines it as "any real or imagined feeling of personal injustice which an employee has concerning his employment relationship".

The International Labour Organisation defines grievance as "a complaint of one or more workers in respect of wages, allowances, conditions of work, and interpretation of service stipulations, covering such areas as overtime, leave, transfer, promotion, seniority, work assignment and termination of services".

On analysis of these various definitions, it may be noted that:

1. A Grievance may be unvoiced or expressly stated by an employee.

2. It may be written or verbal

3. It may be valid and legitimate, untrue or completely false, or ridiculous; and

4. It may arise out of something connected with the organization or work.

Causes or sources of Grievances

Generally employee's grievances may be due to the following:

1. Grievance arising out of working conditions

1. Poor physical circumstances of work environment

2. Non-availability of appropriate tools and machines

3. Failure to maintain good discipline

4. Mismatch of worker with job

5. Very high production targets

6. Poor relationship with the supervisor

2. Grievance arising from Management Policy

1. Wage rates and method of wage payment

2. Overtime and incentive schemes

3. Seniority

4. Transfers

5. Promotion, Demotion and Discharge

6. Penalties imposed for misconduct

7. Leave

8. Lack of opportunities for career development

3. Grievances arising from Violation

1. Violation of collective bargaining agreement

2. Violation of company rules and regulations

3. Violation of past practice

4. Violation of Central and State Governments Laws

5. Violation of Responsibilities of Management.

Grievance Handling Procedure

A standardized grievance handling procedure consists of the following steps:

1. Employee gives written statement of Grievance

2. Meeting is held and the employer informs the employee of the outcome.

3. Appeal, if necessary.

Causes & Approaches towards Disciplinary Action

Causes for Infringement of Discipline

The main reasons for breach of discipline in any organization may be stated under following
Heads
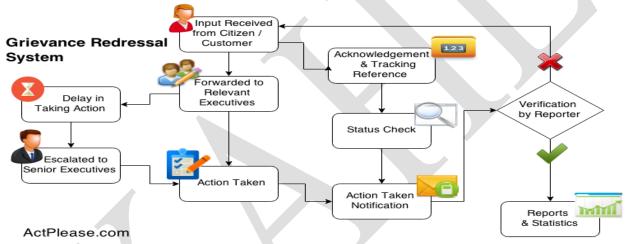
(I) Causes Related To the Worker

(a) Illiteracy and low intellectual level of workers.

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(b)Workers personal problems like their fears, hope, aspirations etc.

(c) Inborn tendencies of workers to flout rules.

(II) Causes Related To the Socio – Cultural Factors -

(a)Misunderstanding and rivalry among workers.

(b)Discrimination based on caste, colour, sex, place in imposing penalties.

(III) Causes Related To the Work Environment –

(a)Bad working conditions.

(b)Defective supervision

(c)Non-placement of right person on the right job.

Grievance Redressal Machinery

Paper-based Feedback Forms

These are most popular and usually used by consumer service businesses, such as hotels and restaurants. They are less likely to be effective, as there is reduced assurance of their reaching the decision-making authorities. These also usually do not give any formal confirmation or tracking number to the complainant. Possibility of fake submissions also remains. Customers therefore have less confidence on such forms. Confidence can be strengthened if a central call center sends an acknowledgement of receipt of such feedback. Another possible reinforcement may be done by taking digitized input, which can be processed using scantron machines.

Contact Us Links

Websites of organizations generally carry the Contact Us page, which lists the email and phone numbers to use to submit any concerns. Many websites also provide a form to fill that automatically gets sent by email, with confirmation to the reporter.

Customer-driven Feedback Websites

Websites such as Yelp and Trip Advisor allow customers to post grievances and recommendations about organizations from personal experience. Designated representatives of these organizations have the option to respond to such communications, though these responses are often just standard text. The feedback also tends to be subjective and unlikely to be auto-sorted and forwarded for action.

Organization-oriented Portals

Organizations can subscribe to grievance redressal portals such as ActPlease.com to invite their customers to report their grievances and request action. As such portals are configured by the organizations themselves, they can ensure that complaints are directed properly. ActPlease, being a third party site, handles anonymity of the reporter from the organization when necessary, while ensuring the genuine nature of the person, through SMS verification. Such SaaS Portals are easy to use and easily affordable for all organizations including SMEs, while empowering them with the latest tools such as Mobile Apps and Customized Websites.

Custom-developed Ticketing Systems

Large organizations involved in customer service set up their own ticketing systems with similar features as the SaaS portals, but with greater customization in the processing of grievances. Examples of such organizations are Bharat Sanchar Nigam Limited and Torrent Power. Large-scale ERP software, such as SAP and Genie also provide facility for setting up ticketed grievance redressal and customer support systems.

Essentials of Good Grievance Handling Procedure

The basic principles or essentials of a sound grievance handling procedure are the following:

1. **Procedural Fairness:** The process of grievance handling should be fair and impartial. The grievant should be informed about the process and the implications of making a formal complaint before proceeding.

2. **Substantive Fairness:** The grievance handler should not assume guilt. They should determine that the complaint is substantiated only after hearing from both sides, checking other relevant evidences and taking into account any mitigating circumstances.

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3. **Confidentiality:** A grievant should be able to raise a complaint and get advice in confidence.

4. **Timeliness:** Delays in any stage of the grievance handling procedure can result in a denial of procedural fairness.

5. **Record keeping:** It is also necessary to keep records about details of allegations, responses and actions.

6. **Transparency:** There must be sufficient scope for transparency in the effective implementation of policies and procedures.

7. **Openness, Honesty and Fair dealing:** Openness, honesty, fair and accurate reporting should be ensured.

Organizational Discipline

Discipline

Meaning & Definition of Discipline

Discipline means getting obedience to rules and regulations of the organization. Discipline is absolutely essential for the smooth running of business. Fayol, stated that discipline is obedience, application, energy and outward mark of respect. According to Webster's Dictionary, the word discipline has three meanings. "First, it is the training that corrects moulds, strengthens or perfects individual behaviour. Second, it is control gained by enforcing obedience. The third meaning, it is punishment or chastisement

Definition of Discipline

According to Dr. Spriegel, "Discipline is the force that prompts an individual or a group to observe the rules, regulations and procedures which are deemed to be necessary to the attainment of an objective; it is force or fear of force which restrain an individual or a group from doing things which are deemed to be destructive of group objectives. It is also the exercise of restraint or the enforcement of penalties for the violation of group regulations." Thus discipline can be regarded as a force that requires employees to follow the rules and regulations of an organization considered vital for its efficient working. In brief, discipline is an employee's self control which motivates him to comply with the organization's goals and objectives.

Aspects of Discipline

Negative Aspect - This aspect uses "fear" as a force to enforce discipline in the organization. If any employee or worker defies the rules and regulation strict punishment is levied on them. This is categorized as traditional concept of discipline.

Positive Discipline

Now a days the management of various organizations have adopted positive progressive outlook for disciplining the employees. With the ever increasing awareness among the workers concerning their rights and responsibility, it was required on the part of management to reconsider the negative approach of fear used by them so far.

Thus management emphasized on the concept of self – discipline. This approach of self control asserts on cooperative efforts of employees to abide by the rules of the organization. Thus positive aspect of discipline plays a much greater role in safeguarding industrial peace and prosperity.

Main Characteristics of Discipline

The following are the main characteristics of Discipline can be summed up as follows:-

(i) To guarantee successful fulfilment of organizational goals it motivates workers to abide by the instructions issued by the management or superiors.

(ii) It is a negative approach in the sense that it discourages employees in under taking some activities while encouraging undertaking the few others.

(iii) On Violation or disobedience of organization rules it imposes fine or reprimand, therefore, it is also called as punitive or big stick approach.

Aims & Objectives of Discipline

The aims and objectives of discipline are as follows:-

(i) For the achievement of organizational goals it tries to earn the willing approval of employees.

(ii) To introduce the component of uniformity and assurance despite the numerous organization.

(iii) For improving the quality of production by enhancing the morale and working efficiency of the employees.

(iv) To generate respect for human relations in the organization.

(v) To confer and seek direction and responsibility.

Importance of Discipline in Industry

Discipline acts as a cornerstone for the smooth functioning of any enterprise. Absence of discipline in any industry can create a great amount of commotion and confusion thereby decreasing its productivity. For any enterprise however big or small manpower is the most pivotal resource and thereby all efforts should be made to discipline them. All steps should be taken to encourage mutual trust and confidence between the workers and the management which is indispensable to bring about

needed discipline at the workplace. Maintenance of discipline is a precondition for attaining the aims and purposes of the organization swiftly.

Indiscipline

Disciplined employers will assist in creation of pleasant industrial environment which indiscipline may be expressed as non – compliance to formal and informal rules and regulations of an organization. Indiscipline may prove to have detrimental effects on the morale and motivation of the employees as well as on the organization as a whole.

Factors Responsible for Indiscipline

There are various socio-economic and cultural factors that play a role in creating indiscipline in an organization. The important among them are:

1. Unfair labour practices
2. Wage differentials
3. Wrong work assignments
4. Defective grievance procedure
5. Payment of very low wages
6. Poor communication
7. Victimisation by management
8. Ineffective leadership.

Guidelines of a Disciplinary Action

(a) Fixation of Responsibility – the responsibility for sustaining discipline in the organization should be given to a responsible person, say personnel officer.

(b) Proper Framing & Communication of Rules – the rules and regulations should be cautiously and accurately formulated and published in employee handbooks.

(c) Rules and Regulations Should be Reasonable – the work standards set Should be attainable by the employees and the rules be modified at frequent intervals to suit the changing organizational circumstances.

