Unit 1 Concept of Human Resources Management Human resources management (HRM)

Human Resource is concerned with the "people" dimension in management. It deals with the totality of the manpower management function. HRM may be defined as an art of processing, developing and maintaining a competent workforce to achieve the goals of an organization in an effective and efficient manner.In other words, HRM can be defined as a process, concerned with the management of human energies and competencies to ensure competent and committed workforce to achieve organizational goals in a changing environment. According to DeCenzo and Robbins, "HRM is a process consisting of four functions- acquisition, development, motivation and maintenance of human resources.Similarly, According to Ivancevich and Glueck, "HRM is concerned with the most effective use of people to achieve organizational and individual goals. It is a way of managing people at work, so that they give their best to the organization.*HRM is concerned with the qualitative improvement of the employees, continuously enabling them to improve their competency and capability to play their present and future expected roles. The aim is to help the organization achieve its goals more effectively, while at the same time, meeting the employee's needs in an adequate manner.

Characteristics of HRM

1.Human Focus: HRM is concerned with the people in an organization. It focuses on individuals possessing energy and competencies. It is always concerns with developing and utilizing human potential.

2.Management Functions: HRM is a management function. It involves acquisition, development,motivation and maintenances of HR.

3.Pervasive: HRM covers all levels of management. It is performed by all levels of management.

4.Continuous: HRM is a continuous function. The activities related to HRM are continuously performed in an organization. It is always concerns with present and future HR.

5.Mutuality oriented: HRM always tries to improve the relation between employers and employees by integrating their goals.

6. Dynamic: HRM is a dynamic function. It is affected by the changes in environment. It adapts to the changing forces in the environment.Personnel and Human Resource Management:Personnel management is evolved from staffing. It is a traditional approach. Its focus is on personnel administration, compensation and welfare and labor relation. It is discipline and control-oriented staff function.0u.1

Whereas, HRM is evolves from personnel management. It is an integrated approach to management of human energy and capabilities. Its focus is on development and utilization of human potential.

The objectives of HRM are as follows

1.To create and utilize an able and motivated workforce to accomplish the basic organizational goals.

2.To establish and maintain organizational structure and desirable working relationship among all the members of the organization.

3.To secure the integration of individual or groups within the organization by coordination of individual and group goals with those of the organization.

4.To create facilities and opportunities for individual or goal development so as to match it with the growth of the organization.

5.To identify and satisfy individual and group needs by providing adequate and equitable wages, incentives, employees benefits and social security and measure for challenging work , prestige, recognition, security and status.

6.To strengthen and appreciate the human assets continuously by providing training and development program.

7.To provide facilities and conditions of work and creation of favorable atmosphere for maintaining stability of employment.

Human Resource Management Functions:

1.Human Resource Planning: HR planning is a forecasting the need and availability of manpower in an organization. It is prepared by HR departments in consultation with other departments. The demand for manpower is estimated on the basis of expansion or contraction of current and future business operation whereas manpower supply is determined by the internal and external availability of people.

2. Job Analysis: It is the basic function of HRM. It collects the job related information to make job specification and job description. Job Analysis helps in formulation manpower planning, recruitment and selection and other HR decisions.

3.Recruitment and Selection: HRM recruits the potential employees. Recruitment is a process of identifying the prospective employees, stimulating them and encouraging them to apply for the particular job in an organization. Selection is made from the list of potential employees after recruitment. Selection involves the process of reviewing application blanks, organizing interviews and test and informing candidates.4.Training and Development: It is needed to build the skill, ability and to motivate the employees. HR department provides training and development program to the

employees as per the organizational need. It assesses the training needs and determines the type of training and development program.

5.Performance Appraisal: It is the process of evaluation employees' performance related strength and weakness. Performance is measured against criteria set previously. This function helps in determining pay, promotion and also in taking disciplinary action.

6.Compensation and Benefits: Compensation and Benefits are the monetary reward provided to the employees against their effort to work. They are the major tools to motivate the employees in an BBS Notes - Human Resource Management organization. Thus, HR manager must design them in effective manner to attract qualified and skilled manpower at work.

7.Health and Safety: Every organization has to take care of its employees' health and safety. Working place must be clean and safe enough to perform the work by employees. Higher risk and pollution de-motivate the employees at work. Thus, HR managers should highly concerned on this matter

8.Employee Relation: HR mangers must maintain harmonious relation between management and employees. Any issues or grievances arise in an organization should be handled constructively through discussion, negotiation etc.

9.Record Keeping: HR department keeps and maintain the record of employees and retrieve whenever it is necessary. The records include application form, medical records, employment history, absence etc. This function helps in promoting as well as to take disciplinary action to staffs.

Human resource management System: HRM is a system approach. HRM system is an integrated guiding map that shows the integrated form of HRM comprising inputs, process and output components and their interaction with the environmental factors.(Fig from book)*A system is an organized whole, consisting of interrelated and inter-dependent parts

Inputs

 a.Human Energy and Competencies: It represents the availability of Human Resource and their skills and abilities.

b.Organizational Business Strategy: It represents the course of action chosen to achieve the organizational goals

c.Labor Market: It is a essential source of supply for human resources. The availability of quality manpower in the external market has a great influence on organizational activities.

d.Labor Union and Legislation: Labor union and legislation affects the selection of particular HRstrategy and activities.

Process:

a.Acquisition: HR planning, Recruitment, employee socialization.

b.Development: Employee training, Management development, career development.

c.Motivation: Job design, performance appraisals, Reward, compensation/benefits, and discipline.
d.Maintenance: Safety and health and employee relation.

Output:

a.Quality of Work life(QWL): It refers to the creation of effective working environment in which the employees get highly motivated to dedicate their full effort toward work.(autonomy, recognition, belongingness, progress and development, reward system)0u.4

b.Productivity: It is the relationship between the quantity produce from the inputs used. Success of organization depends upon higher productivity. Thus, the overall productivity is the major outcome of the HRM system.

c.Readiness to change: Change is inevitable in an organization. Management should carefully plan and implement the changes. Sometimes employees may resist the changes because of fear of job termination, transfer etc. Thus to reduce the fear HRM system allow the time or create the environment for further training and development, effective communication and accept the changes.

Challenges of HRMS

1.Globalization: Globalization means providing the access for buying and selling goods across nations. In other words, globalization means off-shoring of business from one country to another to get advantage of low cost, low tax and skilled manpower. Usually, developed countries like U.S, Japan, UK etc. are off-shoring their business to developing countries like India, China, Thailand, Vietnam, Cambodia, Indonesia etc. This process directly and indirectly affects the HR practices and HR policies of local organization. Higher pay from those off shoring organizations attracts most of the qualified personnel, which will be the challenge for local organization to retain their staffs. Besides, international organizations also have the challenge to train and develop the local people to work in international standard as well as socialize them in their company.

2.Work Force Diversity: Work force diversity means that organizations are becoming more heterogeneous in terms of gender, race, ethnicity and other background. The participation of women and minorities in the workforce has been increasing .Such increasing in diversity increased the roles and responsibility of HR managers to handle diversity related issues and problem at work. There is increasing need for training, education and other awareness programs to develop a certain level of awareness to recognize differences at work.

3.The contingent workforce: Contingent workforce refers to part-time, temporary workers appointed for short time contract. Due to the increasing effects of globalization the prevailing employment pattern of employing permanent employees has been changes. Organization are now interested in appointing workers and even professionals managers on a contingent basis to fulfill the demand of peak business time when only a limited number of core employees are not able to cope with increased work pressure . Since, they are the temporary workers for a certain period of time the role of HR manager to use their skill fully and ensure quality of their work is a challenge in at present context.

4.Decentralized work sites: Since, due to the advance technological improvement, today's employees are not required to sit in office and work from 9am to 5 pm. Instead, they can work at home and report to the head office with computer linkage. This form of decentralized worksites is getting popular in developed as well as developing nations. The challenge for HR managers is to monitor work process and ensure the quality of work done in the decentralized sites as well as to design the reward system for their performance.

5.Employee involvement: The employee involvement at the workplace is necessary for the efficient and effective utilization of resources. To motivate the employees to give higher effort toward work is big challenge of HR managers. So managers can use techniques like delegation of BBS Notes - Human Resource Management authority, job redesign, job enrichment, reward system etc to enhance the employees contribution at work.

6.Changing Skill requirement and avoiding skill deficiencies: Due to rapid changes in information technology, the inflow of foreign investment and transfer of technology, there has been increasing demand of skilled and knowledgeable man power. Similarly, the blue collar jobs are being replaced by technical knowledge workers. Thus, to fulfill this demand HR manger have to take necessary measures like offering handsome salary, effective working environment , fringe benefits etc to attract them . Similarly, due to obsolescence of current technology and manufacturing process, organization needs to train the employee to avoid skill deficiencies.

Unit 2 Human Resource PlanningHuman Resource Planning (HRP)

HRP is a process of determining and ensuring the right number of people, in right place at right time, capable of executing the assigned task in effective and efficient manner in an organization. It deals with: a.Demand and supply of peopleb.Cost effectivenessc.Development and Trainingd.Setting StandardsIn other words, HRP is the process of analyzing, anticipating the HR requirement and fulfilling them in accordance with business strategy.According to Cash and Fischer, "HRP is a method for determining future staffing requirement and developing action plan for meeting them.HRP is a part of the company's total resource planning. It influences and influenced by business plans, interacts with organizational plans and contributes to business decisions concerning, for example the development of new products, markets, facilities and production process as well as merger and acquisitions".Characteristics of HR Planning:

The characteristics of HRP are as follows:

1.Based on strategic planning: HR planning is always formulated under the basis of corporate strategy. It has direct line with business strategy. E.g. when a company wants to expand the business, HRP helps by making available, the required number of concerned skilled manpower.

2.Estimate demand and supply of manpower: HRP estimates the expected demand and supply of manpower required and available in and outside the organization respectively. By the help of Human Resources Information System (HRIS), HRP continuously monitor the changes in human dimension in and outside the organization.

3.Focuses on ensuring availability of quality manpower: Business organization cannot survive until and unless there is dedicated employees. Thus, HRP not only forecast the demand and supply of workers but also, ensures the availability of trained, skilled and qualified workforce for organizational activities.

4.Mechanism for regular monitoring and evaluation: HRP does not work until and unless there is a proper mechanism for monitoring and evaluation. Thus, while formulating HRP an inbuilt mechanism with a number of indicators for monitoring and evaluation will be developed. This help to ensure that HRP is in right track.

5.Assisting in achieving cost effectiveness: Business organization always tries to minimize the cost and maximize the profit. So, HRP focuses on utilizing the HR in most effective and efficient manner, which not only reduces the cost but also helps in increase and develop the skill and abilities of work force.

- **Objectives of HRP**

1.To ensure optimum utilization of human resources currently in employment.

2.Assess or forecast future requirement.

3.Cope up with the changing scenario.

4.Keep constantly in touch with business land of the organization.

5.Anticipate redundancies.

6.Provides basis for human resources development.

Importance of HRP:

 1.Helps in implementation of Business strategy: After formulating the business strategy, it needs to be implemented to get expected result. But, implementation is only possible, when there is availability of skill and competent workforce to perform the assigned task. Thus, HRP ensures the availability of right manpower with competent skill, when and where required.

2.Minimizes future risk and uncertainty: Due to change in environmental factors, like technology y, government policies, etc organization need to change its policies and practices. This directly impacts the HR requirement of an organization. Since, HRP always monitors the changes in environment and forecasts demand and supply of employees necessary for organizational setting. It helps to reduce the risk of short coming and unavailability of HR as well as risk of excess number of unproductive employees in an organization.

3.Helps in identifying organizational strength: HRP collects all the necessary information related to employee's education, training, skills, current positions etc. It helps to know the exact human inventory available in an organization. It further helps to determine the company's strength which can be utilized fully to capitalize the opportunities in an environment.0u.2

4.Helps to determine training and development needs: HRP not only forecast the demand and supply, but also helps to determine the training and development need for employees. Employees need to be trained and developed to enhance their skill and abilities as per the organization's requirement. Thus, HRP creates the mechanism to determine and provide training and development facilities for employees.

5.Helps in cost minimization: HRP ensures the right numbers of people in right place at right time. It avoids the cost of overstaffing and understaffing, which helps to minimize the cost.Concept of HR strategy: •Strategic Plan: A company's plan for how it will match its internal strength and weakness with external opportunities and threat in order to maintain a competitive advantage•Strategic Management: The process of identifying and executing the organization's mission by matching its capabilities with the demand of its environment.•Strategy: The Company's long-term plan for how it will balance its internal strength and weakness with its external opportunities and threats to maintain a competitive advantage.Human resource Strategy is defined as "A coordinated set of actions aimed at integrating an organization's culture, organization, people and system". [The need to recruit, develop, compensate and retain qualified employees will be driving strategy of HR functions.]In other words, HR strategy is a action plan which is

concerned with establishing relationship between long-term direction and business strategy on the one hand and HRM activities on the other.

Characteristics of HR strategy:

1.Pervasive: HR strategy covers all the levels and hierarchy of management. It prevails within and between each and every activities performed in an organization.

2.Link with Business Strategy: HR strategy has close link with business strategy. Since, without linking HR strategy with business strategy it is difficult to use people for certain purpose.

3.People as strategic resources: HR strategy always focus to make people more and more effective to achieve competitive advantages in the market.

4.Environmental adaptation: HR strategy changes with change in environment. It always focuses on building the competent HR to match the change needs in an organization due to environmental changes. Relation between HR planning and Strategic Planning:*Strategy is market oriented concept and it is closely related with products and competition in the market.Strategic planning is determining the long term course of action. It is formulated by top level management after analyzing internal strength and weakness of an organization and external opportunities and threats prevailing in the environment.

Unit 3 Job Design and Job Analysis

Job design is the process of identifying the content of the job and determining the method of doing it. In other words, designing job means improving the conditions of employees' participation in the work.According to Byars, and Rue, "Job design is the process of structuring work and designating the specific work activities of an individual or group of individual to achieve certain organizational objectives."Similarly, according to Hackman, "Any activity that involves the alteration of specific job (or independent system of job) with the intent of increasing both the quality of the employees' work experience and their on -the –job productivity."From the above definition, it is clear that job design is not just determining the contents and methods, but to make job motivating, interesting and challenging enough so that individuals ability and the degree of their participation will be increased.Benefits of Job Design:

Benefits of job design.

1.Determination of organizational structure: Organizational structure is made on the basis of the authority responsibility relationship of the activities that are performed in an organization. Determination of the activities is done under job design. Thus, job design helps in designing the overall organizational structure.

2.Motivating the staffs: Job design not only determines the contents and method of doing job but also focus on determining needs and expectation of employees from the job. Thus, it helps in making a job interesting and challenging which motivates the employees towards work and work activities.

3.Knowledge Upliftment: Job design focuses on building and increasing the abilities of individuals. The tasks are precisely defined and effective methods are specifically determined under job design. This helps to understand about the job and its procedure easily.

4.Person-Job fit: Job design always tries to balance between activities and the skill requires doing those activities. When the employees' and jobs interest match it helps to improve productivity and ultimately achieve the goals.0u.1

5.Better Quality of Work Life: Better job design ensures the fulfillment of both psychological and physical needs. This further enhances degree of motivation and personal development. Thus, quality of work life (QWL) can be achieved through effective job design.6.Change behavior at work: Job design focuses on reducing the duplication and repetition of work and work activities by an individual. Instead, it tries to make the work interesting and challenging which decreases the monotony and increases the willingness to perform a job. This helps to change the attitude of workers towards the work.

Methods and Approaches of job design

1.Scientific Management Approach: This method is suggested by F.W Taylor. Under this method, jobs are narrowly defined. The job is simplified by breaking down the job into tasks. This task specifies not only what is to be done, but how it is to be done and the exact time allowed for doing it. This further helps in work specialization. Taylor suggested that, job should be designed first and then finding or fitting people to the job should be done next. He further argued that doing so; it not only decreases the cost of training and development but also motivates the people toward work. This approach is job oriented which can be used mostly in assembly line where same job are done repeatedly.

2.Herzberg's Motivation –Hygiene Theory: This method is suggested by Frederick Herzberg. He and his associates found that people like to work in those organizations where two factors – hygiene and motivator are presents. Hygiene factors are pay, working condition (heating, lighting and ventilation), company policy and quality of supervision. These factor lead to an increase in productivity. Motivators are the feeling of self improvement, recognition, achievement and a desire for an acceptance of a greater responsibility. Presence of motivator factors motivates the employees and leads to job satisfaction. However, presence of hygiene factors in job not necessarily motivates the employees but absence causes dissatisfaction in the ob and lead to low productivity. Since, dissatisfaction can be minimized by providing adequate salary, improving working condition. However, motivate factors are totally related to job itself. Thus job should be designed in following ways.a.Employees should be made more accountable for his/her job by delegating some authority.b.Individual are given opportunity to plan and schedule their own jobs.c.There should be as far as possible direct or face to face communication while working on that job.d.Work should design in such that the worker can consider doing his/her own things.e.Reward system should match the work performance.

3.Job Rotation: Job Rotation is the process of motivating employees by moving them from one job to another job for a shorter period of time. It is normally used to train different skills and techniques to the workers, so that one can work in different jobs at the time of urgency and scarcity. It also helps to avoid the boredom and frustration caused by similar and repetitive jobs.

4.Job Enlargement: Job Enlargement is the process of increasing the work load by adding the same nature of jobs or tasks into a job. E.g. the various tasks like operating camera, check sound, prepare lighting and report story can be added to video journalist job.0u.2

5.Job Enrichment: Job enrichment is one of the mostly used techniques to motivate the employees at work. Under this technique, employees are free to set their goals, supervise their subordinates and enjoy power over others by planning and controlling their work and work related activities. This will enhance the employees' commitment and satisfaction.Techniques of job enrichment are as follows:

a.Specific task: Assign specific task to the individual to develop expertise.

b.Combine task: Add similar job to one to increase job scope.

c.Self-set standard: Allow the employees to set their own standard and targets.

d.Minimal control: Provide greater autonomy to work and work related activities.

e.Employee accountability: Make employee accountable for their performances.

f.Feedback: Provide feedback to employees about performance result.

6.Job Characteristics Approach: This approach is suggested by Hackman and Oldham. This approach is based on premise (idea) that it is possible to alter a job's character and create conditions of high work motivation, satisfaction and performance by recognizing that people respond differently to the same job. This method states that specific job characteristics affect job design. They are :-

a.Skill Variety or the degree to which a job requires a job variety of different skills.

b.Task Identity or the degree to which a job requires completion of a whole and identifiable piece of work.

c.Task significance or degree to which a job provides substantial impact on the lives or work of other people.

d.Autonomy or the degree to which job provides substantial freedom, independence and discretion to the individual in scheduling the work and in determining the procedures used to carry it out.

e.Feedback or the degree to which carrying out the activities required by a job result in the individual obtaining direct and clear information about the effectiveness of his/her performance.

7.The Open Social –Technical System Approach: This approach is useful to design jobs to satisfy team or group employees. This approach implies that the work setting has to be seen in terms of two interrelated system: a social and technical system. The open system denotes the constant interaction of the organization and the work group as units with a larger environment. The major elements of job designing by using an open social technical system includes:- a.Variation in the inputs and outputs of departments.b.Estimates of relative importance of different variations.c.Description of work roles, status, recruitment and training.d.Analysis of attitude to work.e.Analysis of the system of remuneration, wages etc. f.Analysis of communication network.8.Autonomous Work Group (Self-Managed Team): Under this method, the group or team is assigned, who has full autonomy to take any decision related to work and work activities. They are free to decide about the working methods, people involvement, people responsibility, leadership etc. This method focused on group achievement rather than individual achievement. Due to freedom and the performance based reward system, employees are more motivated towards works and thus enhance

9.Modified Work Schedule: Under this method the work time is change according to the necessity of the employees. They may be following types:-

a.Shorter work Week: Worker work 10 hours each day for four days.

b.Flex time: Employees contract to work for specific hours per week but are free to choose their working time within certain limit.

c.Job sharing: Sharing of a job between two or more part-time employees.d.Homework: Employees do the work at home for the employers. Jobs like designing, software developing etc are done at home for employers.

Job AnalysisHenderson (1979), defined "a job as work consisting of responsibilities sand duties, that are sufficiently alike, to justify being covered by a single job analysis."Harvey (1991) defines a job as "a collection of positions similar enough to one another in terms of their work behaviors, to share a common job title".Scientific management states that the key to ensuring good levels of productivity is a very good knowledge of the different tasks, which make up a job. A thorough understanding of what is to be achieved, as well as the knowledge of the abilities and material required to do a job are essential to standardize the action of workers ,like the functioning of the machine.Workers and management began to take increased interest in job analysis because of two reasons

a.Fear of unfair discrimination.

b.The need to compare the merit of different individual employees holding different jobs, to claim equal pay, on the basis of comparable quality of their respective job/work."If you don't know a job's duties, responsibilities and human required, how can you decide who to hire or how to train them?" Job Analysis can be defined as a structured, multi-method approach aimed at defining the skills, knowledge and personal attributes necessary for effective performance. It is the systematic process of discovery of the nature of a job by dividing it into small units. The final outcome of job analysis is the preparation of job description and job specification.According to Gary Dessler, "job analysis is the procedure for determining the duties and skill requirements of a job and a kind of person who should be hired for it"Similarly, according to Decenzo and Robbins, "a job analysis is a systematic exploration of the activities with a job. It is a basic technical procedure, one that is used to define the duties, responsibilities and accountabilities of a job." Thus, job analysis is just an accurate recording of the activities ,where information are gathered to define the specific job attributes .It produces information used for writing job description(a list of what the job necessities) and job specification (what kind of people to hire for the job).0u.4

Methods that managers or HR experts can use to find a job elements and matching knowledge ,skills and abilities necessary for successful performance include the following:

a.Observation Method: Under this method, the job analyst observes the workers while they are performing their jobs. It helps to collects the first hand information about the activities, equipments, materials, working conditions and job hazards. However, workers in many cases do not

function most efficiently when they are watched and thus, may lead to distortion in the job analysis. In addition, this method is not suitable for analyzing most managerial jobs where intellectual abilities are required.

b.Interview Method: Under this method, job incumbents (who are directly responsible for the job in current context) are selected and extensively interviewed. A check list of questions is used for interview purpose. This method is effective for assessing what a job entails (necessities), but is very time consuming.

c.Technical Conference Method: Under this method, the information related to the jobs are collected for the specialist and technicians (experts).The information of job characteristics like difficulty, variability, significances ,autonomy, need for overtime etc. are collected. Although it is a good method, it often overlook(ignore) the workers perceptions about what they do on their jobs.

d.Dairy Method: This method requires job incumbents to record their daily activities. Comprehensive information is obtained about the job from entries made in the diary for the entire job cycle .However, maintaining a dairy is not possible for every job because it added a workload to the workers and also interfere the regular functioning of the actual work.

e.Structured Questionnaire Method: Using this method, workers are sent a structured questionnaire on which they check or rate items they perform on the job from a long list of possible task items. This is a popular method for gathering the information about jobs. However, sometime questions may be misunderstood and often feedback is lacking in this method.

Job Analysis Techniques

Job Analysis techniques provides systematic and quantitative procedures that yields information about what job duties are being accomplished and what skill, ability and knowledge are needed to perform the ob. The important techniques of job analysis are as follows:

1.Job Focused Techniques: This technique is concerned with the task that make-up various jobs. Following techniques are included in this category.

a.Functional Job Analysis: This technique was developed by US Department of Labour .In this technique, the information about the job is gathered from observation or interview. This information is link into the three general functions that exist in the entire job. They are Data, People and Things. After relating the job with these functions, the score is given, which is use to determine the salary for the relative jobs.(Table of scoring form Agrawal sir book)

b.The Hay Plan: This technique is used to analyze managerial and executive level jobs. It is based on an interview between job analyst and the person in job. Under this technique, this information related to four aspects of an executive's job are gathered. They are :-

 i.The objective of the job

ii.The dimension to be covered by the job holders while being in that position

iii.The nature and scope of the positioniv.The accountabilities.c.Method Analysis: The main purpose of the technique is to analyze job to help employees to work more effectively and efficiently. Under this technique, body movement and procedural steps used to perform jobs are recorded. They are:

i.Balancing movements of two hands

ii.Opposite and symmetrical direction of hands

iii.Reduction of muscular efforts

iv.Doing productive works without idle time

v.Location and position of tools and material for grasping

vi.Illumination, height and space arrangement at work.This method is applicable to analyze the physical works and to improve the efficiency of the workers.