(d) Equal Treatment – Rules and penalties should be applied equitably. Identical punishment should be granted for identical offences.

(e) Prompt Action – care should be taken to make sure that the penalty is imposed soon after the violation of a rule has occurred.

(f) Search for the Facts – before proceeding to take any action against an employee , provide him with sufficient time to present his side of the case i.e. What and why it Happened ….?

(g) Natural Justice – the punishment or penalty imposed on the indisciplined worker must satisfy the principle of natural justice. The punishment should always justify with the gravity of the offence.

Mc Gregor's Hot Stove Rule

The model method for enforcement of discipline should have the four important Characteristics of a red– hot – stove.

(i) Advance Warning – a red – hot stove tells us, "don't touch me, you will suffer" Similarly a worker knows what is expected of him and what will be the result if he fails to live up to those expectations.

(ii) Immediate Effect - if one overlooks the advance warning and touches the stove, gets immediate result (fingers may suffer burns) likewise workers may get instantaneous effect on committing any act of indiscipline.

(iii) Consistency – every time we touch a red – hot stove we get the same result. Every time a worker commits the insufficient act , he should be penalized.

(iv) Impersonal Approach – red – hot stove functions uniformly for all, doing away with any favouritism. In the same way, management should not discriminate in imposing punishment on basis of caste, creed, colour, sex etc. It should guarantee the fundamental right to equality. Thus these four characteristics should be kept in mind before administrating any disciplinary action.

Procedure for Disciplinary Action

The following steps should be taken care of while administrating a disciplinary action:

(a) Ascertaining the Statement of the Problem - First look into the violation of rule and the number of employees involved in the matter. Then ascertain the gravity of the violation and the conditions under which it occurred.

(b) Searching for the Underlying Facts – This calls for thorough examination of the case together the relevant facts.

(c) Deciding upon the Type of Penalty – The penalty or punishment should be such which discourages future reoccurrence of the offence or violation. But it should always relate to the gravity of the offence.

(d) Application of Penalty – The selected penalty may be imposed on the wrong doers and if the offence is not of a serious nature then it may be disposed off quickly.

(e) Follow-up on Disciplinary Action – Vigilant supervision of the person against whom a disciplinary action is taken should be done.

Principles of Industrial Discipline

Industrial Discipline should be based on certain just and fair principles to be accepted by the employees. The basic Prerequisites or principles to be observed are:-

(i) The very objectives of industrial discipline should be clearly laid out

(ii) The code of conduct should be framed with consultation & collaboration of the workers or their representatives.

(iii) The code of conduct must be communicated to all concerned in the organization.

(iv) The rules and regulation concerning the discipline should understandable by all.

(v) The rules of conduct must able to settle the grievances if any arising during the period be of employment.

(vi) The approach of discipline policy should be preventive i.e. stress be laid on prevention of violation of discipline rather than on the administration of penalties.

(vii) The quantum of reprimand for each case of misconduct should be specified clearly in advance by publishing them in employee's handbook.

(viii) The enforcement authority must be specified.

(ix) Discipline policy should not discriminate against the employees; it should be uniform for all employees without favoring any one worker or employee.

(x) A disciplinary committee in the advisory capacity be constituted to look into the matters of indiscipline and put forth the necessary suggestions.

Concept of Industrial Disputes

In common parlance, dispute m eans difference or disagreement of strife over some issues be-tween the parties. As regards industrial dispute, since its settlement proceeds as per the legal provi-sions contained in the 'Industrial Disputes' Act, 1947, hence it seems pertinent to study the concept of industrial disputes from a legalistic angle.

According to Section 2 (k) of the Industrial Disputes Act, 1947, the term 'industrial dispute' means "any dispute or difference between employers and employers or between employers and

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workmen, or between workmen and workmen, which is connected with the employment or non-employment or the terms of employment and conditions of employment of any person".

Nature of an industrial dispute:

1. The dispute must affect a large number of workmen who have a community of interest and the rights of these workmen must be affected as a class.

2. The dispute must be taken up either by the industry union or by a substantial number of workmen.

3. The grievance turns from individual complaint into a general complaint.

4. There must be some nexus between the union and the dispute.

5. According to Section 2A of the Industrial Disputes Act, 1947, a workman has a right to raise an industrial dispute with regard to termination, discharge, dismissal, or retrenchment of his or her service, even though no other workman or any trade union of workman or any trade union of workmen raises it or is a party to the dispute.

Forms of Industrial Disputes

The industrial disputes are manifested in the following forms:

Strikes: Strike is the most important form of industrial disputes. A strike is a spontaneous and concerted withdrawal of labour from production. The Industrial Disputes Act, 1947 defines a strike as "suspension or cessation of work by a group of persons employed in any industry, acting in combi-nation or a concerted refusal or a refusal under a common understanding of any number of persons who are or have been so employed to continue to work or accept employment".

According to Patterson "Strikes constitute militant and organised protest against existing industrial relations. They are symptoms of industrial unrest in the same way that boils symptoms of disordered system".

Depending on the purpose, Mamoria et. al. have classified strikes into two types: primary strikes and secondary strikes.

(i) Primary Strikes

These strikes are generally aimed against the employers with whom the dispute exists. They may include the form of a stay-away strike, stay-in, sit-down, pen-down or tools- down, go-slow and work-to-rule, token or protest strike, cat-call strike, picketing or boycott.

(ii) Secondary Strikes

These strikes are also called the 'sympathy strikes'. In this form of strike, the pressure is applied not against the employer with whom the workmen have a dispute, but against the third person who has good trade relations with the employer.

However, these relations are severed and the employer incurs losses. This form of strike is popular in the USA but not in India. The reason being, in India, the third person is not believed to have any locus standi so far the dispute between workers and employer is concerned.

General and political strikes and bandhs come under the category of other strikes:

Lock-Outs

Lock-out is the counter-part of strikes. While a 'strike' is an organised or concerted withdrawal of the supply of labour, 'lock-out' is withholding demand for it. Lock-out is the weapon available to the employer to shut-down the place of work till the workers agree to resume work on the conditions laid down by the employer. The Industrial Disputes Act, 1947 defined lock-out as "the temporary shutting down or closing of a place of business by the employer".

Lock-out is common in educational institutions also like a University. If the University authority finds it impossible to resolve the dispute raised by the students, it decides to close-down (or say, lock-out) the University till the students agree to resume to their studies on the conditions laid down by the University authority. Recall, your own University might also have declared closure sometimes for indefinite period on the eve of some unrest / dispute erupted in the campus.

Gherao

It is a Hindi word which means to surround. The term 'Gherao' denotes a collective action initiated by a group of workers under which members of the management of an industrial establishment are prohibited from leaving the business or residential premises by the workers who block their exit through human barricade.

A human barricade is created in the form of a ring or a circle at the centre of which the persons concerned virtually remain prisoners of the persons who resort to gherao. Gheraos are quite common in India these days. Gheraos are resorted to not only in industrial organisations, but also in educational and other institutions. The persons who are gheraoed are not allowed to more nor do any work.

Picketing

When workers are dissuaded from reporting for work by stationing certain men at the factory gates, such a step is known as picketing. If picketing does not involve any violence, it is perfectly

legal. It is basically a method of drawing the attention of public towards the fact there is a dispute between the management and the workers.

Causes of Industrial Disputes

We can classify the causes of industrial disputes into two broad groups:

(i) Economic causes, and

(ii) Non-economic causes.

Economic causes include:

(i) Wages,

(ii) Bonus,

(iii) Dearness allowance,

(iv) Conditions of work and employment,

(v) Working hours,

(vi) Leave and holidays with pay, and

(vii) Unjust dismissals or retrenchments.

Non-economic causes include

(i) Recognition of trade unions,

(ii) Victimisation of workers,

(iii) Ill-treatment by supervisory staff,

(iv) Sympathetic strikes,

(v) Political causes, etc.

Measures to Improve Industrial Relations:

The following measures should be taken to achieve good industrial relations:

1. Progressive Management

There should be progressive outlook of the management of each industrial enterprise. It should be conscious of its obligations and responsibilities to the owners of the business, the employees, the consumers and the nation. The management must recognise the rights of workers to organise unions to protect their economic and social interests.

The management should follow a proactive approach, i.e., it should anticipate problems and take timely steps to minimise these problems. Challenges must be anticipated before they arise otherwise reactive actions will compound them and cause more discontent among the workers.

2. Strong and Stable Union

A strong and stable union in each industrial enterprise is essential for good industrial relations. The employers can easily ignore a weak union on the plea that it hardly represents the workers. The agreement with such a union will hardly be honoured by a large section of workforce. Therefore, there must be a strong and stable union in every enterprise to represent the majority of workers and negotiate with the management about the terms and conditions of service.

3. Atmosphere of Mutual Trust

Both management and labour should help in the development of an atmosphere of mutual cooperation, confidence, and respect. Management should adopt a progressive outlook, and should recognise the right of workers.

Similarly, labour unions should persuade their members to work for the common objectives of the organisation. Both the management and the unions should have faith in collective bargaining and other peaceful methods of settling industrial disputes.

4. Mutual Accommodation

The right of collective bargaining of the trade unions must be recognised by the employers. Collective bargaining is the cornerstone of industrial relations. In any organisation, there must be a great emphasis on mutual accommodation rather than conflict or uncompromising attitude. Conflicting attitude does not lead to amicable labour relations; it may foster union militancy as the union reacts by engaging in pressure tactics. The approach must be of mutual "give and take" rather the "take or leave".

5. Sincere Implementation of Agreements

The management should sincerely implement the settlements reached with the trade unions. The agreement between the management and the unions should be enforced both in letter and spirit.