2.Person /Behavioural Focused Techniques:This technique analyzes the behaviour requirement of the job. Following are the techniques includes in this category.

a.Position Analysis Questionnaire (PAQ): This technique was developed by the researcher at Purdue University. It contains 194 elements of job within 27 division job dimension and five overall job dimensions. These 5 dimension states the behaviour difference in individual jobs. They are:

i.Having decision making/communication/social responsibility: This dimension requires considerable amount of communication and interaction with people as well as responsibilities associated with decision making and planning function

.ii.Performing skill activities: This dimension requires skills like precision, recognizing differences and mental control to operate technical tools and devices.

iii.Being physically active/related environmental condition: It is related to considerable movement of entire body or major part of it.

iv.Operating vehicle/equipment: It relates to operation or use of vehicle.

 v.Processing Information: This dimension relate to range of information processing activities.The PAQ allows management, scientifically and quantitatively group interrelated job elements into job dimensions. Thus, in-turn allow jobs to be compared with each other and similar job are grouped into job families .And ofcourse these information are use to develop job description, job specification and conduct job evaluation.b.Critical Incident Technique: Under this technique, the critical incidents that occurred during the last 6 to 12 months are identified. This incident is link to the job performance or the workers behaviour on an particular job. And determine its effectiveness and ineffectiveness in job. Thus, by the help of this information job description and job specification are developed.This method provides the actual picture of job requirement. However,

it is time consuming and may focus on unusual behaviour of the workers.Purpose of Job Analysis (Uses of Job Analysis Information)

Purposes of Job Analysis:

a.Job Description: Job analysis is use in developing job description. A job description is a written statement of what the job holder does, how it is done and how job is done .It accurately portray job contents, environment and conditions of employment. In other words, job description is a list of job duties, responsibilities, reporting relationship, working conditions and supervisory responsibilities. A common format of job description includes:i.Job title,Level of the job,.Job location,Duties and Responsibilities ,Authority and Accountabilities.

b.Job Specification: Job Analysis is use in developing job specification. A job Specification states the minimum acceptable qualification that the incumbents must have to perform the job successfully. It defines the knowledge, skills, and abilities needed to do the job effectively. The important information includes in job specification are:a.Education and trainingb.Experience c.Physical Healthd.Skills e.Maturity

c.Job Evaluation: Job Analysis information is crucial (essential) for estimating the value of each job and its appropriate compensation. If an organization is to have an equitable compensation program, job that has similar demand in terms of skills, education, and other personal characteristics should be placed in common compensation groups. Thus, job evaluation contributes toward the end by specifying the relative value of each job in the organization.

d.Recruitment and Selection: Job Analysis provides information about what the job entails and what human characteristics are required to perform these activities. This information in the form of job description and job specification, helps management decide what sort of people to recruit and hire.

e.Performance Appraisal: A performance appraisal compares each employee's actual performance with his/her performance standards. Managers use job analysis to determine the job's specific activities and performance standards.

f.Training and Development: Job Analysis identifies and suggests individual abilities required for a job. Therefore training and development needs can be ascertained by job analysis.

Job Evaluation Methods

The following are the methods of Job Evaluations

 1.Ranking Method:

The ranking method requires a committee typically composed of both management and employee representatives of job in a simple rank order, from highest to lowest. Rating specialists review the job analysis information and thereafter appraise each job subjectively according to its general importance in comparison with other jobs. In other words, an overall judgment is made

of the relative worth of each job, and the job is ranked accordingly. These are overall rankings, although raters may consider individually the responsibility, skill, effort, andworking conditions and each job. No attempt is made to determine the critical factors in each job. Therefore, it is quite possible that important elements of some jobs may be overlooked while unimportant items are weighed too heavily. It may be noted that because of the difficulties in ranking a large number of jobs at the time, the paired comparison technique of ranking is sometimes used. With this technique, decisions are made about the relative worth of only two jobs at a time. However, since each job is compared with every other jobs, the number of comparisons to be made increases rapidly with the addition of each job to the list.

2.Job Grading or Job Classification Method:

This method works by assigning each job a grade, level or class that corresponds to a pay grade for instance Grade I, Grade II, Grade III and so forth. These grades or classifications are created by identifying gradations of some common denominations, such as job responsibility, skill, knowledge, education required, and so on. Then, for each job grade so created standard job descriptions are determined. Thereafter, such standard description is matched with job descriptions in the organisation. The standard description that most nearly matches the job description determines the job's grading. This method requires a decision at the initial stage on the number of pay grades to be included in the wage and salary plan. Of course, the actual amount to be assigned to pay grades made after the job evaluation is completed.

3.Factor-comparison Method:

This method is a combination of ranking and point systems. All jobs are compared to each other for the purpose of determining their relative importance by selecting four or five major job elements or factors which are more or less common to all jobs. These elements are not predetermined. These are chosen on the basis of job analysis. The few factors which are customarily used are : (i) mental requirements (ii) skill (iii) physical requirements (iv) responsibilities (v) working conditions, etc. A few jobs are selected as key jobs which serve as standard against which all other jobs are compared. Key job is one whose contents have been stabilized over a period of time and whose wage rate is considered to be presently correct by the management and the union

Unit 4 Recruitment and Selection

Concepts:

Recruitment is the process of creating a pool of potential employees in an organization to fulfill the human needs. It aims to attract a high performing workforce in the organization. It is a positive function persuading people to apply for work.

According to DeCenzo and Robbins, "Recruiting is the discovering of potential candidates for actual or anticipated organizational vacancies."

Similarly, according to Edwin B. Flippo, "Recruitment is a process of searching for prospective employees and stimulating them to apply for jobs.

Thus, recruitment is a linking activity that brings together those with job to fill and those seeking job. In addition, it aims to attract the qualified and not attract the unqualified.

The need of recruitment in any organization is because of two reasons:

a. Mobility of Human resources: It is due to transfer, promotion, retirement, resignation, dismissal, disability and death of employees.

b. Growth of business: It is due to expansion, diversification, acquisition, growth, job redesign and technology up gradation.

Factors affecting recruitment:

a. Size of the organization.

b. Employment condition in the community.

c. Labour turnover in an organization.

Sources of Recruitment

The sources of recruitment can be classified into two groups:

1. Internal Sources: The sources within the organization are internal sources. For examples; promotion, transfer, rehires, job rotation etc.

a. Promotion: Through the information from the HR inventory and succession planning, the potential candidates that can be upgraded or promoted can be determined. Since it is a vertical upward movement effective recruitment can be ascertained through this source.

b. Transfer: Potential candidates that can be transferred are determined; this serves as an important source of internal recruitment. It is a horizontal movement, which helps the employees to expand their knowledge related to place, working method, working condition etc.

c. Rehires: Rehiring the process of reemploying the old employees having the skills and experience on related subject matters. It will be easy for an organization to handle them because they already know about the organization's culture, style and the ways of doing jobs.

d. Job rotation: Job rotation is moving an employee in different job under hi/her level. It helps employees to acquire different skills which enhance motivation towards work.

The advantages of internal sources are as follows:

a. It helps to build good public relation.

b. It builds morale(confidence)

c. It encourages good individual who are ambitious.

d. It improves the probability of a good selection, since information on the individual's performance is readily available.

e. It is less costly than going outside to recruit.

f. Those chosen internally already know the organization.

g. When carefully planned, promoting from within can also act as a training device for developing middle and top level managers.

The disadvantages of internal sources are as follows:

a. It can be dysfunctional to the organization to utilize inferior internal source only because they are these, when excellent candidates are available on the outside.

b. Management may lack new ideas, knowledge and enthusiasm of outside world.

c. There may be possibility of nepotism and favoritism.

d. Internal conflict may arise to get the promotion and favorable transfer within the employees.

e. Seniority based promotion may hamper the process of keeping right people at right job at right time.

2. External Sources: The source outside organization. It includes employment exchanges, private employment agencies, professional association, education institution, trade unions, and unsolicited applications.

a. Employment exchanges: Employment exchanges are usually non profit or public agencies which register and gather the list of semi skilled or skilled prospective employees. Through these agencies government gets information about the potential employees and proceeds selection process. E.g. Public service commission, education service commission etc.

b. Private employment agencies: These agencies are the potential employees data bank which not only keep the information about the prospective employees but also advertise the position, screen applicants against the criteria specified by the employer and also provide guarantee covering six months or a year as protection to the employer against the unsatisfactory performance of applicants. This type of agencies charge fees to either to applicants or employers or both against the services provided to them.

c. Professional Association: These associations have maintained the personal and professional information of their members. Usually for higher level jobs or for technical jobs like accountants, engineers, lawyers etc this source is used by the organization.

d. Education Institution: It is a source of talent and enthusiastic individuals, who generally lacks work experience. They provide a large pool of potential employees at one location.

e. Unsolicited application:

i. Walk In: Job seeker who visits the organization in search for job.

ii. Electronic: Job seeker provides their personal and professional information through mail to the organization HRD.

Advantages of external sources are as follows:

a. It provides a large pool of qualified candidates which facilitates in selecting suitable candidates for a job.

b. New ideas, knowledge, skills, enthusiasm revitalize the organizations' functioning.

c. It discourages favoritism and nepotism.

Disadvantages of external sources are follows:

a. It may incur high cost.

b. Current employees get discourage by external recruitment.

c. Problems may occur in socialization of new employees.

d. Possibility of wrong selection.
Methods of Recruitment

The methods of recruitment are as follows:
1. Internal Method
a. Job Posting: It is an open invitation to all employees in an organization to apply for the job. The announcement of the vacancy can be disseminated through bulletin-board, Inhouse newsletter, circular etc. Equal opportunity for growth and advancement,
motivation for better performance are the advantages of job posting whereas, chances of nepotism and favoritism, conflict between employees are the disadvantages.
b. Employee referrals: This is the recruitment by word of mouth. Usually, supervisor or superior refer his/her immediate subordinates and other form the group for the vacant post.
c. HR inventory search method: HR inventory provides all the information related to personal and professional undertaking by employees in an organization. Thus, through the inventory search recruitment can be undertaken.

2. External Method:
a. Advertising: Advertisement through several media, viz. radio, television, newspaper, trade journals etc can be done to attract a wider potential candidates.
b. Employee referral: The employees recommend their friends from outside the organization.

Selection
In human resource planning we identified our personnel needs. Once these needs were established a job analysis was conducted, which clarified the characteristics of jobs being done and the individual qualities necessary to do these job successfully. This information was then used to recruit a pool of qualified applicants. And after the completion of recruitment process, selection of a right person for a job is started.

Selecting the right employees is important for three main reasons:
a. The performance of selected employees affects the performance of others.
b. There is always the involvement of high cost, in the recruitment and selection process.
c. To secure the organization from wrong hiring viz. criminals, unqualified etc.

Selection is the process of choosing the best suitable candidates from eh pool of prospective employees for a vacant post. In other words, selection is the process of gathering information about job applicants in order to determine who should be hired and who should be rejected. According to DeCenzo and Robbins, "Selection activities predict which job applicant will be successful if hired in an organization."
Similarly, according to Schmitt and Schneider, "selection is the process of gathering information for the purpose of evaluating and deciding who should be hired, under legal guideline, for the short and long-term interest of the individuals and the organization."
Thus, selection is the process of carefully scrutinizing the information supplied by the prospective employees and identifying the best possible candidates for the current or future organizational undertakings.

Selection Process
The selection process includes the following steps.

a. Application form evaluation: It is a first step of selection process in which the screening of application contents viz. personal background, qualification, work experience, expected salary, references etc is done. Under this unqualified application and application form with false information are rejected.

b. Preliminary Interviews: After applications are selected, preliminary interview is held to screen out the misfit and unqualified candidates physically. Usually it is short. It also helps the applicants to know about organization and actual job requirement.

c. Selection test: After preliminary interview, written test is administered for further examination. Basically, there are five types of test, they may conduct for selection. They are aptitude test (measure potential of individual to do work), Achievement test (measure skill or knowledge acquired), Situation test (measure the way an individual perform a job in different situation), vocational test (measure a candidate's preference in different types of jobs) and personality test (measure the personal characteristics of candidates.

d. Selection Interview (final interview): Under this the in-depth conversation with the candidates on job related matters is conducted. It assess the candidates in following area:-
i. Ability to do the job and career goals.
ii. Motivation and enthusiasm to do job.
iii. Ability to fit in an organization.
iv. General Knowledge.

e. Reference Check: Under this, background information and character of the candidates is checked. Reference can contribute to the selection process if they are based on the facts and behaviour rather than an evaluation of candidates.
f. Physical Examination: Under this, the physical fitness of the candidates is examined. It helps to identify physical disability that may have internally and externally.
g. Final selection: After thorough analysis and examination of employees from different dimension, the candidates I selected for a job. Organization notifies the candidates who have been selected.

Selection Test
A selection test is a systematic procedure for sampling human behaviour. In other words, selection test is a tool which facilitates and ascertains the expected behaviour from non expected behaviour of an individual.
A test is a set of questions, exercise of practical activities to measure someone's skill, ability or knowledge. A selection test is tool which helps to identify the human behaviour acquired by an individual .Selection test must fulfill the following purpose:
i. It should predict the future performance of an individual.
ii. It should diagnose the cause of particular behaviors.
iii. It should describe situational behaviour.
The types of selection test are as follows:

a. Aptitude test: Aptitude is a natural ability or skill, what a person acquires. Aptitude test normally used to measure the potential of individual to perform. It includes inductive (using known fact to produce general principles and deductive (using the knowledge and information you have in order to understand or form an opinion about something) reasoning, verbal comprehension, memory and numerical ability measurement.

b. Achievement test: Achievement test measure what a person has learned. They measure an individual "job knowledge" in are like economics, marketing, personnel etc. E.g. measuring skills or knowledge that has been acquired during a training program is an achievement test.

c. Situational test: Under this test, candidates are asked to respond to the situation specific problem. Reaction from the candidates is evaluated and proceeds for further selection procedures.

d. Vocational test: It measures the candidate's preference in different types of job. Since, each individual has distinct interest and perception related to the job, the test tires to identify the interest on the job requirements. Clearly, if we can select people whose interest are roughly the same as those of successful incumbents in the job for which they are recruiting, it is more likely that the applicant will be successful.

e. Personality test: Personality test measures basic aspect of applicants. Personality, such as introversion (quiet or shy) extroversion (active, confident, enjoy spending time with others), stability and motivation etc. The usefulness of such test for selection rests on the assumption that we can fine a relationship between a measureable personality trait and success on the job.

Reliability and Validity of selection process
Selection a best suitable candidates for a job is an essential function of HR department. And, the effective selection is depends to a large degree on the basic testing concepts of validity and reliability.

Reliability: It is a test's first major requirement and refers to its consistency. A test is said to be reliable only when the result an outcome is consistent on identical test obtained form same person at two different occasion.

Validity (legal acceptance): It measures to prove that something is true or correct. In other words, validity tells us whether the test is measuring what we think it's supposed to be measuring.

Validity can be of following types:
a. Content validity: Content validity means, the content of the test item correlates highly with the job content. In other words, the content that choose for data entry test is a representative sample of what the person needs to know for the job, then the test is probably content valid.
b. Predictive validity: It means the performance of an employees or test score highly

correlates with the future requirement of the job.

c. Concurrent validity: It means, the degree to which test score correlates with job performance (i.e. those we do well in the test do well in job).

d. Construct validity: It means the relation between the job and its score in practical aspects. In other words, the extent to which the test measures the psychological quality or quantifies the psychological aspect of an individual.

Interview

It is a face to face verbal communication between two individuals. It helps to appraise the candidates' suitability of job.

The interview process

The interview process has following steps:

a. Preparation: structured , unstructured, job description and job specification

-Which technique:-structured, unstructured or semi structured

-One by one, panel or group interview

b. Conduct: information exchange

c. Termination : Thanking the applicants

d. Evaluation

Types of Interviews: There are following types of interview commonly used in organization.

a. Unstructured :

Question are not planned in advance

It is just a conversational style.

Questions depend on interviewer.

Substantial time required.

b. Semi-Structured:

Necessary questions or basic questions are planned in advance.

But, interviewer may ask additional related question in the area of inquiry.

c. Structured:

The interviewer prepares a list of question in advance and does not asked beyond those.

It helps to rate the applicants.

Useful to interview large number of people.

Socialization

"All marriages are happy. It's the living together afterward that caused all the trouble" (Raymond Hull)

In organization people should know and accept behaviour that the organization views as desirable. So every individual should act and react as per the organizational requirement. This phenomenon is called socialization. In other work, socialization is the process of learning the organizational culture and how to live or adapt within it.

According to Whrther and Davis, "Socialization is the ongoing process through which an employee beings to understand and accept the values, norms and beliefs held by others in the organization."

Thus, socialization is the process of understanding and reacting in organizational environment as per the expectation of organizational settings.

Purpose of socialization

The purposes of socialization are as follows:

a. To familiarize an individual in organizational settings: Organization has their own culture, rule and regulation and practices which distinguish form one another. New employee should understand these factors to become a member and act as per the requirements. Thus to familiarize an individual in an organizational setting socialization is a crucial task.

b. To reduce anxiety: New employees may suffer from serious anxiety while joining an organization. It is due to fear of new environment, personal expectation etc. Socialization helps to reduce the worry by providing information about the new job situation, role to be played and proper instruction.

c. To increase employee performance and satisfaction: Once the person is socialize in the organizational setting it is believed that an individual will performed better and continuously increase the degree o f satisfaction. This further enhances the creativity and imagination. Thus, socialization helps to improve the individual performance level.

d. To identify the employees behaviour: Socialization not only help to familiarize but also helps to find out whether an individual in accepting or rejecting the organizational culture and practice. Thus, to identify the deviants and norms-rejecting employees socialization is vital in any organization.

Process of socialization
a. Pre-arrival stage
b. Encounter stage
c. Metamorphosis stage

Process of Socialization

a. Pre-arrival Stage: Every individual make a prior image of a job performance and job environment while entering into a job. It is outlined form the previous education, work experiences recruitment and selection process. Thus, success of socialization depends upon the degree to which the selected member has correctly anticipated the expectation and desires of those in the organization.

b. Encounter Stage: In this stage, the individual confronts the possible difference between the work reality and his/her expectation. If expectation proves to have been more or less accurate, the encounter stage just validates the prior perception. However, in the case of deviation, the new employ must undergo socialization, which detach him/her from the previous assumption and replace these with the organization's basic standard. Usually, effective recruitment and selection process reduces such deviation in individual's expectation and workplace reality of an organization.

c. Metamorphosis Stage: The new member must suit in the organizational setting. This means going through the change as per the organizational requirement, which is also called metamorphosis. Under this stage, the new member becomes comfortable with the organization and their job .She/he has internalized the norms of the organization and their work groups. He/she feels accepted by the peers as trusted and valued individuals. He/she is self confident and has competence to complete the jobs successfully. Successful metamorphosis should have a positive impact on the new employees' productivity and their commitment to the organization and reduce their propensity to leave the organization.

Unit 5 Training and Development

Learning

Learning is a continuous interaction between individual and the particular social environment in which he/she function. In other words, learning is concerned with an increase in knowledge or expansion of existing skills.

According to Robbins and DeCenzo, "Learning is concerned with bringing about relatively permanent change as a result of experience".

Factors that affect learning are:

a. Active participation.

b. Self efficacy.

c. Proper feedback.

d. Practice, practice and practice.

The principles of learning are:

a. Principle of motivation.

b. Principle of feedback.

c. Principle of reinforcement.

d. Principle of practice

e. Principle of Transfer.

Process of Learning (Cognitive Theory):

According to this theory, learning is a cognitive (the part of mental function that deals with logic, as opposed to affective with deals with emotions) process. It includes the following steps:

a. Perceiving: perception is a process by which individuals organize and interpret their sensory impressions in order to give meaning to their environment (Robbins 1997). So when, individual encounter with the stimulus, he/she perceives it either positive or negative as per his/her ability to evaluate the situation or things.

b. Imaging: Individual visualizes the positive and negative effect of the stimulus. He/ she make an image about the work procedures, its environment and its execution etc.

c. Thinking: Thinking is a way of identifying the solution for a problem. In other words, it is building the alternative for decision making.

d. Reasoning: Determining the cause and effect relation on those alternatives that has been identified. It is the way of deduction interpretation from the areas. (Specifying from general)

e. Decision making: Deciding the best alternative among others. This means, accepting the situation and change the attitude and behavior as per the requirements.

Significance of learning:

a. To understand and predict behavior of people at work.

b. To manage and work in diversity.

c. To adapt to the change in technology.
d. Total quality management.
e. To facilitate organizational change and development.

Human Resource Development
Concept: HRD is a mechanism of building competent, committed, and loyal human resource in order to meet organizational challenges at present and in future. In other words, HRD is concerned with transforming an individual into organizational resource, which can be utilized to capitalize the opportunity and overall organizational development.

According to DeCenzo and Robbins, "Human resource development is concerned with preparing employees to work effectively and efficiently in an organization".

Thus, HRD is the process of energizing the human potential through training and development, performance appraisal and career development program that can be used for organizational enhancement.

Importance of HRD:
i. Develop skills and abilities.
ii. Facilitates career development.
iii. Increase employees' commitment on the job.
iv. Improves decision making.
v. Manage change and conflicts.
vi. Environmental adaptation.
vii. Link business strategy and employees' performance.

Training
Training is the process of providing the ideas, knowledge and methodology to the staffs to fit-in in the job requirements. In other words, training is a learning experience, which relatively change an individual behavior that will improve his/her ability to perform on the job.

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

Similarly, According to Casio: "Training consists of planned designed to improve performance at the individual, group and organizational levels."

Thus, training is a technique to upgrade employees' skills and knowledge to work in a changed work process and position and to fit-in in it.

Objectives of training:
The major objective of training is to bring positive change in employees' knowledge, skills and attitude towards the work. The general objectives of training are as follows:

a. Update capabilities: Environment is dynamic. Change in environmental factors obsolete the working methods, technology and also change the peoples' behaviors. Thus, training aims to update the knowledge and ideas needs to overcome these challenges by the employees.

b. Develop healthy attitude: Work knowledge is must for any workers, who is responsible to do it. Training provides the necessary skill and techniques to perform the job easily and promptly. It not only develops the positive attitude toward the work but also facilitates

better co-operation, commitment and loyalty of employees.

c. Socialization: Training always aims to socialize employees towards organizational setting. The skills and ideas learned from training is helpful for an individual to fit-in the job and behave as per its requirement.

d. Develop future potential: An individual with skills and knowledge is a possible candidate for promotion or getting the challenging job. This helps an individual to fulfill his career goals. Thus, training is means for future growth of employees.

e. Improve Productivity: Training improves individual potentiality. It develops confidence and positive attitude towards work. These bring less labor turnover, absenteeism, operational errors, which enhances overall productivity of an organization.

Benefits of training:
The benefits of training programs are as follows:
a. It helps to make successful implementation of change program (change management).
b. Increases organizational performances.
c. Makes people committed to achieving organizational objectives.
d. Increase attraction in organization.
e. Maximize individual performance and minimizes complaints.
Determining Training Needs

Training needs can be determined by answering the following questions:
a. What are organizational goals?
b. What tasks are must to be completed to achieve these goals?
c. What behaviors are necessary for each incumbent to complete hi/her assigned tasks?
d. What deficiencies, if any do incumbents have in the skills, knowledge or attitude required to perform the necessary behaviors?

Job requirements – Employee capabilities = Training Needs.
Training is required only when, three is a deviation or gap between the job requirement and employee capabilities. Usually, due to the following reasons training is required.
a. Worsening of employees' performance.
b. Change in current technology and work practices.
c. Employees' promotion.
d. For increasing productivity and effectiveness of certain units of operation.

Training need analysis is a systematic process of understanding training requirements. It is conducted as three stages. They are:
a. Organizational need analysis: The organizations' need analysis is aimed at short listing the focus area for training within the organization and the factors that may affect the same .The study of organizational mission, goals, people inventories etc. gives idea about the kind of learning environment required for the training. Besides, the financial ability to conduct training programs can also be ascertained by organizational analysis.

b. Job need analysis: The job analysis is the need assessment the job to be performed to achieve an organizational goal. It is done to get information on the task to be performed on each job and the skill required to do it.

c. Individual analysis: Individual performance is a major factor for goal achievement. His/her abilities and attitude towards the job is crucial for success of organization. So individual ability is measured and evaluated to find out deficiencies that restrict to meet the standard performance of the job.
Another view of training need is that, it is the deviation between what is and what should be. The assessment gives insight into what kind of intervention is required, knowledge or skill or both. In certain cases when both of these are present and the performance is still missing then the problem may be motivational in nature. It thus, highlights the need and appropriate intervention which is essential to make the training effective.