6. Workers' Participation in Management

The participation of workers in the management of the industrial unit should be encouraged by making effective use of works committees, joint consultation and other methods. This will improve communication between managers and workers, increase productivity and lead to greater effectiveness.

7. Sound Personnel Policies

Personnel policies should be formulated in consultation with the workers and their representatives if they are to be implemented effectively. The policies should be clearly stated so that

there is no confusion in the mind of anybody. The implementation of the policies should be uniform throughout the organisation to ensure fair treatment to each worker.

8. Government's Role

The Government should play an active role for promoting industrial peace. It should make law for the compulsory recognition of a representative union in each industrial unit. It should intervene to settle disputes if the management and the workers are unable to settle their disputes. This will restore industrial peace.

Settlement of Disputes

In spite of all efforts at avoiding occasions and causes of disputes, disputes may and do occur. It is, therefore, necessary to have some machinery for the settlement of disputes after they have arisen.

There are usually two methods of meeting such situations:

(i) Conciliation, and

(ii) Arbitration.

Conciliation

The essential feature of this method is that the settlement is reached by representatives of the workers and the employers themselves, with or without the mediation of an outside person.

Arbitration

In the case of arbitration, the question at issue is placed before an outside person for settlement. Arbitration may be voluntary as in Britain or compulsory as in Australia and New Zealand. Under voluntary arbitration, the award is not finding on the parties.

Preventive machineries

Preventive Machineries:

The preventive machinery comprises the following for settlement of disputes:

1. Tripartite Bodies:

The bodies consisting of representatives of management, workers and government shaped up to resolve disputes through consultation, mutual understanding and goodwill through the following.

(a) Indian Labour Conference:

Indian Labour Conference (ILC) in its yearly meeting suggests ways and means to settle industrial disputes. It promotes uniform labour legislation and lays down procedures for settling disputes. It

discusses out the matter relating to employers and employees of national importance such as labour welfare and morale of labour. It makes necessary suggestions to government on the matters referred to it giving due considerations to suggestions made by the representatives of employers and employees.

(b) Standing Labour Committee:

Standing Labour Committee or SLC considers matters referred to it by Indian Labour Conference or by Central Government and takes into accounts the suggestions by the state governments, employers and workers. The agenda for the meetings of both the above organs is set by the Ministry of Labour now Ministry of Human Resources after receiving suggestions from various members, organisations. These bodies facilitate complete and detailed discussions among members on all aspects of matters referred to it. Meeting of Indian Labour Conference held once in a year and that of Standing Labour Committee as and when deemed necessary.

(c) Industrial Committees:

Industrial Committees are meant for discussing specific problems of industries. After due consideration and discussion they submit their report to Indian Labour Conference. ILC then reviews and coordinates their activities. These committees are meant for seventeen selective industries only which includes coal mining, cotton textiles, jute, plantations tanneries, cement, building and construction, engineering industries. (d) Central Implementation and Evaluation Committee:

This is the committee set up for implementing settlements, awards and labour laws.

(e) Committee on Conventions:

It is the committee meant for reviewing ILO conventions and recommendations and to see the feasibility of their applications to Indian situations. Many ILO conventions and recommendations have been ratified by this committee until now.

2. Code of Discipline:

The 16th Indian Labour Conference held in 1958 approved code of discipline for the public and private sector industries for maintenance of good relations between employees and management. Code consists of self imposed mutually agreed voluntary principles. Code prescribes that both

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employers and employees should recognize the rights of each other and should discharge their duties and responsibilities for each other willingly.

According to this code workers and management have to resolve their disputes at appropriate level and forbids both workers and management not to take any unilateral action in respect of industrial relations causing disputes. It also forbids management to increase workload without the consent of workers and to interfere the workers for joining any union.

It prohibits unions to engage in violence of any kind. However the code does not impose any penalty. The code helps in speedy settlement of dispute. The high hopes in respect of code turned futile because it could not stand the test of time.

3. Voluntary Arbitration:
Resolving disputes through legal procedures consumes lot of time. Code of conduct prescribes and favours settlement of disputes through voluntary arbitration. It takes less time. The provisions for voluntary arbitration are made in the Industrial Disputes Act, 1947. Under this an arbitrator is chosen by the parties to the dispute mutually. The arbitrator submits the award to the government. It is published and becomes enforceable within 30 days of its publication.

The voluntary arbitration is favoured because:

(i) It is easy and consumes less time,

(ii) It encourages industrial democracy through due encouragement to collective bargaining and avoids lengthy litigation,

(iii) Promotion of goodwill and confidence between the parties at dispute is an added advantage,

(iv) It is acceptable to both the parties as it impeach their personal freedom and aspirations.

The voluntary arbitration suffers from certain limitations.

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They are:

(a) Arbitrators do not command confidence of the parties at disputes,

(b) There is a provision for appeal against the award of arbitrator,

(c) Tedious procedure of voluntary arbitration.

The voluntary arbitration has not made appreciable progress in resolving disputes.

4. Standing Orders:
The provisions for standing orders are made in the Industrial Employment Standing Order Act 1946. Standing orders govern the conditions of employment from entry into to an exit from the enterprise. It prevents disputes arising out of terms and conditions of employment.

Standing orders provide code of conduct for the workers during their tenure in the enterprise. They regulate patterns for industrial relations. Standing orders govern not only conditions of employment but also grievances, misconduct, discharge, disciplinary action, base for promotion etc. for the employees of an enterprise.

5. Grievance Redressal:
Code of discipline provides for grievance redressal machinery. Management should set up it. The grievances should be settled at the lowest level immediately and efforts must be made not to allow the dispute to take serious turn. The grievances arising out of personal matters and conditions of employment should be referred to the officer deputed by the management for the purpose. If employee is not satisfied with the settlement it may then be referred to a committee meant for dealing with grievances.

6. Employees' Participation in Industry:

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The joint management councils were set up in 1958 with the object of restoring better industrial relations and having cooperation between employers and employees. Many shop councils were set up in manufacturing and mining units. The decisions are taken through consensus.

7. Legal Machinery:
Legal provisions are made under the Industrial Dispute Act 1947 for settling the disputes.

It consists of the following:

(a) Concilation:

It is a method of resolving industrial dispute through a mediator. A conciliation officer is appointed by the government for a specific area. The efforts of conciliation officer are to patch up the differences between the parties at the disputes and attain the agreement. The conciliation officer possesses the powers of a civil court. The government can appoint a board of conciliation and can set a court of enquiry. The agreement reached through conciliation is binding on both employers and employees.

(b) Works Committees:

Works committees comprise equal representatives of employees and employers are to be set up in the industrial concern employing 100 or more persons. These committees are responsible to resolve the causes of conflicts between employees and employers and maintain good industrial relations. They have assigned the responsibility to remove the causes of conflict between employees and employers and to establish better industrial relations.

(c) Adjudication:

It is a legal process. When all the above efforts have failed the solutions through adjudication are sought to the disputes. Adjudication means determining solutions to the disputes through court. Under

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adjudication the disputes are settled through labour courts and industrial tribunals and national tribunals.

(i) Labour Courts and Industrial Tribunals:

The Labour Courts have the jurisdiction relating to interpretation, application and violation of standing orders, illegal termination of employees, legality of strikes and lockouts. Industrial tribunals deal with the aspects such as wages, allowances, bonus, provident fund, gratuity, retrenchment etc.

(ii) National Tribunals:

National tribunals deal with the disputes referred to them by the government. If a dispute is referred to the national tribunals then the labour court or industrial tribunals have no jurisdiction over the matter. Most of the disputes are referred to adjudication. The adjudication machinery is time consuming because of delay in proceedings. The awards passed by the machinery are also not properly implemented. Each person or union prefers to go to the court for settlement of those disputes also which can be settled through other means.

Settlement through courts takes lot of time. The industrial relations machinery should strive to attain industrial stability and encourage employee participation in management of the enterprises. Maintaining industrial peace is the joint and collective responsibility of employees, employers and government.

Everyone must play his/its role with fair intention and integrity. It is because the interests of all are interwoven and no one can escape the implications. Effective communication between employers and employees, mutual understanding, cooperation and faith, better facilities for workers, sense of belonging to the organization, higher wages, bonus, welfare facilities and a care for employees from the management etc. are some of the essential tips for smooth and cordial, and dispute free industrial relations.

Collective Bargaining
Meaning and Concept

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Collective bargaining is the technique that has been adopted by unions and managements to reconcile their conflicting interests. It is called collective because the employees, as a group, select representatives to meet and discuss differences with the employer. Collective bargaining is opposite of individual bargaining which takes place between management and a worker, as an individual, apart from his fellow employees. Collective bargaining plays a significant role in improving labour-management relations and in ensuring industrial harmony.

The phrase collective bargaining is made up of two words – collective, which implies group action through its representatives; and bargaining, which suggests haggling and/or negotiating. The phrase, therefore, implies "collective negotiation of a contract between the management's representatives on one side and those of the workers on- the other".

According to the Encyclopaedia of Social Sciences, "collective bargaining is a process of discussion and, negotiation between two parties, one or both of whom is a group of persons acting in concert. The resulting bargain is an understanding as to the terms and conditions under which a continuing. service is to be performed. More specifically, collective bargaining is a procedure by which employers and a group of employees agree upon the conditions of work".