Training Methods

a. On-the –job training:
 A training which is given to the employees while they are conducting their regular work at their own job place is known as on-the-job training. It includes,
i. Apprenticeship training: It is a structured process by which people become skilled workers through a combination of classroom instruction and on-the-job training. It is widely used to train individual for many occupations like electrician, plumber, iron-workers etc. Under this method of training the trainee is put under the guidance of the master worker. Usually, the apprenticeship period is for two to four years as per the work complexity and under this period, the trainee is paid less than fully qualified workers.

ii. Job instruction training (JIT): JIT is a step by step training program, under which each job basic task along with key point is listed. The steps show what is to be done, and the key points show how it is to be done and why. The four basic steps of JIT are:
Preparing the trainees by telling them about the job and overcoming uncertainties.
Presenting the instruction, giving essential information in a clear manner.
Having the trainees' tryout the job to demonstrate their understanding.
Placing the workers into the job, on their own, with a designated resource person to call upon when they need assistance.
Advantages of on-the –Job training:
i. It is relatively inexpensive than off the job training.
ii. Trainees learn by doing and get quick feedback on their performance.
iii. Employees can begin to contribute to the production process while undergoing the training.
iv. It is a very simple method and employees experience the real job situation.

Disadvantages of on the job training:
i. Chances of damage to equipment during the training period.
ii. Scrap rate and reject rate of the products may high.
iii. Service quality to customer may be affected when a new employee in the training period provides services.(e.g. In restaurant and in banking work)

b. Off-the-job training: The training organize outside the worksite is known as off the job training. Usually it is classroom based and assumes to remove the work-stress and achieve effective learning. The most commonly used off the job training methods are :

i. Class room Lecture or conference: It is the method of delivering the information through oral means. It is quick and simple way to provide knowledge and information to large group of trainees.Under this method, a trainer discusses theoretical aspects of information related to the job.

ii. Films: Motion picture can also be used for providing training to the workers. Usually it is used with conference discussion to clarify and enlarge those points that are basic requirement and key point (activities) for job performance.

iii. Simulation exercise: Any training activity that explicitly places the trainees in an artificial environment that closely mirrors actual working condition can be considered a simulation. It includes, computer modeling, experiential exercises and vestibule training. Experiential exercises: It is usually short, structured learning experiences where individual learn by doing. E.g. managing conflict in an organization: An artificial conflict situation is created and employees have to deal with it, and develop a resolution for it. After completing the exercise, the facilitator discusses what happen and introduce theoretical concept to help explain the members' behavior during the exercise.

Computer modeling: Complex computer modeling stimulates the work environment by programming a computer to imitate some of the realities of the job. It is widely used by airlines in the training of pilots. An error during a simulation offers an opportunity to learn through one's mistake.
Vestibule training: In vestibule training, employee learns their job on the equipment they will be using, but the training is conducted away from the actual work-floor. Usually, the vestibule lab that stimulated the actual workplace environment is created, under which, the trainees train. It allows employees to get a full feel for doing task without "real world" pressure.
iv. Programmed Instruction: Under this technique, the program to be learned is highly organized with logical sequences that require the trainee to response and giving the learner immediate feedback on the accuracy of his/her answers. It is the step by step process that follows the following steps.
Presenting questions, facts or problems to the learners.
Allowing the person to respond.
Providing feedback on the accuracy of the answers
Advantages of off the job training:
Large number of employees can be trained through this method.
The trainee will learn without the work-pressure of the job.
Costly errors and injuries can be avoided during training.
Relatively less time is required as in on the job training.
Disadvantages of off the job training:
Due to large number of trainee, specific job need of the trainee may not be fulfilled.

Due to lack of real working places, there may be low degree of involvement by employees, both mentally and physically.
It is not useful for developing interpersonal skills.
It is relatively costly than on the job training.

Management Development
Management development is any attempt to improve managerial performance by imparting knowledge, changing attitude or increasing skills. In other words, it is a systematic process which prepares managers to handle present and future responsibilities.
According to DeCenzo and Robbins, "Management development is more future oriented and more concerned with education, than is employee training or assisting a person to become a better performer."
Thus, management development is the process of enhancing one's ability to overcome the environmental managerial challenges that is encountered by an organizational setting.

Objectives of management development program
a. Increase the productivity and effectiveness of managers.
b. Assist the organization to identify its future leaders and accelerate their upward mobility.
c. Enable organization to produce the number of competent manger to anticipate growth needs.
d. Encourage self-development and increases ability of managers to take greater responsibility.
e. Enhancing managerial job satisfaction.
f. Encourages the climate of participative management where individual and the organization can mutually set performance goals and measurement techniques.

Techniques of management development:
a. On the job management development: On the job management development includes the following development methods.

i. Job rotation: It means moving management trainees from department to department to broaden their understanding of all parts of the business and to test their abilities. The advantages of this method are: It develops the links between departments, develops employee's flexibility to undertake different types of activities.

ii. Coaching: Under this method, the trainee is guided actively by senior managers. The coach gives guidance through direction, advice criticism and suggestion in an attempt to aid the growth of an employee (trainee).The disadvantages of this method are there is a possibility of continuing the current management style and practices in an organization, heavy reliance on coach's ability etc.

iii. Under study assignment: Under this technique, the potential managers are given opportunity to relieve (ease) an experienced manager of his/her job and act as his/her substitute during the period. Through this method, an individual get opportunity to see the job in total in short period.

iv. Committee learning/action learning: Under this technique, a group of people or team is assigned and gives an opportunity share in managerial decision making, to learn by watching other and to investigate specific organizational problems. This is temporary in nature, however, it increases trainees' exposure to other members, broadens his /her understanding and provides an opportunity to grow and make recommendation under the scrutiny of other committee members.

b. Off the job management development: It includes the following methods.
i. Lecture courses: Different universities and colleges are providing training and development to suit particular organizational needs. This formal lecture courses offer an opportunity for manger or potential mangers to acquire knowledge and develop their conceptual and analytical abilities. This is a popular method of bringing all participants up to a common level knowledge.

ii. Transactional analysis: It is both an approach for defining and analyzing communication interaction between people and theory of personality. The basic foundation of this analysis is that personality consists of three egos state they are the parent ego, the child ego and the adult ego.
Parent ego: It is an ego state of authority and superiority. A person acting in a parent state is usually dominant, scolding and authoritative. The parent state act what he/she was taught so the attitude and behavior is incorporated from external sources.
Child ego: The child consists of tall the forces and emotion that are natural. The person at this state can be obedient or manipulative, charming at one moment and repulsive the next. The child is emotional and act according to how he/she feels at the moment.
Adult ego: The adult ego state is objective and rational. It always seeks for information, analyze it and then only show its behavior .It deals with reality and think before acting.

iii. Simulation: Simulation includes role play, case studies and decision (management) games.
Role play: Role playing is acting on a specific situation. The aim of role playing is to create a realistic situation and then have the trainees assumed the part of specific person in that situation.
Case studies: Under this technique, trainees study the cases of determined problems (taken from the actual experiences of organizations) analyze the causes, develop alternative solutions, select what they believe to be the best solution and implement it. It encourages discussion among participants as well as excellent opportunities for individual to defend their analytical and judgmental abilities.
Decision (management) games: Under this technique, the computer management games are used, which creates the real business situation. The team of member or trainee makes decision by analyzing such situation. Management games can be a good development tools.People learns best by being involved. The trainees develop their problem-solving skills as well as to focus attention on planning rather than just executing activities.

iv. Sensitivity training: Under this method, members are brought together in a free and open environment in which participants discuss themselves. They express their ideas, beliefs and attitudes. The objective of sensitivity training is to provide manger s with increased awareness of their own behaviors and of how others perceive them greater sensitivity to the behavior of others and increased of group process.(It helps to increase the ability to understand other's behaviors, improved listening skills, greater openness, increase tolerance for individual differences and improved conflict resolution skills.)

Evaluating training effectiveness:
Evaluation involves the assessment of the effectiveness of the training program. Evaluating training effectiveness is one of the major functions of training and development program. It acts as a check to ensure that the training is able to fill the competency gaps within the organization in a cost effective way. The reasons behind evaluation of training program effectiveness are:
i. It ensures the fulfillment of the job requirement.
ii. Its feedback mechanism helps to take quick corrective actions, whenever and wherever required.
iii. Cost-benefit trade-off can be ascertained.
Criteria for measuring training effectiveness (Kirkpatrick Model)
Training effectiveness can be measured under four basic criteria. They are:
i. Reaction (Thoughts and feelings of the participants about the training): 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 tools is the questionnaire that analysis the content, methodology, facilities and the course content.

ii. Learning (The increase in knowledge or understanding as the result to the training): At the level of learning the evaluation is done on the basis of change in the attitudes, skills and knowledge of the trainees. The evaluation involves observation and analysis of the voice, behavior, text. Other tools used besides observation are interviews, surveys, pre and post tests etc.

iii. Behavior (extent of change in behavior, attitude or capability): Behavior evaluation analysis helps to know about the transfer of learning from the training session to the workplace. Under this level, how an individual execute his/her activities after training is evaluated.

iv. Result (the effect on the bottom line of the company as a result of training): The result stage makes evaluation towards the objective of an organization (such as: higher productivity, better quality etc) .Here, the definition of the result depends upon the goal of the training program. The evaluation is done by using a control group allowing certain time for the result to be achieved.

Methods (Approaches) of evaluation training effectiveness
Following are the method for evaluating the training effectiveness:
a. Test –retest method: Under this approach, participants are given a test before they being the program. After the program is completed, the participants retake the test. The change in the test score indicates the change in the level of knowledge. This method is easy and simple to conduct however, it is not a valid method.
b. Pre-post performance method: In this method, each participant is evaluated prior to training and rated on actual job performance. After instruction is completed the participants are reevaluated. This method is very useful to examine the effects of training on changing the participants knowledge and skills and their attitudes in the real job situations.

c. Experimental-Control group method: This method is used to evaluate the difference in the knowledge, skills and intelligence of the control and experimental group. Members of the control group work on the job but do not undergo instruction. The experimental group is given the instruction. At the end of the training program, the two groups and reevaluated and if the performance of the experimental group improves, training is regarded as on effective one.
Process of evaluating training program:
a. Developing evaluation criteria.
b. Pre-testing the trainees.
c. Providing monitoring the training.
d. Comparing pre and post ability of the trainees.
e. Evaluation of fulfillment of competency group and take corrective action.

Training and management development in Nepal
Training and management development program is considered as a cost burden function in most of the organization in Nepal. These organizations view training as the requirement of the staff and so the staffs need to pay for the expenses incurred. These organizations do not want to involve their organizational cost in those programs. However due to globalization the new manager and new management teams are changing those views and willing to provide training on organization's expenses. They think if the people are competent enough to execute the activities then, organization can able to compete as well as capitalize the opportunities and sustain in long-term.
Problems in training and management development are:
a. Views as cost burden activities.
b. Show unwillingness to conduct.
c. High labor turnover.
d. Lack of training institution.
e. Lack of implementation
f. Don't know about career development. Etc.

Unit-6 Motivation

The term "motivation" is developed from the English word "motive" which is itself derived from the Latin word "movere". Movere means to move .Motive may be defined as needs, wants, drives or impulses within an individual.

Motivation may be defined as the process of stimulating or inducing people to take the desired course of action. In other words, motivation means to make an individual act in a desired manner.

According to Koontz and Weihrich; "Motivation is to do those things which satisfy drives and desires and induce the subordinates to act in a desired manner."

According to Fred Luthans; "Motivation is a process that starts with a physiological or psychological deficiency or need that activates behavior or a drive that is aimed at a goal or incentive."

According to Ricky Griffen; "Motivation is the set of forces that causes people to behave in certain ways. Motivation thus, defined as a combination of forces inspiring a person at work to intensify his/her willingness to use his capabilities for the achievement of desired goals. It is an act of inducement. Motivation induces people for higher performances. It reduces employee accidents, turnover and absenteeism.

Characteristics of Motivation
The main characteristics of motivation are as follows.

1. Psychological aspects: Motivation is a psychological aspect of management. It is the internal feelings which arise from the needs and desires of a person.

2. Goal Oriented: Motivation causes goal directed behavior. Feeling of needs by the person causes him/her to behave in such a way that he/she tries to satisfy himself/herself. Which trigger to achieve desired goal.

3. Continuous Process: Motivation is a continuous process. When one particular need is fulfilled, another need will activate. Thus, motivation is an unending process.

4. Complex and Dynamic Process: Motivation is complex and dynamic. Individual differ in their needs and wants same motivation techniques may not fit for all. Thus, ever changing needs are challenge for the mangers.

5. Pervasive: Motivation covers all level of manger in an organization. Each and every level must be motivated towards work for the higher performance.

6. Positive and Negative: Motivation may be positive or negative. Positive motivation means inspiring people to work better by providing rewards and incentive such as high payment, promotion, recognition etc. Negative motivation means forcing people to work by punishing them such as: demotion, cut-of-salaries, job termination etc.

7. Intrinsic and Extrinsic: Intrinsic motivation in job related which includes job enrichment, participation, recognition etc. Whereas Extrinsic motivation is money related .It consist of salary, incentive etc.

Importance of motivation

1. Understand employee behavior: one of the drivers of individual behavior is needs which is how motivation is generated. So manager must have an idea of needs and its creation, which help

him/her to understand employees' behavior.

2. Productivity improvement: Productivity deals with maximization of output with minimum input.This are only possible when, the performance of an individual is effective and efficient. Since, motivation generates higher effort towards work, which can be helpful in productivity improvement.

3. Quality improvement: Motivated employees always look for better way of doing job. Which can minimize the wastage and helpful in improving quality. Besides, because of their best effort, TQM can be achieved in an organization.

4. Employee retention: Employees like to remain in an organization only when his/her needs are fulfilled from their work-life. Effective manager always tries to fulfill those needs and create friendly environment and provide opportunity of self development, which, further enhances employee retention.

5. Creativity promotion: Motivated employees are creative and innovative. Environmental changes are easily accepted and adapted by them, which facilitates organizational and industrial development. So, motivation has importance in any organization.

Types of motivation
a. Extrinsic motivation: It is external in nature, money related and is provided by management to employees. E.g. pay, incentive, benefits etc. Usually, extrinsic motivation is short-term.

b. Intrinsic motivation: It is job related motivation. It is a sense of satisfaction on job. It can be achieved through job enrichment, participation, and management by objectives.

Positive and Negative Motivation:
a. Positive Motivation: It is the reward based motivation which tires to create willingness to perform better. It improves performance, increase mutual cooperation and develops trust between employees and management. Positive motivation may take the form of monetary, nonmonetary or both. Examples Monetary Incentive:- pay increment, cash reward, bonus payment, leave with pay, profit sharing scheme, retirement benefit and Non monetary Incentive:- promotion, participation in decision-making ,recognition, autonomy or freedom to work, challenging work.

b. Negative Motivation: Negative motivation means the act of forcing employees to work by means of threat and punishment. It involves disciplinary actions. Examples: Monetary: - fines, penalties, pay cut, Non-monetary:- demotion, threat of dismissal from job, transfer to remote areas, and group rejection. Since, this is not good practice. However, sometimes manager may be compelled to use this technique with a view to prevent them from undesirable behavior.

Motivation Theories:
A. Maslow's Hierarchy of Needs (Abraham Maslow): Maslow hypothesized that within every human being, there exists a hierarchy of five needs.
a. Physiological: Includes hunger, thirst, shelter, sex and other bodily needs.
b. Safety: Security and protection from physical and emotional harms.
c. Social: Affection, belongingness, acceptance and friendship.
d. Esteem: Internal factor such as self respect, autonomy and achievement and external factors such as status, recognition and attention.

e. Self- actualization: Drive to become what one is capable of becoming: includes growth, achieving one's potential and self fulfillment.
Maslow's Hierarchy Needs

Maslow separated the five needs into higher and lower orders.
i. Lower order needs: The needs that are satisfied externally and lower order needs, such physiological needs, and safety needs.
ii. Higher order needs: The needs that are satisfied internally, such as social, esteem and self-actualization needs.

B. .Herzberg's Two factor Theory (Motivation –Hygiene theory)(Friderick Herzberg)
{According to Herzberg, the factors that lead to job satisfaction are separate and distinct from those that lead to job dissatisfaction.}
Psychologist Friderick Herzberg proposed the two factor theory believing that an individual's relation to work in basic and one's attitude toward work can very well determine success or failure. This theory has emphasized the role of two set of factors.

a. Hygiene factors (maintenance factors/job context): This factors results in dissatisfaction when they are not present but this do not necessarily motivated employees. E.g. Salary, job security, working condition, status, company procedure, technical supervision interpersonal relation among superior, peer and subordinates.

b. Motivating factors (job content): This factor satisfies the employee's needs for self actualization. E.g. achievement, recognition, responsibility, advancement, the work itself, the possibility of the personal growth.(it is the outcome of the job)
Satisfaction –no satisfaction
Dissatisfaction –no dissatisfaction.
What the person want from their job?
What situation they felt good and bad about the job?

C. McGregor's Theory X and Theory Y:
Douglas McGregor invented the Theory X and Theory Y, also known as "hard guy, soft guy" approaches of managing people in the organization. It states that, people's commitment to work in organization is influenced by assumptions managers make about people. One set of assumption is called theory X, which describes employees with relatively negative view. And another set of assumption is called theory Y, which describe employees positively.
McGregor's Theory X and Theory Y
Theory X (Traditional View) Theory Y (Contemporary View)
1. The average person dislikes work inherently. 1. The average person does not inherently dislike work but depending on condition
may find work to be satisfying or
punishment.
2. The average person will avoid work if he or
she can.
2. People will exercise self-direction and selfcontrol
to achieve organizational objectives
under certain conditions.

3. Most people must be coerced, controlled or threatened with punishment to get them to work toward the achievement of organizational goals.

3. People will seek to attain their firm's objectives if there are sufficient rewards provided.

4. The average person prefers to direct to avoid responsibility.

4. Under proper conditions the average individual will seek responsibility.

5. The average individual has relatively little ambition and wants security above all.

5. The capacity to use imagination and originality is widely found in the people.

McClelland Three Needs Theory (David McClelland): This theory divides human needs in following category:

i. Need for Power: A need that concerns an individual's need to make an impact on others, influence others, change people or events, and make a difference in life.

ii. Need for affiliation: A need that concerns individual's need to establish and maintain warm, close, intimate relationship with others.

iii. Need for achievement: A need that concerns individual's issues of excellence, competition, challenging goals, persistence and overcoming difficulties. It is the extent to which people want to perform challenging or difficult tasks on a high level. McClelland asserted (stated) that, a person's needs are influence by their cultural background and life experiences.
A person's motivation and effectiveness can be increased through an environment, which provides them with their ideal mix of each of three needs.
Needs can be created and changed through training and education program.

. Expectancy Theory (Victor Vroom): This theory states that, an individual behavior is deriving by the expectation of desired outcome from the activities s/he perform. It assumes that, each individual are rational and s/he takes decision with full conscience. In other words, Expectancy Theory states that an individual tends to act in a certain way based on the expectation that the act will followed by a given outcome and on the attractiveness of that outcome to the individual. It includes three variables or relationship. They are:

i. Expectancy or effort-performance linkage (E---- P): It is the probability perceived by the individual that exerting a given amount of effort will lead to a certain level of performance.

ii. Instrumentality or performance-reward linkage (P----O): It is the degree to which the individual believes that performing at a particular level is instrumental (means) in attaining the desired outcome.

iii. Valance or attractiveness of reward (V): It is the importance that the individual places on the potential outcome or reward that can be achieved on the job. Valance considers both the goals and needs of the individual.
The key factor of expectancy theory is, understanding an individual's goal and the linkage between effort and performance, between performance and rewards and finally, between rewards and individual goal satisfaction. It emphasis on reward and the individual's perception on reward, that, determine the degree of motivation.
The conclusions of this theory are:
No universal principle for explaining what motivates an individual.
An individual should know about, what behavior is expected from his/her by an organization and how s/he is evaluated.
An individual's perception on reward and goal drive his/her performance not the reward itself.

ERG Theory (Clayton Alderfer): This theory tries to overcome the problem of Maslow's Theory. According to this theory there are three categories of human needs hey are:

i. Existence needs: It is related to physiological and safety needs of human beings. E.g. food, shelter, safe working environment etc (basic requirement for existence)

ii. Related needs: It is related to human desire to satisfy interpersonal relationship. These types of needs can be fulfilled by interacting with other people, creating relations, interpersonal safety etc.

iii. Growth needs: It is related to achieve growth and development while working in organization.
As contrast to Maslow, this theory states that:

i. An individual may have both higher order and lower order needs at the same time.

ii. Maslow states that only unfulfilled needs are the prime motivator, however, Aldefer states that, if a person continuously fails to satisfy hi/her higher needs, s/he might return to satisfy lower order needs (i.e. there will be frustration – regression process sin the satisfaction of needs.)

iii. Needs will not follow the rigid hierarchy as Maslow stated in his theory.

 Equity Theory (J. Stacy Adams): The term "equity "is related to the concept of fairness and equitable treatment compared with others who behaves in same way. Equity Theory proposes that, employees compare what they get form a job situation (outcomes) in relation to what they put into it (inputs) and then compare their inputs-outcomes ratio with the inputs-outcomes ratio of relevant others. If an employee perceives his/her ratio

to be equitable in comparison to those of relevant others, s/he perceives that his/her situation is fair. However if the ratio is inequitable, s/he views himself/herself as underrewarded or over-rewarded.

When inequities occur, employees attempt to do something about it and as per the equity theory they may do the followings:

i. Distort either their own or others' inputs or outcomes.

ii. Behave in some way to induce others to change their inputs or outcomes.

iii. Behave in some way to change their own inputs or outcomes.

iv. Choose a different comparison person.

v. Quit their jobs.

The referent with who an individual compare are:

i. The "person" category includes other individuals with similar jobs in the same organization. It also includes friends, neighbor or professional associates.

ii. The "system" category includes organizational pay policies and procedures and the administration of the system.

iii. The "self" category refers to inputs-outputs outcomes ratio that is unique to the individual. It reflects post personal experiences and contacts and is influence by criteria such as post jobs or family commitment.

Perceived ratio comparison Employee assessment

a. Outcome A/ Inputs A < Outcome B/Input B Inequity (under-reward)

b. Outcome A/Inputs A = Outcome B/ Input B Equity

c. Outcome A/ Input A > Outcome B/ Input B Inequity (over-reward)

When employees perceive inequity, they will act to correct the situation. The result might be lower or higher productivity improved or reduced quality, increased absenteeism or voluntary resignation.

Frustration (to cause stress or panic):

Frustration is an obstruction or blocking to goal-attainment (oriented) behavior. This is the result of intra-personal conflict rather than external conflict. When a motivated drive is constrained by barriers before it reaches to desired goal, the situation of frustration arises.

A Model of Frustration

Barriers

a. Overt: It is external. Money, resources, other interferences.

b. Covert: It is internal. Restlessness, low patience, tolerance, higher expectation, hesitation, inferiority complex.

Defense mechanisms:

a. Aggression: It is an unpleasant action such as reaction physically by attacking the barrier. An angry employee ay break tools and equipments may hurt his/her boss by behaving roughly etc.

b. Withdrawal: It is giving up or quitting. Such situation arises when the individual fails to achieve his/her goal for a long time.

c. Fixation: In this situation, an individual continuously try to achieve the goal, even though there is less possibility of achieving the goal.

d. Compromise: The situation where an individual choose a different way or substitute his old goal by new one.

There are the different defense mechanisms that an individual shows in frustration. So manager should carefully diagnose frustration to take action at right time.

Job Satisfaction

It is defined as the employee's attitude towards the job. These attitudes are shape by pay, supervisory style and age factors.

According to Newstrom and Davis, "Job satisfaction is a set of favorable or unfavorable feelings with which employees view their work."

Thus job satisfaction is an intrinsic realization in which an individual value his/her job components and situation.

The job satisfaction level is determined by the differences between job's expectations and actual job conditions.

Factors related to job satisfaction:

i. Pay: -can fulfill and individual basic needs. Equitable and fair (provision of fringe benefits like allowance, insurance, transportation)

ii. Job : -components/ physical or intellectual- autonomy/opportunities to use own skillsmaking decision-job load

iii. Promotion: provision of promotion

iv. Work group: relation between peers, support from colleagues.

v. Working conditions: clean and safe/physical comfort etc.