Characteristics of Collective Bargaining

The characteristics of collective bargaining as observed from the analysis of the definitions of collective bargaining are:

i) It is a group or collective action as opposed to individual actions and is initiated through the representatives of employees.

ii) It is flexible and not static.

iii) It is a two way process. It is mutual give and take rather than just takes it method of arriving at a solution to a dispute. It is successful only when two parties participate in collective bargaining seriously and with an approach of give and take.

iv) It is a continuous process, which proves a mechanism for regular negotiations and discussions for a continuous sound relationship between labour and management. It facilitates to arrive at an amicable solution to the problems at all stages including the stage of strike and other forms of agitations.

It is dynamic and not static, as this concept is growing, expanding and changing in view of attitudes, opinions and perceptions of both the parties.

vi) It ensures democracy at work-place.

vii) It is not a competitive process but essentially a complementary process.

viii) It is an art as it is an advanced form of understanding and maintaining human relations.

ix) It is a voluntary process. Both workers and management voluntarily participate in the negotiations, discuss and arrive at a solution.

x) The unique feature of Collective Bargaining, is that usually the parties concerned start negotiations with entirely divergent interests and reach a middle point acceptable to both. For example, the union may start negotiations with a demand to increase wages at par with that of production and management rejecting any raise. At the end of the process both the parties may agree for a raise in wages to a certain percentage of total increase in production.

Essential Conditions for the Success of Collective Bargaining

i) Constructive consultation between trade union and management is possible only when the bargaining power of two parties is relatively equal and is exercised with responsibility and discrimination.

ii) Two parties of collective bargaining accept the principle of 'free consultation' and 'free enterprise' consistent with the advancement of public interest.

iii) The willing acceptance by management to recognize representative union for this purpose.

iv) Both the parties must have mutual confidence, good faith and a desire to make collective bargaining machinery a success.

v) Management should not wait for the union to raise problems, but should make every reasonable effort not to provide them any opportunity to raise demands.

vi) An emphasis upon a problem solving approach with deem phases upon excessive legalism.

vii) Dispose of the issues in the same meeting and minimize of the pending of items.

viii) Desire of the management to settle the issues to the satisfaction of employees. This does not mean that management must relinquish its right to direct the company or that it must accede to all union demands.

ix) Unions must understand the economic implications of collective bargaining and realize that union demands must be met from the income and resources of the organization.

x) Both the parties should respect the rights and responsibilities of each other.

xi) The process of bargaining should be free from unfair practices.

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xii) Unanimity among workers: Before entering into negotiations, there must be unanimity among workers. At least the representatives of workers should be able to represent the opinion or demands of majority of workers.

xiii) The attitudes of the parties (involved) should be positive. Both the parties should reach the negotiating table with an intention to find better solutions.

xiv) The parties involved in collective bargaining should be prepared to give away something in order to gain something.

xv) Both the parties to collective bargaining should observe and follow the terms and conditions of previous agreements that are reached. Collective Bargaining, being a continuous process, can be effective only with the successful implementation of previous agreements. Any lapse on the part of any party concerned shows its impact on present process.

xvi) The representatives of both the parties should fully understand and be clear about the problems and their implications.

Types of Collective Bargaining

Conjunctive or Distributive Bargaining

In this form of collective bargaining, both the parties viz. The employee and the employer try to maximize their respective gains. It is based on the principle, "my gain is your loss, and your gain is my loss" i.e. one party wins over the other.

The economic issues such as wages, bonus, other benefits are discussed, where the employee wishes to have an increased wage or bonus for his work done, whereas the employer wishes to increase the workload and reduce the wages.

Co-operative or Integrative Bargaining

Both the employee and the employer sit together and try to resolve the problems of their common interest and reach to an amicable solution. In the case of economic crisis, such as recession, which is beyond the control of either party, may enter into a mutual agreement with respect to the working terms.

For example, the workers may agree for the low wages or the management may agree to adopt the modernized methods, so as to have an increased production.

Productivity Bargaining

This type of bargaining is done by the management, where the workers are given the incentives or the bonus for the increased productivity. The workers get encouraged and work very hard to reach beyond the standard level of productivity to gain the additional benefits.

Through this form of collective bargaining, both the employer and the employee enjoy the benefits in the form of increased production and the increased pay respectively.

Composite Bargaining

In this type of collective bargaining, along with the demand for increased wages the workers also express their concern over the working conditions, recruitment and training policies, environmental issues, mergers and amalgamations with other firms, pricing policies, etc. with the intention to safeguard their interest and protect the dilution of their powers.

Thus, the purpose of the Collective Bargaining is to reach a mutual agreement between the employee and the employer with respect to the employment terms and enjoy a long term relationship with each other.

Problems and objectives of bargaining

Moreover, problems and goals of the bargaining process, such as those listed below, are widely shared by social actors.

Problems in Collective Bargaining

(1) Problems with Unions: Collective Bargaining process mainly depends on the strength of Unions. But still there are not many strong unions in India. Indian unions are marked with multiplicity, inter and intra-union rivalry, weak financial position and non-recognition. Weak trade unions cannot

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initiate strong arguments during negotiations. There is usually no unanimous decision among workers to be presented at the negotiating table.

(2) Problems from Government: The Government has not been making any strong effects for the development of Collective Bargaining. The Government has imposed many restrictions regarding strikes and lockouts, which is an obstacle for the development of collective bargaining process.

(3) Legal Problems: Now adjudication is easily accessible. As such now collective bargaining process is losing its importance.

(4) Political Interference: Interference of political leaders in all aspects of union matters has increased over the years. Almost all unions are associating themselves with some political party or the other. And there are many such unions. To protect their own unions, all political parties interfere into the matters, creating inter union rivalries.

(5) Attitude of Management: In India managements have negative attitude towards Unions. They do not appreciate their workers joining unions.

As strong unions are a must for collective bargaining process this attitude of management hampers the process.

Pre-requisites of Successful Collective Bargaining

If collective bargaining is to be generally adopted in the country, the following facts must be recognized:

i) There must be a change in the attitude of employers and employees. They should realize that the collective bargaining approach does not imply litigation, as it does under adjudication. It is an approach which indicates that the two parties are determined to resolve their differences in their respective claims in a peaceful manner, relying only on their own strength and resources; they do not look to a third party for the solution of their problems.

ii) Collective bargaining is best conducted at plant level. The bargaining agents of both the parties should be determined to arrive at an agreed solution of their respective problems. The employers should be represented by the management and the workers by their trade union. Both should know which one is the recognized union, in case there is more than one in a plant; and this union, recognized in the proper manner, should be the sole bargaining agent of all the workers in an organization.

iii) Employers and employees should enter upon negotiations on points of difference or on demands with a view to reaching an agreement. The trade union should not make or put forward unreasonable

demands. Any refusal to negotiate on the part of either side should be looked upon as an unfair practice. Rigid attitudes are out of place in a collective bargaining system.

iv) Negotiations can be successful only when the parties rely on facts and figures to support their respective points of view. The trade union should be assisted by such specialists as economists, productivity experts and professionals, so that their case is properly presented to the representatives of the management. In order to bring this to pass, the organizational set up of a trade union will have to be changed; and the latter should adopt a constructive approach at the bargaining table rather than the present agitational or litigation-oriented approach.

v) To ensure that collective bargaining functions properly, unfair labour practices should be avoided and abandoned by both sides. The negotiations between the management and the recognized trade union will then be conducted in an atmosphere of goodwill, which will not be vitiated by malpractices, and neither side would take advantage of the other by resorting to unfair practices.

vi) When negotiations result in an agreement, the terms of the contract should be put down in writing and embodied in a document. When no agreement is reached, the parties should agree to conciliation, mediation or arbitration. If no settlement is arrived at even then, the workers should be free to go on a strike, and the employers should be at liberty to declare a lock-out. To restrict this right is to inhibit and defeat the very process of collective bargaining.

vii) Once an agreement is reached, it must be honoured and fairly implemented. No strike or lock-out should be permitted in respect of issues which have already been covered in the contract; and the trade union should not be allowed to raise fresh demands.

viii) A provision for arbitration should be incorporated in the agreement, which should become operative when there is any disagreement on the interpretation of its terms and conditions. The disputes arising out of the agreement should be referred to an agreed third party with a view to arriving at a final and binding decision.

Health and Safety

Health and Safety initiatives are part of a strategic approach to HRM. No longer just a "thing" that companies have to comply with, health and safety is being used as part of a company's overall strategy for talent retention, overall objectives, and loss-time prevention.

Consider the benefits of loss-time prevention: the most obvious benefit is to the bottom line. Healthy employees are productive employees, and productive employees have very positive effects on the company's bottom line. When employees start to feel that their work is unsafe or that their employers

do not care about their health or well-being, productivity may start to slip. Witnessing injuries or having to cover jobs while other workers are out injured can also impact productivity; as well as morale and retention.

Investment in health and safety programs, including disability management, proactive health and wellness programs, preventative measures, and a sound on-boarding and training program, produces quantifiable bottom-line returns. By using health and safety to prevent loss-times injuries and keep productivity at a premium, companies are using health and safety programs to help achieve overall goals and objectives.

Not only can health and safety be a part of a company's overall success strategy, but it can also be used as a tool for talent retention. Employee health, safety, and wellness management are important determinants of employee perceptions regarding fair treatment by the organization. In fact, a bountiful and comprehensive wellness program can be a powerful incentive for new talent to strive to work for your company, as well as a strong retention tool. Health, safety, and wellness programs can include anything from training and education opportunities, subsidized gym memberships, nutrition counselling, and/or an Employee Assistance Program (EAP). What is included in a health and wellness program is limited only by the imagination (and funding) of the organization.

Fringe Benefits

Employees are paid several benefits in addition to wages, salary, allowances and bonus. These benefits and services are called 'fringe benefits' because these are offered by the employer as a fringe. Employees of the organization are provided several benefits and services by the employer to maintain and promote employee's favorable attitude towards the work and work environment. It not only increases their morale but also motivate them. These provided benefits and services forms the part of salary and are generally refereed as fringe benefits. According to D. Belcher, " Fringe benefits are any wage cost not directly connected with the employees productive effort, performance, service or sacrifice".

Kinds of Fringe Benefits The various organizations in India offer fringe benefits that may be categorized as follows:

1) Old Age and Retirement Benefits - these include provident fund schemes, pension schemes, gratuity and medical benefits which are provided to employee after their retirement and during old age as a sense of security about their old age.

2) Workman's Compensation - these benefits are provided to employee if they are got ignored or die under the working conditions and the sole responsibility is of the employer.

3) Employee Security- Regular wage and salary is given to employee that gives a feeling of security. Other than this compensation is also given if there is lay-off or retrenchment in an organization.

4) Payment for Time Not Worked – Under this category of benefits, a worker is provided payment for the work that has been performed by him during holidays and also for the work done during odd shifts. Compensatory holidays for the same number in the same month are given if the worker has not availed weekly holidays.

5) Safety and Health – Under this benefit workers are provided conditions and requirements regarding working condition with a view to provide safe working environment. Safety and Health measures are also taken care of in order to protect the employees against unhealthy working conditions and accidents.

6) Health Benefits – Employees are also provided medical services like hospital facility, clinical facility by the organization.

IHRM

Due to globalization, the economy around the world has been largely integrated. Many corporations are expanding their markets into regions or other countries they have never touched before. These corporations are experiencing an evolutionary stage: internationalization. It is clear that effective human resource management of an organization is the major competitive advantage and may even be the most important determinant of organizational performance. Thus, in order to survive in the crucial global economic market, a multinational corporation (MNC) mainly relies on the capability of its international human resource management (IHRM) during the internationalization process. In other words, it is the IHRM's responsibility to enable the MNCs to be successful globally.

What is IHRM? Actually, it is not easy to provide a precise definition of international human resource management (IHRM) because the responsibility of an HR manger in a multinational corporation (MNC) varies from one firm to another. Generally speaking, IHRM is the effective utilization of human resources in a corporation in an international environment. IHRM is defined as "the HRM

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issues and problems arising from the internationalization of business, and the HRM strategies, policies and practices which firms pursue in response to the internationalization of business".

The term IHRM has traditionally focused on expatriation. However, IHRM covers a far wider spectrum than expatriation management. Four major activities essentially concerned with IHRM were recruitment and selection, training and development, compensation and repatriation of expatriates.

Recent definitions concern IHRM with activities of how MNCs manage their geographically decentralized employees in order to develop their HR resources for competitive advantage, both locally and globally. The role and functions of IHRM, the relationship between subsidiaries and headquarters, and the policies and practices are considered in this more strategic approach. IHRM is also defined as a collection of policies and practices that a multinational enterprise uses to manage local and non-local employees it has in countries other than their home countries.

Due to the development of globalization, new challenges occur and increase the complexity of managing MNCs. IHRM is seen as a key role to balance the need for coordinating and controlling oversea subsidiaries, and the need to adapt to local environments. Therefore, the definition of IHRM has extended to management localization, international coordination, and the development of global leadership, etc.

Reasons for growing importance of International Human Resource Management (IHRM)

In order to explore the field of IHRM, it is important to understand why there is gradual increase of interest in International Human Resource Management. IHRM is of great importance at present for a number of reasons:

1. Recent years have witnessed the rapid growth of globalization and international competition. The multinational corporations (MNCs) have increased in number and significance, which

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contributing to the growing importance of the international role of human resource management.

2. It has been increasingly recognized that the effectiveness of human resource management is one of the major factors to determine the success or failure of international business. There is also recognition that the quality of management in international operations seems to be more critical than in domestic operations.

3. A growing shortage of managers with international exposure and experience is becoming an increasing deficiency which affects a company's corporate efforts to expand abroad. Meanwhile, the emerging markets require managers with distinctive competence and context-specific knowledge of how to do business successfully in countries which are both culturally and economically distantly. Thus, a larger role for IHRM activities in multinational corporations is assigned.

4. The failure in international business arena is often costly both in human and financial terms, and is proved to be more severe than that in domestic business. Companies need to take precautionary measures to train and compensate human resources. This makes a full-fledged IHRM necessary.

5. HR strategy plays a significant role in the control and implementation in MNCs. It is not difficult to determine which strategy to pursue for a MNC in an internationalizing environment. What challenges is how to implement these strategies to be successful. Developing unique organizational cultures is of far more importance than structural innovations in any global or transnational strategy. To this extent, IHRM strategy becomes the crucial determinant of the implementation and success of the MNC strategy.

6. The complex nature of HRM problems involving in global environment is underestimated by some companies. Poor management of human resource often results in business failures in international business. Expatriate performance failure or underperformance continues to be problematic for IHRM in many international corporations.

Strategic International Human Resource Management

Under the global context, understanding how multinational Corporations (MNCs) can operate more effectively becomes more important than ever. This links a MNC with the need of an internationalized strategy which can direct its subsidiaries' operation not only in the home country,

but also in different parts of the world. There are several reasons to develop IHRM strategy: 1) at any level, HRM is important to strategy implementation; 2) major strategic components of multinational enterprises have a major influence on international management issues, functions, and policies and practices; 3) the attainment of the concerns and goals of MNCs can be influenced by many of these characteristics of IHRM; 4) the study of IHRM is challenging and important because there are a wide variety of factors making the relationship between MNCs and IHRM complex. Strategic IHRM is defined as human resource management issues, functions and policies and practices that result from the strategic activities of multinational enterprises and that impact the international concerns and goals of those enterprises.

Two major strategic components of MNCs that influence Strategic IHRM are pointed out: inter-unit linkages and internal operations. Regarding inter-unit linkages, multinational enterprises are concerned with how to effective operate their various world-wide operating units. In particular, the key objectives appear to be how these operating units are to be differentiated and integrated, controlled and coordinated. For strategic IHRM, the issues associated with integrating and coordinating an MNC's units represent a major influence on strategic IHRM issues, policies and practices. With respect to internal operations, they require the same attention as the linkage of the units, since they all influence MNC effectiveness. Each unit has to be operated as effectively as possible relative to the competitive strategy of the MNC and the unit itself.

It has been argued that the success of strategic IHRM in a MNC is largely influenced by the quality of its human resources and how effectively the corporation's employees are managed. There are three approaches which describe how multinational companies manage the human resources and their overseas subsidiaries: ethnocentric, polycentric and geocentric.

1. Ethnocentric Approach: This practice usually happens in the early stage of a firm's internationalization involvement. With this approach, strategic decisions are all made by the headquarters and the management practices are transferred to the subsidiaries. Most important

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positions are filled by parent-country nationals (PCNs).As a result, little autonomy is given to overseas operating units. During this stage, home country expatriates exercise tight control.

2. Polycentric Approach: When the strategy becomes polycentric, there is a marked decline in the number of PCNs sending abroad and their role changes into communication and coordination of strategic objectives. Host-country nationals (HCNs) are recruited to manage the operating units in their own country because local managers know more about the local circumstances and are more familiar with local business ethics. More autonomy is given to local managers to develop their own management practices appropriate for the subsidiary.

3. Geocentric Approach: This approach relates most closely to the global or transnational strategy. Selection of employees is based on competency rather than nationality. The best of headquarter and local practices are combined by MNCs in order to come up with a global-implemented HR strategy.

Most MNCs take the IHRM strategy as a guideline and implement it locally. It is therefore the HR managers' responsibilities to provide the proper international HR strategy to prepare and manage the employees in their home country or an international assignment.

IHRM and Culture

Different cultures of various countries and MNCs are one of the most important and difficult challenges to the conduct of IHRM. National and organizational cultures differentiate from one country and firm from those of another. Often these differences clash when companies conduct business in multinational environment. Cultural differences across countries can influence people in their work environment.

Hofstede defines culture as "collective programming of the mind which distinguishes the members of one human group from another". It is important to understand peoples' different cultural backgrounds to be able to identify the consequences for international management. Culture is a crucial variable in international assignments and should be included in international management practices. Knowledge about and competency in working with country and company cultures is the most important issue

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impacting the success of international business activity, understanding various values, beliefs and behaviors of people are essential aspects of success for doing business internationally.

Understanding Culture as Layers

The multiple layers of meaning of "culture" are one of the complexities that make it so difficult to manage. There are a large number of readily observable characteristics (such as food, art, clothing, greetings and historical landmarks) that differ obviously from other countries or operations. Sometimes these are referred as manifestations of underlying values and assumptions which are much less obvious.

One way to understand this complexity is explained by the layers of culture model. The model represents culture as a series of layers. Moving from outside to inside, each layer represents less and less explicit values and assumptions while the values and assumptions become more important in determining the attitudes and behaviors. The outermost layer, which is called the surface layer, corresponds to readily visible values and assumptions, like dress, body language and food. The middle layer or the hidden culture layer corresponds to religions, values and philosophies concerning for example what is right and wrong. The invisible layer at the core represents one culture's universal truths, which is most difficult for foreigners to understand. There exist different cultural dimension among different cultures. These cultural dimensions have been identified and one frequently cited work from a well-known researcher within this cultural dimension field is Geert Hofstede.