Unit-7 Performance Appraisal and Reward management

Performance is an individual's action toward any kind of activities. It shows how an individual exert his/her effort in work. So it is directly linked with productivity, efficiency and ultimately, with the achievement of organizational objectives.

Performance appraisal is the process of evaluating an individual's effort on job, and take corrective measures if any deviation is found between actual and standard performance required for a job.

According to Casio, performance appraisal is defined as " The systematic description of jobrelevant strength and weakness of individual or group."

Thus, performance appraisal is process of systematically evaluating performance of an individual with a view to meet prior objective of a job.

The performance appraisal process:
a. Establish performance standard.
b. Communicate performance expectations to employees.
c. Measure actual performance.
d. Compare actual performance with standards.
e. Discuss the appraisal with the employees.
f. If necessary, initiate corrective actions.

Use of performance appraisal:
The basic uses of performance appraisals are as follows:-

a. Reward management: Performance appraisal can be used as a basis for reward allocation. Decisions as to who gets salary increased, promotion and rewards are determined by performance evaluation.

b. Training and development decision: Performance appraisal can be used for identifying areas where development effort are needed. In an organization, management needs to find out those individuals, who have specific knowledge or skill deficiencies. This helps the management to take decision on training and development programs. So to overcome such problems like skill deficiencies, performance appraisal can be used as a major tool.

c. Validation of selection test: Higher score in selection test means higher performer. This can only be valid when and individual performance is evaluated and meets the expectation of job.

d. To evaluate and individual performance: Performance of an individual play vital role in the achievement of an organizational goal effectively and efficiently. Whether workers are putting their full effort on work or not can only be ascertained by certain evaluation. So performance appraisal helps in finding out the ability and performance relation and takes corrective action if necessary.

Methods of performance appraisal:
Following are the method used for performance appraisal.

a. Essay Method: Under this method, the appraiser/rater write an essay related to the employee strength and weakness, previous performance and his/her potentials. Besides, appraiser also point out the weakness and suggest the way for improvement. It is a simple method and gives detailed information of employee. However, it is time consuming and not easy to compare between employees .The biasness of appraiser may also exist in such methods.

b. Checklist method: Under this method, the possible average behavior and characteristics of an individual are listed out. The appraiser check (put tick mark) on those behaviors which are present or showed by the employee. Once the checklist is complete, it is usually evaluated by human resource department not the person doing the check list. The analyst in the personal department scores the checklist as per the importance of listed behavior and feedback to the employee and take corrective action if necessary. This method is easy and helpful in reducing the bias of rater or appraiser. However, it is costly and mainly focuses on employee behavior rather than performance criteria.

c. Forced choice method: The forced choice appraisal is a special type of checklist, but he rater has to choose between two or more statement all of which may be favorable or unfavorable. The appraiser's job is to identify which statement is most descriptive of the individual being evaluated. Once the evaluation is done, the HR department score the answer based on the key (validate answers). This method is bias free. However, it is costly and may be disliked by the appraiser because of forced selection of option.

d. Critical incident: Under this method, the appraiser write down a little story (note) that describe the key behavior of an individual, that make the difference between doing a job effectively or doing it ineffectively. This method looks at the behavior and help HRM to identify the desirable and undesirable behaviors of an individual and take corrective action if necessary. However, it is not used for comparison.

e. Graphic rating scale: A graphic rating scale is the simplest and most popular technique for appraising performance. It lists traits (such as quality and reliability) and a range of performance values (from unsatisfactory to outstanding) for each trait. The supervisor rates each subordinates by circling or checking the score that best describe his/her performance for each trait. The assigned values for the traits are then totaled. This method is easy to develop and comparisons among employees are possible. However, this method is not free from bias, similarly in some cases, the evaluation criteria may not reflects the job performance.

f. Behaviorally Anchored Rating Scale (BARS): It combines the benefits of narrative, critical incident and quantified (graphic rating type) scales by anchoring a rating scale with specific behavioral examples of good or poor performance.
Developing BARS typically requires five steps:
i. Generate critical incidents: person who know the job (jobholders and or supervisors) describe specific illustration (critical incidents) of effective and ineffective performance.
ii. Develop performance dimension: All these critical incidents are grouped on 5 to

10 different job dimension (e.g. Technical ability, knowledge and judgment, human relation skills etc).

iii. Reallocate incidents: Supervisor reallocates the incidents. Each relevant incident is assigned to specific performance dimension.

iv. Scale the incident: All the incidents are scales on 7 to 9 points scales.

v. Each employee in the particular job is rated on each dimension or appropriate scale of the BARS.
Even though it is more time consuming than others appraisal methods. It has the advantages of preciseness, consistency and effectiveness of job evaluation.

g. Alternative ranking method: Under this method, employees are rank from best to worst on a particular trait, choosing highest ,then lowest, until all are ranked .This method takes considerable time for appraising and is based on subjective judgment.
h. Paired comparison method: This method rank employees by making a chart of all possible pairs of the employees for each trait and indicating which the better employee of the pair is. This method allows for the comparison of each employee with every other employee. The paired comparison method is calculated by taking the total of n (n-1)/2 comparisons. This method compares each employee with another one .However it is very difficult when larger number of employees need to be compared.

Reward / Compensation Management
"The extent to which an individual perform his/her duty will depend on the perceived attractiveness of the rewards offered".
How much and employee should be paid? , is deal with compensation management.
Reward is something of value given in return for an act. In other words, reward is what employees received after his/her contribution in an organization. E.g. pay, benefits services etc. In organization, reward is a vital factor for employees' motivation. So reward system must be managed effectively, for the effective performance of employees.
According to Gary Dessler "employee compensation /reward refer to all forms of pay or rewards going to employees and arising from their employment".
Types of rewards
There are two types of rewards. They are:

a. Intrinsic reward: Job related rewards are intrinsic rewards. They are the satisfaction one gets from the job itself. These satisfactions are self-initiated rewards, such as having pride in one's work, having a feeling of accomplishment, or being a part of a team. The techniques to provide intrinsic rewards are job enrichment, job rotation, flex time, shorter work-weeks etc.

b. Extrinsic reward: Money related rewards are extrinsic reward. They include money, promotions, other fringe benefits and the facilities provides from management etc. They are external to the job and come from management. Extrinsic rewards are further classified into two categories. They are:-

i. Non-financial rewards: They do not enhance employees' financial position .Instead, they emphasis on making the life on job more attractive. E.g. preferred (advanced) office furnishing, private parking spaces, business cards, one's own secretary, impressive title etc.

ii. Financial rewards: Financial rewards include both direct and indirect financial payments. E.g. salary, wages, incentives, medical insurance, paid leaves, pension etc. Financial rewards if further divided into two categories. They are:-

Performance based reward: when the reward is allocated or pay-off for performance, it is called performance based reward. E.g. commission, piece work pay plans, incentives system, group bonuses etc. This type of reward system helps to enhance the performance of employees and increases job satisfaction.

Membership based rewards: When the reward is allocated on the basis of being a permanent member of the organization, it is called membership based reward. This includes, cost of living increases, profit sharing, benefits, salary increase on the basis of seniority etc.
Qualities of effective reward/compensation management:

Following are the qualities of effective reward management:
a. Importance: Reward should be important to person receiving them. Since, reward is significantly affected by age, marital status, knowledge level etc; of individuals it should be designed in such a way that, it should reflect the importance to employees.

b. Visibility: Reward should be visible. Employees should know and realize what they get against their effort. This help in comparison between others as well as in enhancing the employees' satisfaction level.

c. Equitable distribution: Reward must be fairly distributed in comparison to the referent group (such as in comparison to other individuals in similar job, in comparison to similar job and in other organization and in comparison to the effort used and outcome received).

d. Flexibility: An effective reward is one that has the flexibility to change with the changes in performance. It should be flexible in terms of the amount paid and the people to whom it is given in an organization.

e. Low cost: Reward should be cost effective. Cost-benefit analysis should be considered while designing the rewards.
Determinants of Compensation:

Followings are the determinants of compensation:
a. Legal consideration: Government rules and regulation provides many guidelines to compensate employees. Companies have to comply with these rules and regulation while determining the pay level for employees.

b. Market rates: Competitive pay system is only possible when organization match its pay with the prevailing market rate. So organization should thoroughly analyze the labour rates and its trends to determine the pay system.

c. Union Pressure: Labour union represents the voice of employees. It plays major role in determining the salary and wages along with other non-financial rewards. Thus, organization should constructively discuss with unions for determining effective reward policy.

d. Job evaluation: Effective job evaluation leads to effective reward policy. So organization should analyze cost and benefits relation, skills required and organizational standard on determining rewards.

Methods of establishing (setting) employee compensation:
Compensation against effort determines the motivation level of employees. So while setting a pay rate or compensation, management should meticulously analyze different variables or determinants affecting compensation.
Following are the methods to set pay rates:

a. The salary survey: It is a method of collecting factual information on pay practices within specific communities and among firms in their industry for comparison purpose. It can be formal (i.e. structural questionnaire is used to collect the data) or informal (i.e. telephone or internet queries.)

b. Job evaluation: It is a systematic comparison done in order to determine the worth of one job relative to another. The fundamental compensable elements of a job, such as skills, efforts, working conditions and responsibility are compared to one another and set pay for each job. Different methods like, ranking method, classification method, factor comparison method and point method can be used to evaluate the job.

c. Wage curve fitting: When management arrives at point totals from job evaluation and obtains survey data on what comparable organizations are paying for similar job, then wage curve can be fitted to the data. Wage curve shows the relationship between the value of the job and the average wage paid for this job.(Fig from book)

d. Wage structure: Finally, the jobs that are similar in terms of classes, grades or points are grouped together and are plotted in a graph to develop an organization's wage structure. The wage structure shows the pay ranges in each grade at stated time period. (Fig from book)

Current trends in Compensation:
Current trends in compensation are as follows:
a. Competency based pay: Competencies are the demonstrable characteristics of a person, including knowledge, skills and behavior that enable performance. So, when the company pays for employee's range, depth and types of skills and knowledge, rather than for the job title s/he holds, then it is called competency based pay. Now a days, companies are

focusing on determining the compensation as per the competency due to the following reasons:
i. Pay for skills or knowledge enhances motivation, which uplifts performance.
ii. Paying for skills, knowledge and competencies is more strategic.
iii. Measurable skills, knowledge and competencies are the heart of any company's performance management process.

b. Broad-banding: It means collapsing or grouping salary, grades and ranges into just a few wild level or bands, each of which contains a relatively wide range of jobs and salary level. Broad-banding supports the hierarchical arrangement of management systems as well as strategic performance improvement initiatives. So it is becoming popular in today's organization.

c. Comparable worth: Comparable worth refers to the requirement to pay men and women equal wages for jobs that are the comparable (rather than strictly equal) value to the employer. Under this several job factors like, skills, effort and responsibility and authority etc are assigned with points and total points are compared between different jobs to provide the similar compensation for similar points. This is used to determine determine the compensation for dissimilar job such as nurse to truck mechanic or technician etc.

Incentive Plans:
Incentive is a additional pay for higher performer to enhance motivation level. In other words, it is monetary benefits paid to employees for outstanding performance .E.g. gain sharing, commission, bonus, piece work plans etc.
Types of incentive plans:

a. Individual incentive plans: It is concerned with individual performance on work sites. Under this, following types of rewards are provided to an individual.
i. Piece rate (piece work) pay: Usually, it is provided to manufacturing worker. Under this, standard output is determined first and the workers are paid higher rate for the output produced above that standard output.
ii. Commission plan: Usually, it is provided to the sales person or the mediator who helps in enhancing the organizational effectiveness. It may be direct (i.e. pay commission per unit sold) or indirect (i.e. pay on overall sales by adding with the salary paid)
iii. Bonus plan: It is a onetime lump-sum amount paid to the management or professional employee for their outstanding performance. Different types of bonus scheme are provided by the organization such as, end of year bonus (i.e. paid at the end of year), spot bonus (i.e. paid on spot once the target is achieved by an individual) etc.

b. Group Incentive plan: It is concerned with providing the reward for the group performance. They are:
i. Piece rate
ii. Commission Plan

iii. Bonus Plan.

c. Organizational incentive plan: It is concerned with the improvement of overall organizational performance. Under this, the additional extrinsic reward is provided to all of the employees to appreciate their efforts. Following are the types of organizational incentive plan:

i. Productivity gain sharing: It is related to productivity improvement. The cost that has been saved on production or operation because of outstanding efficiency improvement is distributed as bonus to the employees.

ii. Profit sharing: Under this, certain percentage of profit is distributed as bonus to all the employees as bonus for their effective performance.

iii. Employee share ownership: Under this employees are given opportunity to participate in ownership by providing shares either as a gift or below the market price. This type of incentive helps to build belongingness towards organization and boost up motivation level.