Hofstede's Cultural Dimensions

Hofstede have identified five cultural dimensions for which each country could be classified in. These five dimensions are power distance, uncertainty avoidance, individualism versus collectivism, masculinity versus femininity, and long-term versus short-term orientation. Power distance indicates the level of inequality in institutions and organizations. A country with large power distance is characterized by formal hierarchies and by subordinates who have little influence in their own work and where the boss have total authority. Uncertainty avoidance focuses on the level in which people

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in a certain country tolerate uncertainty and ambiguity within the society. High uncertainty indicates that the country has a low tolerance for uncertainty and ambiguity. This will inevitably create a society which is rule-oriented, which institutes laws, regulations and controls to diminish the amount of uncertainty.

Individualism versus collectivism refers to the degree where people prefer to take care of themselves, and making their own decisions rather than being bound to groups or families. A highly individualistic society consists of usually impersonal and loose relationships between individuals, while a low individualistic society has more tight relationships between individuals, hence referred to as collectivism by Hofstede. The masculinity versus femininity dimension describes if a culture are bound towards values that are seen as more similar to women's or men's values. Masculinity is characterized by stereotype adjectives such as assertiveness and competitive, while the femininity is characterized by modesty and sensitivity. A high masculinity ranking indicates the country experiences a high degree of gender differences, usually favoring men rather than women. The fifth and last cultural dimension is long-term versus short-term orientation. A long-term oriented society emphasize on building a future oriented perspective in contrast to the short-term oriented society which values the present and past.

Expatriate management

Expatriate management consists

- • Expatriate Selection
- • Expatriate Training &Development
- • Expatriate Compensation
- • Repatriates retention

Expatriate selection

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With the expanding global competition and the growing number of international assignees, managing expatriates has been a major problem that relates to the success or failure of an organization's implementation of international strategies.

Three dimensions of expatriate managers:

• The self dimension: The skills that enable a manager to maintain a positive self-image and psychological wellbeing

• The relationship dimensions: The skills required to foster relationships with the host-country nationals

• The perception dimension: Those skills that enable a manager to accurately perceive and evaluate the host environment.

Six important factors of expatriated managers:

1. Cultural intelligence (CQ) : ability to adapt across cultures through sensing the different cues regarding appropriate behavior across cultural settings or in multicultural settings
2. Family situation: ability to keep in touch with families collaboratively and continuously • Flexibility and adaptability: ability to fit changed circumstance
3. Job knowledge and motivation: ability to transfer knowledge smoothly and transfer international assignment into career advancement
4. Relational skills: ability to build up relationships more actively
5. Extra cultural openness: ability to communicate with others more openly.

The significance of implementing a successful selection of Expatriate Management strategy

• Expatriate are used to transfer technologies, in joint ventures, to transmit organizational culture, to enter new markets, and to develop the international skills of employees. (Bennett, Aston & Colquhoun, 2000)

• Effective expatriate selection has been identified as a major mechanism to enhance expatriate success. (Bolino &Feldman,2000; Kealey, 1996; Solomon, 1996)

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. • As We move into 21st century, the pressure of managing expatriate managers well will not diminish-it will accelerate.

Cross-Cultural Training (CCT) figures

• 2 in 5 managers fail when sent abroad due to insufficient preparation

• 18% of American companies vs. 33% of European, African & Middle Eastern companies provide some training

• 22% of American companies do virtually nothing in terms of training

The importance of CCT

Cross-cultural adjustment is found to be the most significant factor determining the success of international assignments

• Training facilitates effective cross-cultural interactions

• Training was found to be effective for reducing uncertainty and increasing self-efficacy -> crosscultural adjustment.

Types of CCT

• Most common: language training & overview of cultural differences

• Two main categories: didactic & experiential learning

• Additional categories: attribution, cultural awareness, cognitive-behavior modification and interaction training.

CCT – Emerging Issues

• Need for in-country, real-time training – CCT is likely to be more effective when delivered

upon arrival in the host country than prior to the foreign assignment

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• Developing a global mindset – companies operate in global context; all employees need to

think globally even if they act locally

• Self-training (Internet; specific software) – free resources, flexible timing, alternative to professional consulting and academic community.

Compensation Challenges

 • Further Corporate interests abroad

 • Minimize workers' financial risks

• Encourage employee expatriation

• Repatriation issues • Enhance overseas experiences

• Promoting lowest - cost strategies

• Promoting differentiation strategies

Repatriate Retention

Up to 25 percent of repatriates wish to leave the company after their return to a "normal post".

An expatriate of a multinational corporation returns to the country of his/her origin from an overseas assignment.

 Reasons:

a. culture shock (changes happen in expatriation period).

b. work-dissatisfaction: high-status position with high autonomy –a less highly profiled role; career opportunities diminished; 'let-down', no longer "special" or different.

c. problems for all family members (lower income, housing, schooling).

Quality of Work Life: it's Meaning and Definition!

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The present era is an era of knowledge workers and the society in which we are living has come, to be known as knowledge society. The intellectual pursuits have taken precedence over the physical efforts.

Some knowledge workers work for more than 60 hours a week. As a result of this, their personal hobbies and interests clash with their work. Life is a bundle that contains all the strands together and hence the need to balance work life with other related issues.'

One must have both love and work in one's life to make it healthy. Gone are the days when the priority of employees used to be for physical and material needs. With the increasing shift of the economy towards knowledge economy, the meaning and quality of work life has undergone a drastic change.

Meaning:

Quality of work life (QWL) refers to the favourableness or unfavourableness of a job environment for the people working in an organisation. The period of scientific management which focused solely on specialisation and efficiency, has undergone a revolutionary change.

The traditional management (like scientific management) gave inadequate attention to human values. In the present scenario, needs and aspirations of the employees are changing. Employers are now redesigning jobs for better QWL.

Definition:

The QWL as strategy of Human Resource Management has assumed increasing interest and importance. Many other terms have come to be used interchangeably with QWL such as 'humanisations of work' 'quality of working life, 'industrial democracy' and 'participative work'.

There are divergent views as to the exact meaning of QWL.

A few definitions given by eminent authors on QWL are given below:

1. "QWL is a process of work organisations which enable its members at all levels to actively; participate in shaping the organizations environment, methods and outcomes. This value based process is aimed towards meeting the twin goals of enhanced effectiveness of organisations and improved quality of life at work for employees. "

—The American Society of Training and Development

2. "QWL is a way of thinking about people, work and organisations, its distinctive elements are (i) a concern about the impact of work on people as well as on organisational effectiveness, and (ii) the idea of participation in organisational problem-solving and decision making. " —Nadler and Lawler3. "The overriding purpose of QWL is to change the climate at work so that the human-technological-organisational interface leads to a better quality of work life."-Luthans

3."QWL is based on a general approach and an organisation approach. The general approach includes all those factors affecting the physical, social, economic, psychological and cultural well-being of workers, while the organisational approach refers to the redesign and operation of organisations in accordance with the value of democratic society. " —Beinum

From the definitions given above, it can be concluded that QWL is concerned with taking care of the higher-order needs of employees in addition to their basic needs. The overall climate of work place is adjusted in such a way that it produces more humanized jobs.

QWL is viewed as that umbrella under which employees feel fully satisfied with the working environment and extend their wholehearted co-operation and support to the management to improve productivity and work environment.

Nature and Scope of Quality of Work Life:

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Quality of work life is the quality of relationship between employees and total working environment.

A Great Place to work is where "You Trust the people you work for, have pride in what you do, and enjoy the people you work with."

Quality of work life represents concern for human dimensions of work and relates to job satisfaction and organisational development.

The following aspects improve the QWL:

1. Recognition of work life issues:

Issues related to work life should be addressed by the Board and other important officials of the company like why people are not happy, do they need training, why employee morale is poor and numerous other issues. If these are addressed properly, they will be able to build, "People-Centred Organisations".

2. Commitment to improvement:

QWL can be improved if the staff is committed to improvement in productivity and performance. This issue can be taken by the board through staff recognition and support programmes. Board should prepare QWL reports on periodic basis to boost the system. They can also introduce reward system which will be of help to them.

3. Quality of work life teams:

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Board members should form the combined team of managers and workers and all the issues and common themes must be identified.

Work Life Teams = Managers + Staff

All issues must be addressed like loss of morale, lack of trust, increased intensity of work, reward, recognition etc. and commonly, managers and staff should arrive at solutions.

4. Training to facilitators:

Both the leader and staff can assess the job requirement and decide jointly what type of training is required to improve the quality of work life

5. Conduct focus groups:

Formation of focus groups can affect the QWL and discuss the questions in a positive way like:

(a) What brought you here today?

(b) What do you feel are the top three issues that affect your quality of work life?

(c) What do you want the organisation should do for you?

(d) Do you want company to increase the salary, etc.

6. Analyze information from focus group:

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After the formation of focus groups and their discussion on different issues and collection of information, the information should be analysed to give right direction to organisational activities.

7. Identify and implement improvement opportunities:

It is important to identify and implement improvement opportunities like communication, recognition and non-monetary compensation. Improving support structure, constant review of reward and recognition system etc. would help in formulating communication strategies, focusing on linkages between managers and staff.

8. Flexible work hours:

The diverse work force of today does not want to work for fixed hours or days. They want flexibility in their work schedule so that professional and personal life can be managed together.

Flexibility can improve the QWL in the following ways:

i. Work for longer hours in a day with less number of working days in a week.

ii. Going to office for fixed hours but in different time slots rather than fixed working hours. Many companies even provide the flexibility of work from home.

9. Autonomy to work:

Delegation is an essential element of organisation structure. People want freedom to work in their own way, in terms of forming teams and making decisions. If they are allowed to do so, it enhances the QWL. An organisation with high quality of work life is "an organisation that promotes and maintains a work environment that results in excellence in everything it does – by ensuring open communication, respect, recognition, trust, support, well being and satisfaction of its members, both, personally and professionally".

Importance of Quality of Work Life:

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Many companies find that paying attention to the needs of employees can benefit the company in terms of productivity, employee loyalty and company reputation.

QWL is important because of the following reasons:

1. Enhance stakeholder relations and credibility:

A growing number of companies that focus on QWL improve their relationships with the stakeholders. They can communicate their views, policies, and performance on complex social issues; and develop interest among their key stakeholders like consumers, suppliers, employees etc.

2. Increase productivity:

Programmes which help employees balance their work and lives outside the work can improve productivity. A company's recognition and support — through its stated values and policies — of employees' commitments, interests and pressures, can relieve employees' external stress.

This allows them to focus on their jobs during the workday and helps to minimize absenteeism. The result can be both enhanced productivity and strengthened employee commitment and loyalty.

3. Attraction and retention:

Work-life strategies have become a means of attracting new skilled employees and keeping existing ones satisfied. Many job seekers prefer flexible working hours as the benefit they would look for in their job. They would rather have the opportunity to work flexible hours than receive an additional increment in annual pay.

a. More employees may stay on a job, return after a break or take a job with one company over another if they can match their needs better with those of their paid work.

b. This results in savings for the employer as it avoids the cost of losing an experienced worker and recruiting someone new.

c. Employers who support their staff in this way often gain loyalty from the staff.

4. Reduces absenteeism:

a. Companies that have family-friendly or flexible work practices have low absenteeism. Sickness rates fall as pressures are managed better. Employees have better methods of dealing with work-life conflicts than taking unplanned leave.

b. Workers (including the managers) who are healthy and not over-stressed are more efficient at work.

5. Improve the quality of working lives

a. Minimising work-life role conflict helps prevent role overload and people have a more satisfying working life, fulfilling their potential both in paid work and outside it.

b. Work life balance can minimise stress and fatigue at work, enabling people to have safer and healthier working lives. Workplace stress and fatigue can contribute to injuries at work and home.

c. Self-employed people control their own work time to some extent. Most existing information on work-life balance is targeted at those in employment relationships. However, the self-employed too may benefit from maintaining healthy work habits and developing strategies to manage work flows which enable them to balance one with other roles in their lives.

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6. Matches people who would not otherwise work with jobs:

a. Parents, people with disabilities and those nearing retirement may increase their work force participation if more flexible work arrangements are made. Employment has positive individual and social benefits beyond the financial rewards.

b. Employers may also benefit from a wider pool of talent to draw from, particularly to their benefit when skill shortages exist.

7. Benefiting families and communities:

a. In a situation of conflict between work and family, one or other suffers. Overseas studies have found that family life can interfere with paid work. QWL maintains balance between work and family. At the extreme, if family life suffers, this may have wider social costs.

b. Involvement in community, cultural, sporting or other activities can be a benefit to community and society at large. For instance, voluntary participation in school boards of trustees can contribute to the quality of children's education.

While such activities are not the responsibility of individual employers, they may choose to support them as community activities can demonstrate good corporate citizenship. This can also develop workers' skills which can be applied to the work place.

8. Job involvement:

Companies with QWL have employees with high degree of job involvement. People put their best to the job and report good performance. They achieve a sense of competence and match their skills with requirements of the job. They view their jobs as satisfying the needs of achievement and recognition. This reduces absenteeism and turnover, thus, saving organisational costs of recruiting and training replacements.

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9. Job satisfaction:

Job involvement leads to job commitment and job satisfaction. People whose interests are protected by their employers experience high degree of job satisfaction. This improves job output.

10. Company reputation:

Many organizations, including Governments, NGOs, investors and the media, consider the quality of employee experience in the work place when evaluating a company. Socially responsible investors, including some institutional investors, pay specific attention to QWL when making investment decisions.

Significance of Good Work-life Quality:

1. Decrease absenteeism and increase turnover,

2. Less number of accidents,

3. Improved labour relations,

4. Employee personification,

5. Positive employee attitudes toward their work and the company,

6. Increased productivity and intrinsic motivation,

7. Enhanced organizational effectiveness and competitive advantage, and

8. Employees gain a high sense of control over their work.

Problems in Improving the QWL:

Though every organisation attempts to improve the employer-employee relations and through it, the quality of work life of employees, problems may occur in effective implementation of QWL programmes.

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These problems may occur because of:

1. Poor reward and recognition:

People will not do their best when they feel that employers' commitment in terms of reward and recognition is lacking. Commitment is a mutual phenomenon. When employers want to get the best from employees but do not give them reward and recognition, people will not be committed to work.

2. Dead-end jobs:

Work which does not offer opportunities for growth and promotion is one of the greatest reasons for employees' de-motivation and non-commitment. Jobs which deprive employees of self-development and growth opportunities lead to high dissatisfaction and disloyalty.

3. Managing by intimidation:

Mistreating people and managing them by threats and embarrassment leads to employees' dissatisfaction and weakens their commitment. In a best seller book" The Loyalty Link" Dennis G. Mc Carthty has identified managing by intimidation as one of the seven ways which undermine employees' loyalty.

4. Negative working environment:

Non-acceptance by colleagues, non-cooperation, too much politics, and negative behaviour by colleagues, supervisors and other people in the company also hamper commitment. At the end of the day people want peace of mind, which if not available in the work environment will discourage them to show total support to the company.

5. No job security:

One of the major needs of employees is job security. If the employee feels that he can lose his job anytime, he would not be committed towards company's goals.

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6. Negative attitude:

Some people by nature are not committed to anything and anyone and as such they would not be committed to their employers also. Commitment is an attitude and those who lack it will not be committed to their jobs.

Methods /Techniques of improving quality of work life

Some of the important techniques for improving the quality of work life are: 1. Job Enrichment 2. Job Rotation and 3. Quality Circles (or Self-managed Work Teams).

The term quality of work life has become popular after 1970. Research is going on to find out the new ways and means to improve QWL.

1. Job Enrichment:

Under traditional management, the principle of division of work and specialisation was applied so that an individual could do a particular work more efficiently. However, this made the job of workers monotonous. They started feeling bored by doing the same work again and again. Management also started realising it as a process of dehumanisation.

Kerzberg in his two factor theory of motivation tried to use job as a medium of developing people and changing some organisational practices. Job enrichment can lead to extension of job contents. It also develops competence of employees who voluntarily come forward to share higher responsibilities.

2. Job Rotation:

A vertical job rotation means promotion whereas a horizontal job rotation means transfer to some other job. Job rotation makes an employee to learn the new job at the new seat thereby creating interest in the new job. The problems associated with specialisation such as boredom and monotony are automatically removed as the worker becomes generalist from specialist.

3. Quality Circles (or Self-managed Work Teams):

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The concept of Quality Circles was made popular in Japan in 1960 by K. Ishikawa. Japan has gained a lot by applying the Statistical Quality Control (SQC) techniques for production.

Quality circles can be defined as a small group of some people (may be 3 to 12) who meet for an hour every week to identify, analyse and solve the problems related to their work. The solutions are sent to the management for implementation.

Quality Circles develop a culture of participation among the workers. It also reflects the democratic set up where the management keeps full faith in the employees and also there is a complete understanding between the management and workers.

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UNIT 5

s.no	Questions	Option A	Option B	Option C	Option D	Answer
1	National Institute of Labour Management has its headquarters at………………..	Calcutta	Delhi	Mumbai	Bangalore	**Mumbai**
2	Industrial relations cover the following area(s)	Collective bargaining	Labour legislation	Industrial relations training	All of the above	**All of the above**
3	Main aspects of industrial relations are	Promotion and development of healthy manager and labor relations	Maintenance of industrial peace and avoidance of industrial dispute	Development of industrial democracy	All of these	**All of these**
4	Which of the following is the approaches of industrial relation	Gandhian approach	System approach	Oxford approach	All of these	**All of these**
5	Industrial relationship means harmonious relationship of _____	Employer and employee	Employee and government	Industry and government	Employees among various industries	**Employees among various industries**
6	is a continuous association of wage earners for the purpose of protecting & advancing the conditions of their working lives".	Management	Trade unions	Quality circle	Productivity circle	**Trade union**

7	Under extramural functions	Trade unions fight with employees to achieve economic interests of their members.	Trade union act as benefit organization providing financial & non- financial assistance to their members during sickness, strikes ,lockouts ,boycotts, temporary removal from service, etc.,.	Trade union involve themselves in various activities to serve as a social cause & accomplish their social responsibility towards different sections of the society.	Under these functions, trade union associate themselves with a political party, get affiliated to the party & help it by enrolling members ,campaigning for it during the elections ,collecting donations etc.	**Trade union act as benefit organization providing financial & non- financial assistance to their members during sickness, strikes ,lockouts, boycotts ,temporary removal from service, etc.**
8	In India ,BMS is affiliated to the BJP,CITU is affiliated to CPM and INTUC is affiliated to congress, what is the function being performed by the trade unions?	intramural	extramural	Political	Social	**Political**
9	The main objective of a reformist union is	To conserve the capitalist society to continue the emp.-emp. relationship & competitive system of production	To demolish the prevailing structure & replace it with a new one based on the ideas they believe it	Not to co-operate with their employees instead they aim at using whatever &whomever they can in order to achieve their goals	To enjoy a large part of the booty earned from the customers &give only a small portion to the workers	**To conserve the capitalist society to continue the emp.-emp. relationship & competitive system of production**