Union influence on compensation program:

Union is a representative body who vocal the issues and grievances of employees to the management. It collectively promotes and protects the mutual interest of employees. So union play vital role in determining the compensation program in an organization. The union influences compensation programs in the following ways:

a. Pressure to increase salary following some changes in the consumer price index (CPI): CPI give idea about the increasing or decreasing of product. So, when CPI is increased union may give pressure to management to increase the salary or other benefits to meet the cost of living.

b. Securing Jobs: Unions always advocate on securing the jobs of the employees. They vocal on employees' improvement through training and development program instead of little increment in incentive.

c. Work to develop trust between union- management: Union work closely with management. They take part in major HR related decisions such as on compensation, safety, training and development etc., which not only enhance the relation between them but also foster participate management in an organization.

Unit 8 Employee Discipline

Discipline is a systematic method of obtaining obedience from others. In other words, discipline is a condition which allows the employee to show the specific behavior in an organization. According to Gary Dessler, "Discipline is a procedure that corrects or punishes a subordinate because a rule or procedure has been violated."Thus, discipline is an enforcing compliance to control the behavior of employees in an organization.

Type of disciplinary problems: There are different types of disciplinary problems:

1.Attendance related problems : i.Arriving late for work.ii.Absenteeismiii.Leaving work without permission.

2.Job-behavior related problem:

i.Refuse to obey orders (insubordination)

ii.Defective work.

iii.No-reporting of accidents

iv.Drunk on job.

v.Destruction of property.

vi.Fighting on job.

3.Dishonesty related problems:

i.Stealing of organization property

. ii.Falsification of information.

iii.Hiding defective works.

iv.Creating terror in organizational environment.

4.Outside activities related problems:

i.Working for other competing organization

. ii.Humiliate organization by giving embarrassing speech outside.

iii.Involve in other criminal activities outside the organization.Guide lines in administering discipline:

Following are the guideline that should be followed in administering discipline:

a.Discipline should be corrective: Discipline is a condition which enforces the employees to show his/her behavior as per the organizational requirement. So while determining the disciplinary action, regarding the activities, it must be helpful in correcting the behavior of individual rather than punishing them.

b.Discipline should be progressive: Disciplinary action should be progressive in nature. It means hard action should not be taken at once when any disciplinary problems occur in an organization. Typically, progressive disciplinary action begins with an oral warning 0u.1
and proceeds through written warning, suspension and only in the most serious cases, dismissal.

c.Discipline should follow the "HOT STOVE" rule (Doglus McGregor): Usually, disciplinary actions generate resentment (anger) on employees. So hot stove rule should be followed while administering discipline. They are:i.The person breaching the discipline should be affected immediately. ii.The warning related to disciplinary actions should be clearly stated.iii.The action must be fair and is consistent for same type of disciplinary offences. iv.The disciplinary action must be impersonal. It must be focus on

problem not a person and whoever the person action should be same. Disciplinary Actions: (Process/Steps of managing discipline):Following are the steps followed in managing discipline: a.Oral warning: It is a soft disciplinary action taken by any organization. Under this, employees are warned orally about the problem caused by him/her and its effect on organizational setting.b.Written warning: The second step in progressive discipline is the written warning. It is a formal stage of the discipline procedure where written document related to the problem caused by employee is provided. When oral warning does not correct the employee's behavior written warning is give to him/her. c.Suspension: Suspension is a short duration layoff without pay. It prohibits the workers to work in an organization.

d.Demotion: Demotion is a reduction of job level or job grade along with reduction in usual pay. It is a permanent type of disciplinary action which demoralizes the problem employee. It is a constant punishment to the demoted employee and hence has broad implication. Usually, demotion is done to avoid dismissal.

e.Pay cut: It means reducing in usual pay or the other benefits. This approach usually has a demoralizing effect on the employee, but is has been suggested as a rational action by management if only other alternative is dismissal.f.Dismissal: Dismissal means lay off the employees permanently. It is ultimate disciplinary punishment taken by a management. It should be used only for the most serious offenses that seriously interfere with a department or the organizational problems.0u.2

Unit 9 Labour relation-

Grievances and Disputes Settlement Labour relation is defined s the interrelationship between workers, employers, government and other social authorities. In other words, it is a common ground to harmonize the discrepancies between workers, employees and society.

Purpose of labour relation: The purposes of labour relation are as follows:

a.Institutionalization of relationship: The major objective of labour relation is to develop harmonious relation under legal framework. Labour relation generates the understanding of rules and regulation and helps all parties to act or work accordingly. E.g. the trade union- Act describes the role and responsibility of union members, the Labour Act makes provision for the welfare and right of the employees for collective bargaining.

 b.Industrial peace: Labour relation ensures industrial peace through collective bargaining. Any problem created or generated is handled effectively through negotiation and discussion that helps on fostering peace in an organization.

c.Open communication: Labour relation encourages open communication between concerned parties i.e. labour union, management and government etc. Open communication clarified the issues and grievances of labour, which is helpful in solving them constructively.

d.Change management: Change management is only possible when there is acceptance of change by labors. Labour relation encourages innovation and imagination, to make a firm competitive in the local as well as global scenario, which is how change management is possible.

 e.Productivity: Effective coordination and cooperation are necessary for enhancing productivity in an organization. So, to improve efficiency of both employees and organization, labour relation plays vital roles.

The actors of industrial relation systemThe key actors of labour relation system are workers, employers and society

 a.Workers and Unions: Workers are the people who sell their physical and intellectual skills and abilities to the organization. Without them organization cannot imagine of any implementation of their plans and activities. So, in developing a sound industrial relation they play a direct role. And any issues of the workers if not addressed effectively may leads to strike, lockout etc.The representative body which negotiates with the employers for the mutual interest of workers is called unions. The workers problems are vocal by unions. It is an organization of workers which inform, warm and pressurize the employers to address the workers problems constructively. Along with the workers the union also play vital role in creating the sound industrial relation.

b.Employers and Employers' association: Employers are the people who buy the physical and intellectual skills and abilities of workers. They are the job creators. They are the 0u.1 entrepreneur, innovator, mangers etc, determined to achieve their mission by collectively utilizing the effort of workers. So, in generating a sound labour relation, their role is vital. Employers are represented

by employers' association. They vocal on the welfare of employers and involve in negotiating with labour unions for mutual benefits. Thus, along with the employers this association also play important role in creating a sound labour relation system.

c.Society: Society includes both government and other pressure groups. Government formulates rules and regulation, monitors the activities of both labors and employers, and enforces the compliances of law in labour relation. It plays vital role in institutionalizing the labour relation. Other actor in labour relation system is pressure groups .

These are the special interest group like Human Right Commission, Civic Society, Environmentalist ,media etc. They lobby and pressurize government to protect the interest of labour and employers.

Employee Grievances:

It is a compliant of dissatisfaction against employers, that may caused by different factors like wage, working hours, working condition of employment etc. In other words, it is an employee's perception of unfair treatment on the job. According to Trotta, "A grievance is a complaint about a job that creates dissatisfaction or discomfort, whether it is valid or not. The compliant may be made by an individual or by the union." Similarly, according to Keith Davis, "Grievance is any real or imagined feeling of personal injustice that an employee has about the employment relation." Thus, grievance is a formal complaint on factual or imaginary hardship suffered by the employees to the employers. Causes of employee grievances:The causes of employee grievances are as follows:a.Unclear job contracts between management and labour: The job contract between management and labour must be clear. It means terms and condition of job such as pay, other benefits ,job level, workplace ,job goals as well as the employees' expectation from the job must be clear between both the parties. So, when they are unclear, both may interpret on their own way which creates employee grievances. b.Violation of labour agreement by management: When management deliberately violates the labour agreement such as lower pay, inequitable treatment, unsafe working places etc. then, a grievance arises.c.Unfair labour union practice: Labour unions are the representative body of workers who works for employees' benefits. However, due to political motivation such unions even interfere unnecessarily on working process of organization. This is also a cause of employee grievances.

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d.Perceived unfair treatment by superiors: Due to unfair supervisory role against subordinates, such as, unclear instruction, scolding, unfair treatment, harassment etc causes employee grievances in an organization.

e.Personality trait: Some employees are always complaining. Due to inferiority complex or having the habit of drawing unnecessary attention towards oneself, employees complain on every little matter. They are habituated in voicing grievances.Handling employee grievances (grievance procedure):

Following are the methods of handling grievances:
a.Open door policy: Under this policy, employees can freely complain about their problems to management. They walk-in any time and express their grievances. Management encourages expressing their problems, and handling them effectively in a mutually satisfying way. This method is popular in small organization and is helpful in promotingupward communication form employees to management.

b.Grievance procedure: It is a formal organizational mechanism for dealing with employee grievances. The steps in grievances procedure are: (figure from Book)
 i.Grievant to Supervisor: Firstly grievant orally communicate with his/her immediate supervisor. The supervisor discusses and gives decision to the problem. If the grievant is not satisfied on decision or solution, s/he proceeds further to next step.

ii.Grievant to Department Head: When grievant is not satisfied with the supervisor's solution, s/he communicates with department head in written form i.e., s/he filesthe problem. Department head gives his/her decision for concerned issue in a fixed time period. And, if it still not satisfies the employee, s/he proceeds further to grievance committee.

iii.Grievant to Grievance Committee: The committee which comprises both the employers and employee to handle grievance is a grievance committee. When employee is not satisfied with department head's solution or decision, the problem is presented to grievance committee. After careful analysis, the grievant committee gives its decision. And if the decision is still not satisfying to employee s/he may proceeds to top level management.

iv.Grievant to Top Level Management: After careful analysis top level management gives decision to employee to solve the problem. Again, if top management decision does not satisfy the employee s/he proceeds to final solution procedure, i.e. voluntary arbitration. v.Voluntary Arbitration: It is an independent third party ,whose decision will be final and is binding on both parties .When employee is not satisfy with top level management's decision, the grievance is referred for voluntary arbitration .Here, both parties present evidence and are cross examined and final decision is made, which must be followed by both the parties.

Labour Disputes:
Dispute is an argument. In other words, labour disputes are defined as the disagreement on issues or problems of workers with management. In organizations disputes occur on the interest and rights of workers with the management. The major causes of disputes are, wage and salary, other fringe benefits, personal cause, indiscipline etc.Prevention of disputes:Following are the ways of preventing disputes in organizations:
 a.Open communication: There must be open communication between workers and management. Effective communication helps both the parties to understand each other and helps in analyzing the issues for constructive solutions.
 b.Regular monitoring: Regular monitoring of work helps to fine out the discrepancies in the behavior of workers. If the superior find any such changes, then s/he acts effectively to solve it which helps on preventing disputes.

c.Participation: Employee participation on decision making helps on preventing disputes in an organization. Effective participation builds trust and enhances motivation which is major factors for preventing disputes.

d.Equity: Equitable treatment on salary, participation, career development etc to the employees is helpful in preventing disputes in an organization.

 e.Feedback: Feedback helps the employee to know what they are doing and correct if there is any deviation between actual and standard performance. It also helps in enhancing confidence level of an employee. Thus, feedback also consider as a major tool in preventing disputes.

f.Collective bargaining: It is a process through which representative of management and the union meets to negotiate a labour agreement. So, contract resulting from collective bargaining helps in preventing disputes in an organization.

g.Counseling: Counseling is also an effective tool to prevent labour disputes. It helps to understand the problem of employees and take effective solutions.

Settlements of Disputes: Methods for disputes settlements are as follows:

a.Grievance procedure (Individual decision): It is a upward communication process through which a worker can take his/her grievance to successively higher levels of management.

b.Collective bargaining (Group/Joint Decision): This method is widely used for the settlement of labour disputes. Under this, the labour union negotiates with management for the settlement of disputes which benefits mutually.

c.Adjudication method (Third party decision): It is a process of settling disputes by ordinary courts, labour courts or a tribunal. The decision under this method is final and binds both the parties to follow