10	Business union & uplift unions are types of	Reformist union	Revolutionary union	Guerilla union	Anarchist union	**Reformist union**
11	____ union are ideal in nature & aim at broader issues such as education ,benefits ,health &insurance.	Up-lift	Business	Political	Anarchist	**Up-lift**
12	Trade unions based on the marxist ideology can be termed as	Revolutionary unions	Friendly	Uplift	Business	Revolutionary union
13	The cine dancers association & the indian pilots guild are e.g of	Craft union	Staff unions	Industrial unions	General unions	**Craft union**
14	A staff union	Is experienced & works on a single craft or trade or any no of crafts or trades	Generally employs workers from non -manual sectors	Is based on industry in which the members work rather than the craft ,grade ,skill ,position or sex.	Consists of members belonging to various industries with varied skills and experience	**Generally employs workers from non-manual sectors**
15	All of the following are advantages of the mutual insurance method adopted by the trade union except	It restricts outsider interference like that of political leaders & helps maintain friendly relations with the management	Under this method ,members donate more if they need more benefits.This helps in improving the financial condition of the union & enhances its bargaining power when the need arises;	It attracts the people to join the union with its varied welfare activities	In case a strike continues for a long time ,it helps the members to stay united by offering the required financial assistance	**It restricts outsider interference like that of political leaders & helps maintain friendly relations with the management**

16	The Rashtriya Mill Mazdoor sangh; Bombay;the Engineering mazdoor sabha; bombay;the labor mines mazdoor sangh,udaipur ,etc..,are a few e.g.. Of	General union	Industrial unions	craft union	staff union	**Industrial unions**
17	All the following are the problems faced by trade union except	Uneven growth	Small size	Few unions	Inter union rivalry	**Few unions**
18	What is the tenure of the joit councils formed in an organization?	5 yrs	10 yrs	1 yr	2 yrs	**2 yrs**
19	_____ is the ultimate remedy for the settlement of industrial dispute through the intervention by the third party appointed by the government	Conciliation	Voluntary Arbitration	Adjudication	Collective bargaining	**Conciliation**
20	A trade union is a continuous association of wage earners for the purpose of maintaining or improving the condition of their working lives	Sydney & Beatrice web	G.D.H. Cole	Both A& B	None of these	**Sydney & Beatrice web**
21	Theories of trade union includes	Industrial democracy	Social psychological	Capitalism approach	All of these	**All of these**
22	Who was the first trade unionist in India	Selig Perlman	N.M. Lokhanday	Gandhiji	All of these	**All of these**
23	Structure of trade union is concerned with	On the basis off purpose	On the basis of membership structure	Both A&B	All of the above	**All of the above**
24	AITUC was established in	1920	1954	1930	All of these	**1920**

25	Which of the following factors are not the measures to strengthen the trade union in India	Education of workers	Economic and social uplift	Effective leadership	None of these	**None of these**
26	The agreement arrived between the representative of a trade union and employer is known as	Collective agreement	Mutual agreement	Both (a) and (b)	None of the above	**Both (a) and (b)**
27	Collective bargaining is defined under the:	National Labor Relations Act.	Occupational Safety and Health Act.	Civil Rights Act	Fair Labor Standards Act.	**National Labor Relations Act.**
28	Employer's refusal to bargain with the employees' representative is declared as a(n):	economic strike.	executive proceeding	unfair labor practice.	arbitration proceeding.	**unfair labor practice.**
29	The parties engaged in a collective bargaining process involve a(n):	employee and the employer.	employee representative and the employer.	employer and the labor inspector.	labor inspector and an employee.	**employee representative and the employer.**
30	The National Labor Relations Act provides for longer notice periods when the collective bargaining involves the employees of a(n):	educational institution.	religious institution.	community organization.	health-care organization.	**health-care organization.**
31	A labor organization seeking to picket against a health-care institution must give a written notice of its intention to strike at least ten days before taking such an action to both the employer and the:	Occupational Safety and Health Administration.	International Labor Organization.	American Federation of Labor.	Federal Mediation and Conciliation Service.	**Federal Mediation and Conciliation Service.**

32	Those matters that are neither mandatory nor illegal; the parties may, but are not required to, bargain over such subjects is known as a bargaining subject of a:	permissive nature.	mandatory nature.	persuasive nature.	miscellaneous nature	**permissive nature.**
33	In the case of a violation of their duty to bargain in good faith, the National Labor Relations Board issues a _____ order directing the offending party to stop the illegal conduct.	office fair trading	cease-and-desist	no-fault proceedings	actual damages	**cease-and-desist**
34	The National Labor Relations Board issues a "bargaining order" directing the party to:	conduct an election in the bargaining unit.	establish a bargaining unit.	begin to negotiate in good faith.	conduct an election.	**begin to negotiate in good faith.**
35	Minimum number of persons required to register for a trade union	Five	Six	Seven	Eight	**Seven**
36	The conflicts and dispute between employers and employees on any industrial matters are known as	Industrial dispute	Human relations	Industrial relations	Conflict relations	**Industrial dispute**
37	Which of the following statements is not true about an industrial dispute?	The dispute may relate to employment.	The dispute may relate to non-employment.	The dispute may be between worker and worker.	The dispute may be between employer and government.	**The dispute may be between employer and government.**
38	Which of the following is not a cause of industrial dispute?	demand for pay and benefits hike	demand for hygienic and safer working conditions	demand for better labour welfare	None of the above	**None of the above**

39	When employees resort to unauthorized strike in violation of the labour contract or agreements, it is called	Pen-down	Tools-down	Sit-in strike	Wild –cat strike	**Wild –cat strike**
40	The strike organized to express solidarity with the striking employees in the same organization, industry or region is called	hunger strike	sympathy strike	tool-down strike	None of the above	**sympathy strike**
41	The first stage in grievance redressal is handled by the	Organizational head	HR department	Arbitrator	Supervisor	**Supervisor**
42	"_____is employee self-control cooperate with the organizational standards,rules,objectives etc.."	Culture	Behavior	discipline	Trust	**discipline**
43	Triumph chemicals awards the "Safest Place" annual award to the unit with the best safty record every year,across its 16 units.This is an example of	Positive discipline	Negative discipline	Enforced discipline	Reward discipline	**Positive discipline**
44	Being late to work is an example of	Minor infraction	Major infraction	Medium infraction	Intolerable offence	**Minor infraction**
45	Corrective action should be immediate,impartial and consistent with a warning -- this is called the	Common discipline rule	Red hot stove rule	Cisco's discipline rule	Yellow hot stove rule	**Red hot stove rule**

46	All the following are the features of a good discipline process except,	Consistency	Impartiality	Immediate action	Unpredictability	**unpredictability**
47	The extent to which an employee's work meets his professional needs is termed as	Quality of work-life	Quality circles	Quality program	Quality cycle	**Quality of work-life**
48	When the management conducts QWL programs in association with the union,it:	Leads to effective negotiations that enable designing contracts that satisfy both the parties	Improves the efficiency of management &strengthens employee org.	Encourages participative management & involves employees in decision making.	all the above	**all the above**
49	Which of the following is not a basic objective of the quality circle?	To enhance, develop &utilize HR effectively	To develop quality of products as well as productivity	To improve quality of work life	To increase employee benefits & incentives	**To increase employee benefits & incentives**
50	HRM as practised by multinational organisations is called	global HRM	personnel management practices	domestic HRM	international HRM	**international HRM**
51	The key questions to be asked when developing an international HRM policy is	who is going to coordinate the HRM functions?	what type of organisation is desired?	how can cross-boarder training be designed?	when should the HR manager begin developing HR policies?	**what type of organisation is desired?**
52	When a person from one culture communicates with a person from another culture they are engaging in	cross-cultural communication	two-way communication	multi-focus communication	verbal communication	**cross-cultural communication**

53	Cultures where verbal communications are explicit and direct are	low-context cultures	medium-context cultures	context cultures	high-context cultures	**low-context cultures**
54	Host country nationals are	Parent-company nationals who are sent to work at a foreign subsidary	Natives of a country where an overseas subsidary is located	natives of a country other than host country of an overseas subsidary	An expatriate who returns to home country	Natives of a country other than host country of an overseas subsidary
55	In the geocentric approach to IHRM,	Companies view the world as a single market place	The transfer of knowledge from the parent to the subsidaries is smooth &complete	Views the world as a differentiated market place	The organization identifies its best practices & resources from with in & outside the org.& employees them where ever they are best suited	**The organization identifies its best practices & resources from with in & outside the org.& employees them where ever they are best suited**
56	Which of the following statements regarding IHRM is correct?	Domestic HRM has increased complexity of activities than IHRM	There is more cultural awareness and tolerancein domestic HRM than IHRM	IHRM has diluted risk on the business front and increased risk on people fornt	HRM involves management of cross cultural teams	**HRM involves management of cross cultural teams**

57	Hofstede developed 5 dimensions of national culture & provided a research instrument to measure them emprically.which of the following is not one of the dimensions?	Power distance	individualism	Uncertainity avoidance	Race	**individualism**
58	Consider the following e.g. an indian firm with operations in european countries send s employees of US origin to work with their counter parts in european countries. What is the term used to refer to the employees of US origin working in European countries?	host country nationals	third country Nationals	expatriates	Repatriates	**Repatriates**
59	In high power distance countries such as China and Korea employees expect	to have a say in all decision making	their managers to make the decisions and tell them what to do	to be asked their opinion about changes to work processes	managers to delegate a great deal of the decision making responsibility to their subordinates	**their managers to make the decisions and tell them what to do**
60	Cultures that value hierarchy and status differentials will have compensation strategies that	have an emphasis on individual achievements	promote and reinforce differentials	minimise status differentials	are based on group performance and individual seniority	**promote and reinforce differentials**